

Leadership and Team Building

UDAY KUMAR HALDAR

*Ex-Principal
Swami Vivekananda Institute of Management
and Computer Science
Kolkata*

OXFORD
UNIVERSITY PRESS

OXFORD
UNIVERSITY PRESS

YMCA Library Building, Jai Singh Road, New Delhi 110001

Oxford University Press is a department of the University of Oxford.
It furthers the University's objective of excellence in research, scholarship,
and education by publishing worldwide in

Oxford New York
Auckland Cape Town Dar es Salaam Hong Kong Karachi
Kuala Lumpur Madrid Melbourne Mexico City Nairobi
New Delhi Shanghai Taipei Toronto

With offices in
Argentina Austria Brazil Chile Czech Republic France Greece
Guatemala Hungary Italy Japan Poland Portugal Singapore
South Korea Switzerland Thailand Turkey Ukraine Vietnam

Oxford is a registered trade mark of Oxford University Press
in the UK and in certain other countries.

Published in India
by Oxford University Press

© Oxford University Press 2010

The moral rights of the author/s have been asserted.

Database right Oxford University Press (maker)

First published 2010

All rights reserved. No part of this publication may be reproduced,
stored in a retrieval system, or transmitted, in any form or by any means,
without the prior permission in writing of Oxford University Press,
or as expressly permitted by law, or under terms agreed with the appropriate
reprographics rights organization. Enquiries concerning reproduction
outside the scope of the above should be sent to the Rights Department,
Oxford University Press, at the address above.

You must not circulate this book in any other binding or cover
and you must impose this same condition on any acquirer.

Third-party website addresses mentioned in this book are provided
by Oxford University Press in good faith and for information only.
Oxford University Press disclaims any responsibility for the material contained therein.

ISBN-13: 978-0-19-806257-8
ISBN-10: 0-19-806257-5

Typeset in Baskerville
by Jojy Philip
Printed in India by Chaman Enterprises, Delhi 110002
and published by Oxford University Press
YMCA Library Building, Jai Singh Road, New Delhi 110001

© Oxford University Press. All rights reserved.

Contents

Foreword v
Preface vii
Acknowledgements xi

PART 1 Leadership

1. Leadership—A Conceptual Background	3	2. Attributes of Leaders	50
<i>Opening Case: In Search of Self-management Dimensions</i>	3	<i>Opening Case: Misappropriation of Power</i>	50
The Business Scenario	5	Concepts of Power and Authority	53
Managerial Activities and Roles	7	Leadership Skills	60
Understanding Leaders and Leadership	13	Leadership Traits	61
Leaders and Managers	16	Intelligence and Leadership	65
Leadership—The Changing Paradigm	19	Influencing Tactics	68
Prerequisites of Organizational Leaders	20	Developing Leadership Skills	71
Leadership Development Drives by Organizations	29	<i>Closing Case: Crisis Management</i>	74
Leadership Effectiveness	30	<i>Annexure 2.1: Personality Traits and Situations</i>	75
Leadership Pipeline	31	3. Perspectives on Effective Leadership Behaviour	78
Myths and Realities of Leadership	32	<i>Opening Case: Searching for a Leadership Style</i>	78
Leadership in Different Cultures	34	Leadership Style—Two-Dimensional	81
Attributes of Effective Leaders	35	Leadership Taxonomy	91
Current Issues in Leadership	36	Leadership	95
Universal Inner Structure of Effective Leaders	40	Leadership and Management	98
<i>Closing Case: Fostering Young Leaders</i>	48	Specific Behaviours	101
		Evaluation of Behaviour Approach—A Discussion	108

	<i>Closing Case: Specific Relation Behaviours by Leaders</i>	112	
4.	Theories of Effective Leadership	114	
	<i>Opening Case: Lesson on Leadership Style</i>	114	
	Contingency Theories	117	
	Contingency Theories at a Glance	137	
	<i>Closing Case: Leadership Style for Effectiveness</i>	141	
5.	Contemporary Leadership Styles	143	
	<i>Opening Case: Leading Differs from Managing</i>	143	
	Familiar Leadership	145	
	Value-based Leadership	154	
	Spiritual and Servant Leadership	157	
	Boundary Spanning and Team Leadership	164	
	Level 5 Leadership	166	
	<i>Closing Case: Transforming Managers to Leaders</i>	172	
6.	Motivation, Satisfaction, and Performance	174	
	<i>Opening Case: An Aggrieved Intolerant Employee</i>	174	
	Motivation	176	
	Satisfaction—Concepts and Meaning	188	
	Performance	195	
	<i>Closing Case: Restoring Job Satisfaction</i>	201	
	<i>Annexure 6.1: Job Satisfaction Survey</i>	203	
7.	Leadership Behaviour—Dimensions and Assessment	205	
	<i>Opening Case: Identifying Leadership Potential in Elite Engineering</i>	205	
	Early Studies of Leader Behaviour	207	
	Assessing Leadership Potential	211	
	Measuring the Effects of Leadership	212	
	Managerial Derailment and Self-defeating Behaviour	213	
	Self-defeating Behaviour	215	
	Development Planning and the Pipeline	215	
	Professional Development	217	
	Leader–Member Exchange Theory	224	
	<i>Closing Case: Developing Leadership Qualities in Managers</i>	232	
	<i>Annexure 7.1: A Modified Scale of Howell and Costley</i>	233	
	<i>Annexure 7.2: Leadership Style Survey</i>	235	
8.	Leadership Development	239	
	<i>Opening Case: Need for Behavioural Modification</i>	239	
	Leader Development	242	
	Need for Leadership	249	
	Leadership Developmental Mechanisms	253	
	Organizational Drives to Develop Leadership	258	
	Leadership Passages:		
	An Overview	163	
	Flowchart of Leadership Development	269	
	<i>Closing Case: Leadership Development at Infosys Technologies—The Infosys Model</i>	274	

PART 2 Teambuilding

- 9. Essentials of Building and Managing Teams 283**
- Opening Case: Organizing Work Teams—Apollo Engineering Works* 283
- Individual vs Group vs Team 286
- The Nature of Groups 287
- Group Forming 291
- Roles 293
- Theoretical Approaches to Groups 298
- Group Development Stages 301
- Understanding Teams 304
- Differentiating Groups and Teams 304
- Characteristics of a Team 309
- Roles of Team Members 310
- Making Teams Effective 311
- Managing Virtual Teams 316
- Fostering Team Creativity—
Collective Wisdom 320
- Basic Skills of Team Leaders 326
- Advanced Skills of Team Leaders 335
- Team Building for Work Teams 347
- Building High-performance Teams 349
- Managing Groups and Teams 352
- Closing Case: Turning Individuals into Team Players—Apollo Engineering Works* 359
- 10. Team Effectiveness 361**
- Opening Case: Organizing Work Teams* 361
- Determinants of Group Processes 363
- Determinants of Team Performance 364
- Types of Team vis-à-vis Leaders' Skills and Behaviours 368
- Facilitating Team Building 371
- Interpersonal Competence 372
- Team Effectiveness 375
- Closing Case: Facilitating a Dysfunctional Team* 391
- 11. Research Findings and Training 393**
- Research 1: Leadership Styles on Followers' Satisfaction 393
- Research 2: Determinants of Team Effectiveness 397
- Some Research Findings 400
- Research Questions 402
- Training 403
- Effective Training on Leadership 421
- Drives by Academic Institutes 421
- Annexure 11.1: Identifying Factors Affecting Team Effectiveness* 425
- Annexure 11.2: Identifying Training Needs* 430
- Annexure 11.3: Identifying Training and Development Needs* 431
- Annexure 11.4: Procedure for Control of Documents* 433
- Annexure 11.5: Procedure for Control of Records* 435
- 12. Team Building—Activities and Outcomes 437**
- Purpose of Team Building 438
- Ten Team Activities 439
- Concluding Remarks 457

Appendices

Appendix A: Understanding Followership 463

- Three Truths of Followership 463
- Roles and Responsibilities of Followers 464
- Trusting Relationships 466
- Strategies to Promote Followership 467

Appendix B: Leader Achievers—Biographies of Organizational Leaders 471

- N.R. Narayana Murthy 471
- Kumar Mangalam Birla 474
- Ratan Tata 476
- Azim Hashim Premji 477
- Dhirubhai Ambani 478
- Jack Welch 480
- Steven Paul Jobs 483
- Concluding Remarks 486

Index 488

Leadership—A Conceptual Background

Learning Objectives

After studying this chapter, you will be able to

- ▶ Understand the changing nature of managerial work
- ▶ Explain the importance of leaders in a globalized environment
- ▶ State the difference between leaders and managers
- ▶ Define the changing paradigm of leadership in organizations
- ▶ Identify the various dimensions of leadership
- ▶ Understand leadership effectiveness and the need for developing leaders
- ▶ Define leadership in different cultures
- ▶ State the universal inner structure of effective leaders

OPENING CASE

In Search of Self-management Dimensions

Modern Caterers (MC),* headquartered in Kolkata, had been in business for more than three decades and acquired a good reputation. In the initial years, word-of-mouth publicity helped MC to get new business, even from distant places. Accordingly, MC had expanded its business to nearby cities, with a focus on adding industrial clients. The systematic upgradation and marketing of its services through various media channels added to its popularity. MC, owned by Mr Barin Ganguly, was one of the most admired organizations in social and corporate circles.

Till very recently, the business had witnessed an exponential growth and

* The case is based on a reputed caterer who gained huge popularity in the 1980s, expanded his business, but could not sustain it and so lost substantial market share. The name of the caterer has been changed.

the organization's human resources had grown manifold. MC had expanded its operations to Chennai, Mumbai, and Ahmedabad. It had recruited many chefs, waiters, supervisory personnel, and servers from the region, deploying the existing supervisory persons to take over the new offices as managers. But it was in 2006 that Mr Ganguly started feeling the need for a relook into the business processes. During an international seminar, organized by a nationally acclaimed professional institute, MC could not deliver the services on time. The institute strongly criticized the matter and took it up with the caterer's manager-in-charge, Mr Chaudhuri. It pointed out a series of lapses and also the unprofessional way of handling of the situation by Mr Chaudhuri, who got impatient and reacted to these allegations in an unacceptable manner. The institute, in its meeting, decided to look for a new caterer. When Mr Ganguly came to know about all this, he decided to pacify and renegotiate, but the discussion turned ineffective, what with Mr Chaudhuri reacting vehemently to the comments made by the organizers. Mr Ganguly failed to control the situation.

In another instance, a client wanted MC to undertake the interior decoration of the ceremony venue in addition to the catering. But Mr Chaudhuri expressed his inability to fulfil this requirement. Further discussions were futile and the client did not conclude the contract with MC. There were some other cases where waiters entered into arguments with clients/invitees, which led to serious issues later. One such case turned nasty because neither Mr Ganguly nor the manager was present at the venue. The host could not manage the situation and lodged a legal complaint against MC.

With business growing, the desired skill set of most of the employees was an attention area. The employees failed to understand the impact of their role in relation to the other people at MC. Interpersonal sensitivity and communication skills were low and resulted in MC losing many corporate customers and reputed social clubs. Mr Ganguly tried to analyse the various possible reasons behind these losses, with a view to rejuvenate the business. He felt that most of the disputes were a result of people having different beliefs, choices, attitudes, etc.

Learning points

1. Organizations need to develop a positive work culture.
2. A manager must have the ability to arbitrate.
3. Networking is essential for growth in business.
4. A manager should be able to assign responsibilities to people with the right attributes.
5. People at the helm of affairs should have a vision.

INTRODUCTION

The Indian economy continues to grow at a rapid pace, led by information technology-based services and the business process outsourcing (BPO) industry. Attracting and retaining talent is the key issue for companies. Organizations continually strive to improve the multi-skilling and multi-tasking abilities of employees, outsource several business processes, control production costs, reduce overheads, and undertake similar measures. Thereafter, the strategic challenge for companies is to develop leaders fast enough to keep up with the growth of the business and cope with the changes in the environment.

A leader needs to have certain characteristics—a positive attitude, honesty, consistency in behaviour, perseverance, and love for people. Moreover, a leader must be a good person; must have distinctive leadership characteristics—patience, kindness, goodness, faithfulness, gentleness, and self-control. He/she has to exhibit these characteristics in the course of working with others and leading team-mates, group members, and others.

In this chapter, you will be introduced to concepts regarding the nature of managerial work, leaders and leadership, distinction between managers and leaders, the changing paradigm of leadership, the prerequisites of organizational leaders, and, at the end, the universal inner structure of effective leaders.

THE BUSINESS SCENARIO

Business organizations are now operating in a dwindling business environment—domestic and international—and in a global village. Most of the modern industrialized world is unable to extract the best from the available human resources. The paradox is that to a large degree, we are constrained by the level of employee productivity. Huge investments are made in technology upgradation, process improvement, structuring system, and so forth. Collaterally, improving human productivity must be a never-ending effort.

Most of the modern industrialized world is focusing on the available human inventory. This organizational phenomenon permeates every aspect of business. Performance excellence leads to business excellence which is ‘doing the simple things perfectly so that more time and money can be spent on the more complex issues’.

Any seminar information brochure on leadership will emphasize that as a result of globalization, we are witnessing integration or commonality

in the context of businesses, economies, and societies across the world. It is an era of numerous social, economic, and cultural convergences, notwithstanding divergent consumer preferences, varied business perspectives, and atypical geopolitical conditions among nations. We all are required to look at the business scenario, particularly from a down-to-earth perspective, and initiate steps to survive. Let us take a brief look at the prevailing business scenario.

A Few Instances

In this section, examples of businesses like Shoppers Stop and the Future Group and of sectors and industries such as aviation, information technology, outsourcing services, and academia are highlighted (Majumdar and Dmonte 2008).

Till a few months back, Shoppers Stop, a leading chain of retail stores in India, was busy chasing headhunters to find candidates ‘willing to join’. However, the company has decided to be very selective in filling up new vacancies and will recruit only when new stores come up. The Future Group says that its companies owning large retail chains, such as Pantaloons and Big Bazaar, have cut people cost by 1 per cent by linking salaries with performance and further emphasizes that ‘human capability is infinite and multi-tasking is the order of the day’.

In the aviation sector, Jet Airways laid off 800 employees and announced a further lay-off of 1150 employees. But, the laid-off employees were reinstated within 24 hours after a public and political outcry. The company is still reeling under the pressure and is experimenting. In the same sector, Kingfisher Airlines has slashed the salaries of its co-pilots by 90 per cent.

Wipro Technologies has put 4–5 per cent employees under the scanner for non-performance though it says that ‘this is a regular annual exercise’. Bangalore-based IT service provider MphasiS (part of Electronic Data Systems, commonly known as EDS) has reduced hiring plans by almost 50 per cent. It had earlier announced that it would recruit 8000 people, but now the company plans to recruit only 4000 people. TeamLease, the largest staffing solution company of India, was earlier recruiting people without much emphasis on job specifications. Now TeamLease has changed its recruitment strategy. It is obvious that we have moved from ‘plenty’ to ‘paltry’. Just a few years back, McKinsey, the global management consulting firm, estimated that India’s factories would need 73 million workers by 2015 (50 per cent more than the existing strength today).

All the above facts are posing threats and challenges to organizations, which are now finding ways and means to get more from people and encourage team work. Thus, they are looking for leaders capable of uniting, motivating, and driving the workforce and producing results. Let us now understand the activities of managers and their roles.

MANAGERIAL ACTIVITIES AND ROLES

Managers are organizational leaders who perform a variety of roles. A particular 'behaviour pattern' is expected of them. In order to perform their roles, managers need certain skills, that is, the ability to perform the roles effectively. To gain these skills, managers must have appropriate traits, a variety of individual attributes. Let us now focus on understanding the roles, skills, and traits of organizational leaders.

Roles

Role comprises the behaviour pattern expected of a person. The well-known strategic management guru Henry Mintzberg (1973), in one of his most authoritative studies, proposed the approaches used by managers. According to Mintzberg, broadly, the three types of roles are interpersonal, informational, and decision making.

The interpersonal role encompasses figurehead, leadership, and liaison roles. In order to discharge the interpersonal role, a manager has to represent his/her organization as a figurehead and perform ceremonial duties (greet visitors, attend weddings, entertain customers and certification bodies, attend invitations to social events conducted by civil authorities). As a figurehead, he/she also links the organization with the environment. As an organizational leader, he/she gets things done through people. He is also responsible and accountable for the actions and performance of his/her subordinates. He/she must keep in mind that a manager's performance is the sum of the performances of the junior colleagues, and he/she has to accomplish more than other junior members. Moreover, the liaison role, he/she works with everyone (insiders and outsiders), develops networks and partners, builds and joins alliances and coalitions, and constructs relationships.

While discharging the informational role, a manager has to monitor the inflow of information, disseminate information, and act as a spokesperson. To monitor, he/she has to constantly look for useful information, search both inside and outside the organization, talk to junior colleagues, and develop a network for collecting information from all possible sources.

The disseminator role includes conveying factual information in meetings, analysing and interpreting data, and providing the required information to subordinates. As a spokesperson, he/she transmits information to people outside and keeps the external agencies well informed, and hence, he/she must speak diplomatically.

A leader has to take decisions with regard to entrepreneurship, handling disturbances, allocating resources, and negotiating. He/she needs entrepreneurial zeal to improve the departments or cost centres, consider technological upgradation, and launch innovative products. He/she is required to make difficult decisions, think analytically, undertake problem-solving, and ultimately arrive at solutions. The leader has to assess resource requirements and provide the right resources in order to achieve the business goals. He/she has to negotiate, whenever required, between the employees and outsiders (in the turbulent business scenario of today) using knowledge, experience, maturity, pragmatism, wisdom, and authority.

Managers have to undertake challenges, accepting a variety of new types of assignments, and deal with improvement projects. Mintzberg (1973) explains in a very lucid manner how a manager should handle and deal with the improvement projects: 'The manager as supervisor of improvement project may be likened to the juggler. At any one point in time he has a number of balls in the air. Periodically, one comes down, receives a short burst of energy, and goes up again. Meanwhile, new balls wait on the sideline and, at random intervals, old balls are discarded and new ones added.' This excerpt is meaningful with regard to resource utilization, leading to the successful achievement of team goals.

The role of senior managers includes identity-creating, enabling, synergizing, balancing, networking, futuristic thinking, impact-making, and superordinating.

- **Identity-creating** is producing a special place or image by launching employee welfare measures, installing technological innovations, and initiating an optimal method.
- **Enabling** includes developing resources, providing an improved environment, empowering junior colleagues, and giving them challenging tasks.
- **Synergizing** refers to motivating people to work in teams, getting more and more from people, matching human resource with other resources, and maximizing the output from the workforce.
- **Balancing** encompasses encouraging subordinates to comply with rules, expectations, procedures, and norms, considering failure to

conformance, using the creative potential of subordinates, maintaining a balance between conformance and creativity, and achieving results using innovation.

- **Networking** means realizing social obligations, sharing technical know-how, and establishing linkages with technical and financial organizations and educational institutes.
- **Futuristic thinking** means discharging duties for the survival and growth of the organization, meeting emerging needs, withstanding market pressures, and foreseeing and preparing for changes.
- **Impact-making** refers to distinctly visible contribution, value addition to the product that influences customers, converting customers to ambassadors of the product and the company, and developing products that have competitive advantage.
- **Superordinating** is inculcating a sense of pride in the employees, ensuring a sense of fulfilment in the workforce, constantly motivating the workforce, and making the members feel that their contribution to the society organisation organisation is valued.

Major research findings about the nature of managerial work reveal that a manager's pace of work is hectic and unrelenting, the content of work is varied and fragmented, and many managerial activities are reactive (Yukl 2007). Typical managers work for long hours and take work home to keep their desk clear. Their content of work varies widely and is never of routine type. Added to this, they go ahead with a certain consideration; but actually, in view of changing situations, they are required to follow an alternative course of action. Thus, they become reactive though they desire to be proactive.

Managers Take Responsibilities

A company is a social institution. Its existence depends upon its harmonious relationship with the multiple segments of society. The harmonious relationship originates and emanates from positive responsiveness of the firm to society. The responsibilities of a manager arise out of the social interactions during the pursuit of business. A manager interacts with the employees, shareholders, distributors and retailers, customers (end-users), suppliers, regulatory bodies, etc. The interactions may be direct or indirect. In any case, the firm has to uphold a positive image. Upholding the firm's image is primarily the responsibility of managers.

The responsibilities of managers pervade many segments in an organization. Managers bear the responsibility towards employees,

customers, shareholders, suppliers, retailers, unions, industry and competition, society, and the government.

A manager's responsibility towards customers (end-users) includes understanding and finding their stated and implied needs, providing the desired quality at a reasonable price, and ensuring on-time delivery in addition to considering the safety, purity, hygiene, and aesthetic appeal of the product.

Responsibility towards shareholders encompasses distributing dividends on a regular basis.

Developing suitable wage and salary structure and compensation packages, ensuring a safe and healthy work environment, providing facilities as stated in regulatory frameworks, such as the Factory Act and Safety Act, are the responsibilities towards employees.

Responsibility towards suppliers includes developing contacts with them, maintaining a two-way relationship, and helping to keep their wheel of production moving.

Organizations should bear the responsibility towards distributors and retailers suitably.

Unions and associations represent the collective strength of the workforce. Helping them to register with the competent authority, recognizing them, and involving and encouraging them in the decision-making process are some of the responsibilities of managers.

Responsibilities towards the government include fulfilling all the regulatory obligations, paying all taxes, dues, and duties regularly and fairly, and registering the company with the registrar of companies. An organization operates in a society. Therefore, it has to discharge its responsibility towards the surroundings and society by not polluting the environment and by ensuring that people can breathe fresh air and drink pure water.

In order to discharge the stated responsibilities, managers or the organizational leaders need a variety of skills. The skills definitely include technological skills; but what a manager needs more is to get along with people, unite various persons from diverse cultures and dissimilar academic backgrounds, and divergent views to achieve a common goal. A leader has to execute multiple responsibilities including dealing with individual differences. Changes in the nature of managerial work are discussed in the next section. The nature of managerial work is continuously changing.

Changes in the Nature of Managerial Work

Societal and cultural issues are now influencing the management of organizational personnel. In India, following globalization and economic

liberalization, foreign companies are setting up their businesses individually in India or collaborating with Indian companies. Thus, people from widely different cultures and philosophies are changing the business environment, more so in the case of people of dissimilar and diverse cultures collaborating and working together. Depending on their level in the organizational hierarchy, diverse people are formulating the policy in multiple functional areas. People from different countries are impacting society as well. The cultural diversity of the workforce within the organization is increasing.

Computer and telecommunication technology is enabling storing of huge amounts of data and providing information in the desired format to anyone located anywhere in the world at any time. The scope of information technology has broadened. As a consequence, the demands from responsible persons have increased. Yukl (2007) emphasizes that as electronic communication becomes more important, leaders will need to adjust their behaviour to align with the new technologies.

Many organizations are decentralizing their activities, eliminating departments by switching over to self-managed groups, implementing a semi-autonomous work culture by splitting the organization into smaller units, flattening by removing middle levels to the extent required, introducing concepts of work levels, and restructuring around product teams that cut across functional or geographical domains. In team-based organizations, the persons responsible for heading the teams rely heavily on coaching and facilitating rather than directing and controlling.

These are some instances of change in the present organizational scenario. In order to cope with the changes in the socio-cultural, economic, and political spheres, the nature of managerial work is constantly changing and so too is the work content of a manager. The above changes need more 'leading' and less 'managing' in the context of the theory of demand, constraint, and choices.

Theory of demand, constraint, and choices

The 10 managerial roles identified by Mintzberg (1973) describe the behaviour commonly used while executing the tasks assigned to or identified by a manager. However, descriptive research indicates that managers also have unique role requirements that are specific to a particular type of managerial position in a particular type of organization (Yukl 2007). Yukl (2007) emphasizes that demands, constraints, and choices define the job of a manager and are strong influencers of the behaviour of everyone who occupies the managerial position.

Demands Managers have to perform several activities to discharge the responsibilities assigned to them. They have to achieve quantitative targets within a scheduled time-frame, as well as meet the qualitative requirements. They have to conform to the set company standards, comply with the norms, and adhere to the code of conduct.

In quality system-certified organizations, a manager has to ensure compliance with the documented system, procedures, and instructions. He/she also has to maintain records in the prescribed formats.

A purchase manager has to consider the budget, a quality manager has to ensure compliance with the quality standards, a maintenance manager has to undertake certain preventive maintenance to reduce machine downtime, a material manager has to guarantee the availability of the right material of right quality at the right time, and a production manager has to keep the wheel of production rolling.

These are some examples of demands on managers in their respective functional areas. Some demands can be generic, being identical for all managers of an organization, and some demands specific to a functional area, encompassing operational requirements.

Constraints Organizational rules, procedures, standing instructions, and the environment limit managers' way of working. But these are essential for a consistent response against the same stimuli. Under identical situations, different managers may initiate different actions based on their perceptions, which may lead to disparity and disproportionate treatments. If for the same grievance two persons receive different treatment in the form of benefits, it may lead to labour unrest. Thus, constraints like bureaucratic rules and regulations ensure consistent managerial responses.

Legal constraints include labour laws, environmental legislations, safety regulations, etc. Upgraded technology creates constraints for the segment of people not acquainted with that particular technology. Customer orientations and market considerations are constraints on the type of products and services—constraints on the product designers and production persons.

Choices Managers are left with choices of certain activities that one may do though not required to do. In a particular managerial position, one may have the opportunity of applying discretion with regard to what to do and how to do it. Demands and constraints limit choices in the short run, but over a longer time period, a manager has some opportunities to modify demands and remove or circumvent constraints and thereby expand choices (Yukl 2007).

A manager can set the priorities of objectives, select strategies to pursue the objectives, consider complexities of the tasks where he/she has to be deeply involved, build bridges of relationships, decide upon what responsibilities to delegate and to whom, and finally the ways to exercise authority and influence followers.

The wide variations in managerial tasks, in addition to the demands and constraints, make managers flexible in their execution. They may not be successful if they are rigid. But, the flexibility does not permit them to compromise with the demands and constraints; they can only be so in implementing organizational policies. For being flexibly rigid, managers need leadership skills.

UNDERSTANDING LEADERS AND LEADERSHIP

Let us recall what Mahatma Gandhi said in his time that is valid even today. He said, 'I suppose that leadership at one time meant muscle; but today it means getting along with people.'

The term leader refers to any person at any level of an organization, in any field, who significantly influences others, for good or bad, to achieve the organization's mission or the mission of the people of the organization. The term is broad enough, having questionable utility.

Modern leadership studies view leadership as one of the most observed and least understood phenomena on earth. A leader creates things, innovates ways of accomplishment, mobilizes resources, aligns people, sets directions, generates mandates, bears responsibility for the overall outcome and impacts, and gets followers to achieve the organizational mission. Good and effective leaders are scarce. Particularly when it comes to finalizing a plan, we find serious shortcomings among decision-makers, and while implementing any plan or project, we find serious shortcomings among executives.

A leader must be able to plan considering all inputs and constraints, and have a vision as it provides direction, for without direction, there is no real benefit in undertaking planning. He/she has to take charge of a workgroup and share the vision with his/her people. He/she has to constantly motivate and inspire people and this should be done through personal example. Recall that the behaviour that wins is 'practice what you preach'.

You also can become a good leader if you make a conscious commitment and put consistent effort to develop leadership skills. But on the positive side, anyone who is willing to make the effort can become a good leader. It is needless to mention that good leadership is critical to business success;

your efforts to improve your leadership skills will be amply rewarded. By working on the five key aspects of leadership—planning, developing a vision, and sharing the vision, taking charge and accepting challenges, and motivating people through personal examples—you can become a good leader of your small business or the organization you are working for.

Leadership, a process adopted by a leader, refers to an extremely wide range of roles that have profound influence on the world. The range is so wide that sometimes the term ‘leadership’ seems to include almost everyone. In fact, some corporations believe that all organizational managers are leaders. The need for leaders at every level and in every domain has always been felt.

In the present day, organizations are in desperate need of good and effective leaders capable of producing results. The predominant role of leaders in the context of organizational success can hardly be overstated. It is the leaders who can transform an organization, and their capabilities can make or break an organization. The need for leadership was never felt so acutely before as in the present time. Leadership in organizations or managerial leadership occurs in all groups of people, regardless of caste, region, culture, geography, or nationality.

Leadership is a fascinating phenomenon gaining increasing importance in business organizations, particularly in today’s highly complex and fast-changing situations. Leadership is an ongoing process. It is both a science and an art; it is a science because it is a field of scholarly enquiry and an art because it develops through cultivation and practice. Managers get work done by their subordinates while leaders work with their followers. Leaders involve themselves in the work as they prefer to work in teams.

Leadership characteristics include insight, initiative, inspiration, involvement, improvisation, individuality, and implementation. To survive and grow in a competitive business environment, organizations develop leadership potential. Leadership development is about supporting, propping up, buoying up, and developing an employee through experience sharing to enhance his/her problem-solving skills.

The concept and process of leadership are not new; yet homegrown companies and multinationals operating in the country are not only stepping up the pace of activity but are also virtually reinventing the development of leadership. The developmental efforts, if successfully implemented, help to get ‘more from people’ both individually and collectively. Those who have been good at leadership development are getting better, while those who had not put so much emphasis on it in the past are now focusing a lot more on this crucial issue. The disheartening side of the leadership development

effort is that it puts the spotlight on those who are not so good, though the best talents get recognized. Leadership is the capacity to frame plans that will succeed and the faculty to persuade others to carry them out in the face of all difficulties.

In daily parlance and in an organizational situation, leadership is about what to do and getting that done. In management terminology, leadership can be expressed as capability and effectiveness. Some definitions of leadership are given in Chapter 3.

Need for Leadership

Renowned management consultants, organizational stalwarts, and academicians are of the opinion that leadership must be practised at all levels of an organization. More recently, organizations have realized that strengthening the connection between and alignment of the efforts of individual leaders and the systems through which they influence organizational operations can develop leadership. This has led to a differentiation between ‘leader development’ and ‘leadership development’ (Day 2000).

Leader development focuses on the personal development of the leader, such as the personal attributes desired in a leader, and the desired ways of behaving, and ways of thinking or feeling. On the contrary, leadership development focuses on the development of leadership as a process. This will include the interpersonal relationships, the social influence process, and the team dynamics between the leader and his/her team at the dyad level, the contextual factors surrounding the team such as the perception of organizational climate, and the social network linkages between the team and other groups in the organization.

Contextually, it is to be mentioned that Bhargava (2003) has provided a definition of organizational climate coined by Tagiuri and Litwin in 1968: ‘internal environment of an organization that is experienced by its members, which influences their behaviour’. Organizational climate arises from and is sustained by the systematized and customary practices of the organization and its members. It influences members’ behaviours and attitudes. It helps the leaders unify people, create bonds between them, remove individual differences, creatively build trust between teammates and self, discharge their roles to achieve business goals. Summarily, leadership helps to

- Promote synergy
- Collect people and unify them

- Grow interpersonal bonds
- Remove individual differences
- Restore team cohesiveness
- Build trust between team-mates and self
- Discharge roles effectively and efficiently
- Promote dynamics within team-mates and with self
- Impact members' behavioural modification
- Recognize team efforts, resulting in effective team performance

In view of the foregoing discussions, we need to understand the differences between leaders and managers. Organizations need leaders. Multinational companies need global leaders who are required to consider cross-cultural issues and act accordingly. The Aditya Birla Group considers cross-cultural diversity as a major issue (see Box 1.1).

Box 1.1 Why the Aditya Birla Group needs global leaders

At the micro level, the Aditya Birla Group (ABG) is constantly forming communities and relationships in new ways. Across the world, more than 2 billion people use cell-phones and 1 trillion e-mails are sent every year. ABG works not only globally but also instantaneously. In the context of ABG, Aditya Vikram Birla set his sights outside India, making significant on-the-ground investments across South East Asia. Today, 60 per cent of ABG's revenue comes from outside the country as compared to 30 per cent in 2000, and 35 per cent of ABG's capital employed is outside India.

Globalization is a necessity, not a choice. The natural corollary to that is the need to create global leaders who have the ability to be effective across geographies, nationalities, and cultures and excel at collaboration, innovation, and managing change. An individual's hard-wiring can greatly impact how a leader operates globally.

Source: Based on a speech delivered by Kumar Mangalam Birla at the All India Management Association on 21 February 2009.

LEADERS AND MANAGERS

Leaders differ from managers. Managers exercise control, while leaders create systems. Managers endeavour for the survival of the business, but leaders endeavour for its survival as well as its growth. Some managers can definitely be viewed as organizational leaders, but not all. In any organization, all leaders are managers but all managers are not the leaders. Table 1.1 contains a comprehensive listing that brings out the distinction between a leader and a manager.

TABLE 1.1 Manager vs leader (dimension-wise)

Dimension	Manager	Leader
Task performance	Controls activities, processes, systems, etc.	Creates activities, processes, systems, etc.
Performing repetitive tasks	Keeps track of activities, processes, systems, etc.	Finds new ways of performing; changes activities, processes, systems, etc.
Resource utilization	Prepares and uses resources	Finds resources
Developmental inclination	Plans and executes policy	Defines the mission or gets the mission fulfilled
Activities	Runs the business	Develops the business
Business development	Organizes actions	Creates an environment
Product and service creation	Solves problems	‘Shakes things up’
New customers and clients	Is conservative and cautious	Aligns people; takes calculated risks
Customer relationship	Copes with complexity	Sets directions
Rules and regulations	Complies with rules and follows systems	Is imagination based
Locus of control	External	Internal (and external)
Interaction with outsiders	Interacts internally; keeps people in line with systems	Interacts with outsiders; inspires people
Responsibility	Is responsible for specific production, planning, sales performance	Is responsible for overall outcome and impact
Work independence	Deductive process	Inductive process
Major viewpoint	Creates structures; avoids risks	Creates mandates; takes risk
Monitoring arena	Monitors organizational culture	Monitors outside culture
The people below/ around	Subordinates	Followers

Managers focus on day-to-day activities and maintain the business so that it runs smoothly. Leaders, on the other hand, look and think ahead. An effective leader needs to anticipate the future, set a vision, and prepare the organization to achieve future goals. Thus, leaders require a high degree of emotional intelligence (EI)—a strong ‘people sense’ to understand how to motivate individuals and teams to drive the organization forward. Having understood the differences between managers and leaders, you should know the essence of leadership, that is, the characteristics of a leader.

A manager working in a functional area plans to accomplish the tasks assigned to him/her and strives to comply with the set standards. He/she conforms to the rules and regulations and discharges his/her responsibilities by way of allocating and optimizing resources. The general public agrees with the business press and academic literature that management and leadership are different. Field (2002) captured from the Internet 187 leadership images and 186 management images. He pursued an interpretive and modest study of the differences between management and leadership (Table 1.2). Leadership was found to be about taking action and communicating values in the context of a relationship. It was not about reinforcing the status quo and the reliance on hierarchy (Field 2002).

TABLE 1.2 Manager vs leader (subject-wise)

Subject	Manager	Leader
Essence	Stability	Change
Focus	Managing work	Leading people
Deals	Subordinates	Followers
Methods	Inspirational and motivational	Problem-solving
Acts as	Builder/producer	Architect/designer
Objectives	Ends	Means
Aims	Change	Status quo
Actions	Do the right thing	Do things right
Horizon	Short term	Long term
Seeks	Objectives	Vision

Contd

Table 1.2 contd

Subject	Manager	Leader
Approach	Plans detail	Sets direction
Decision	Makes	Facilitates
Power	Formal authority	Personal charisma
Appeals to	Head	Heart
Energy	Control	Passion
Dynamic	Reactive	Proactive
Persuasion	Tell	Sell
Style	Transactional	Transformational
Exchange	Money for work	Excitement for work
Likes	Action	Striving
Wants	Results	Achievement
Risk	Minimizes	Takes
Rules	Makes	Breaks
Conflict	Avoids	Uses
Direction	Existing roads	New roads
Truth	Establishes	Seeks
Concern	Being right	What is right
Credit	Takes	Gives
Blame	Gives	Takes

Source: www.limkokwingmba.wordpress.com/management-mco101-unit-8a-motivation-leadership-groups-and-teams/ (accessed on 21 December 2008).

Studying the conspicuous effects of leadership on organizational functioning and realizing the most important needs of leaders, business leaders are concentrating on leadership development in the present-day business environment to succeed.

LEADERSHIP—THE CHANGING PARADIGM

In view of the changing business scenario, growing complexities, acute competitions, government policies, the model of leadership is also

changing. Humility is essential to be an effective leader. In the present scenario, a person needs to be creative. A leader must be tenacious; what is required at present is that he/she executes everything. The leadership paradigm is changing as the business environment is changing. Table 1.3 compares conventional and emerging leaders and brings out the leadership requirements that have emerged.

TABLE 1.3 Changing paradigm of leaders

Conventional	Emerging
Humility	Creativity
Tenacity	Execution is everything
Ability to go against the flow	Vision and innovation
Facilitate	Planned abandonment
Negotiate	Create simultaneously
Articulate	Create content
Understand business issues	Work with more competent people
Detachment/Egolessness	Ability to engage
Tough expectations	Recognize, create, and address larger constituents
Personal discipline	Balanced EQ/IQ
Scalability	Networks
Ability to take difficult decisions with speed	Ability to seek help

Source: [www.cii-iq.in/Sectors/Quality per cent20in per cent20Education/events/NSQE08/ppts/GVIII.pdf](http://www.cii-iq.in/Sectors/Quality%20per%20in%20per%20Education/events/NSQE08/ppts/GVIII.pdf) (accessed on 1 February 2009).

PREREQUISITES OF ORGANIZATIONAL LEADERS

Leaders need certain prerequisites. Leaders must have certain core competencies like self-management, leading others, task management, innovation, and social responsibility (Bapat et al. online paper). We will now discuss the first three competencies—self-management, leading people, and task management.

Self-management Dimensions

The self-management dimensions a leader must develop include work habits, work attitudes, stress management, self-insight, and learning.

Work habits

The work habits of a leader include time management, goal orientation, organization skills, work ethics, and follow-through. Time management is making good use of time by organizing, prioritizing, and scheduling tasks. Setting and attaining specific and challenging goals for oneself is goal orientation. Organization skills refer to organizing one's responsibilities and performing them in an efficient and effective manner. Work ethic involves being diligent to ensure the successful completion of tasks related to one's job as a leader. Follow-through is ensuring that one's promises are realized in behaviour and doing what one said one would do.

Work attitudes

Work attitudes include initiative, effort, persistence, energy, and optimism. Initiative of a leader means the enterprise has to be a self-starter, initiating tasks and taking on new challenges. Effort is exerting oneself to complete tasks successfully and achieve goals. Enduring in one's tasks despite challenges or difficulties is persistence. A leader must maintain progress and enthusiasm throughout the completion of a task for which he/she needs energy. Further, he/she has to energize his/her followers, develop an edge, and execute the tasks. A leader needs to be optimistic, having a positive outlook about oneself and others.

Stress management

Stress management demands self-control, stress tolerance, personal resilience, work-life balance, and adaptability. Self-control means emotional stability and controlling one's emotions even in difficult or challenging situations. Stress tolerance implies remaining cool and effective even if situations become stressful. Personal resilience refers to withstanding and overcoming stressful situations. Work-life balance is controlling the influence of stresses of one's non-work life on one's work life, and vice versa. Adaptability is by far the best stress management tool, which means adapting to changing or dynamic situations.

Self-insight

The insight of a leader helps to foresee something that may impede and obstruct the smooth working of a team or any other progress. Insight enhances self-confidence, self-awareness, self-reliance, humility, and suspending judgment. Self-confidence is the belief in oneself and in one's ability to perform a job successfully as a leader and act accordingly.

Self-awareness increases through introspection and assessing one's success in learning or working activities and being honest about judgments

made. It is about knowledge of one's strengths and weaknesses, and knowledge of one's boundaries and limits.

Self-reliance refers to being able to work and think without the guidance or supervision of others. Humility, humbleness, or modesty is being able to have a realistic perspective of one's worth and the ability to admit to one's mistakes. Suspending judgment implies keeping one's personal beliefs and biases from influencing one's decisions which must be made through realistic analysis.

Learning

Learning for any person starts at birth and continues till death. This self-management skill incorporates learning strategies, intellectual curiosity, seeking feedback, and needs continuous learning. To learn and let others learn, a leader must devise strategies: learning new techniques for developing oneself through the use of multiple approaches.

Intellectual curiosity refers to valuing learning and seeking situations to increase one's knowledge. In order to gain total knowledge, a leader must seek feedback about his/her activities from the team members and others he/she is dealing with. Collecting feedback, formally or informally, helps one to learn and grow as a leader. Unless one does so, he/she remains unaware of many weaknesses. Thus, feedback results in behavioural modification, which in turn helps to be effective. Continuous learning is essential for keeping oneself informed and updated in one's profession and leadership in general.

Leader's action to self-management

Goal-setting for oneself and group members is of paramount importance. The set goals must be realistic so that group members are neither overloaded nor remain underutilized. An organization requires its members to periodically set their own goals. The leader has to be careful while setting team goals and member goals. The leader particularly needs organizational skills, time management, and self-awareness.

Role conflicts may develop in any work situation. A person has to often perform a variety of roles. When an individual has to deal with conflicting roles or duties as part of the job as a leader, a variety of self-management competencies emerge as essential. He/she can cope with the stress, be tolerant, maintain resilience, and prioritize demands.

Role overload means that there should not be any inconsistency between the expectations of a leader and member's ability to fulfil those expectations. To ensure this, the leader needs to have persistence, adopt

learning strategies, and periodically review and monitor the progress. These work attitudes are important self-management competencies for a leader.

Errors or mistakes cannot be totally avoided. In fact, they often give an opportunity to learn. When an error results in extreme and extensive negative outcomes, leaders must be aware of their own performance to avoid mistakes.

Changes are part and parcel of organizational life. Changes always affect the working of all functional areas, departments, and teams. Leaders must be alert to the direction and speed of changes. If they cannot keep themselves on track and know how they must adapt to deal with a new situation, then it would be difficult to achieve the team goals.

Leading People

Leading people and maximizing team output has always been a complex task. Members often misunderstand instructions; the leader fails to realize the needs and deficiencies of the members; the leader does not appreciate the dynamics of motivation and the influence of relevant agencies. A leader must be an active listener, communicate using a language and style acceptable to others, be able to win trust, and create a healthy work environment. Thus, leading people effectively demands effective communication, interpersonal awareness, commitment and motivation, and the capacity to influence.

Communication

A leader communicates with his/her followers, peers, seniors, and many others. Team members need to know the team goals and tasks assigned. Unless they are clear about what is expected from them, goal accomplishment becomes difficult. Information is communicated using face-to-face discussion, in writing, through telephone, or through electronic devices. In any sort of communication other than face-to-face communication, the recipients of messages cannot interpret body language. Moreover, obtaining clarification needs time.

Leaders must be good listeners. Listening is a vital component of communication. While performing the role of coach, mentor, counsellor, or a family member, one has to be an active listener. Active listening makes communication meaningful, telepathic, motivational, and inspirational. Listening and its discrete skills will be discussed in leadership skills in team building in Chapter 9.

Involving people in discussion, encouraging their comments and inputs, discarding unacceptable submissions assertively without hurting them, and a norm of openness and collegiality during group discussions are the principal ingredients of communication.

Furthermore, public speaking is an art of vocalizing clearly, maintaining a comfortable pace, and using appropriate non-verbal behaviour during formal presentations. The use of visual aids for a mass audience enhances the quality and effectiveness of the presentations. Engaging the audience and responding to their interrogations promotes communication. Building bridges of relationship, developing a portfolio of external contacts within the professional community, and networking and partnering are essential for survival and growth. Building strong and lasting personal relationships is the ultimate organizational need (Halder and Chatterjee 2007). Information sharing with others outside the organization (like customers, suppliers, regulating bodies, other stakeholders, and even competitors as benchmarking partners) is essential for an organization.

Interpersonal awareness

A leader has to expand interpersonal awareness by gaining knowledge of the following:

Psychological knowledge—knowledge of human behaviour, mental processes, and individual and group performance

Social orientation—being comfortable while interacting and working with others

Social perceptiveness—awareness and understanding of how and why others are reacting the way they are

Service orientation—actively seeking out ways to assist people in their duties

Nurturing relationships—building positive and cooperative working relationships with others and maintaining lasting relationships

Developing commitment and motivation

Organizational commitment, interwoven with job involvement, is the emotional reaction of employees towards the organization and its policies. Commitment depends on a number of factors like job security, loyalty, trust in management, self-identity, alienation, helplessness, etc. Motivation makes people work more and better and is the unifying concept of human relations that depends on the emotional connection with their manager and team members. The seven essentials of motivation are a sense of

mission, compelling role, personal coaching, high probability of winning, professional growth, financial incentives, and emotional connection.

Managers face three challenges while dealing with the workforce—the wealthy employee, the burnt-out employee, and the emotionally disconnected employee. Organizations must organize trust-building workshops and create and maintain a motivational climate to get the best from the workforce to achieve the business goals. Motivating is not always associated with financial incentives; there are several non-monetary motivational drives. Employees turn negative due to depression, chronic problems, anxiety, some medication or medical condition, and inadequate personality development, which can be managed through the UAR (understand, apologize, resolve) process.

To motivate others, the leader must take charge, exhibiting willingness to initiate the activities of groups and lead others towards achieving common goals. He/she has to orient others, providing an overview of the team or department or the whole organization and its policies, work rules, and job responsibilities. He/she must set challenging but attainable goals for individuals and groups and specify actions, strategies, and timelines necessary for goal attainment. Further, he/she has to measure and track progress towards goals to evaluate individual and group performance and provide feedback and reward positive work behaviour to reinforce activities that are aligned with the team goals, leading to the organization goals. Organizations must accept the shifts from ‘hard assets’ to ‘soft assets’, and develop commitment and motivation to enhance productivity (Halder 2009).

Developing others

It is an organizational and moral responsibility to develop the members as their efforts and outputs ultimately determine the team achievement. Developing others needs knowledge of learning theories and design of individual and group teaching plans, translating or explaining information in a way that can be understood and used to support responses or feedback to others, evaluating the strengths and weaknesses, and grasping capacities of the learners.

Professional development is also ensured through coaching, teaching, mentoring, and advising to help people develop their knowledge and skills. A person can contribute best to the organization if he/she is getting the opportunity of working in an environment where much role stress does not hinder his/her freedom at work. But stress cannot be totally avoided

and stress impacts different persons differently. Counselling is an employee development mechanism that helps cope in stressful situations and in turn enhances performance.

Influencing

Influence is the change in a target agent's attitudes, values, beliefs, or behaviours as the result of influence tactics. It refers to one person's actual behaviours designed to change another person's attitudes, values, beliefs, or behaviours (Hughes et al. 2008). In order to influence, a person has to cooperate, persuade, resolve conflicts, negotiate, empower, and inspire the target person or group of persons.

Cooperating is working well with others to jointly achieve goals. Persuading refers to communicating with others to convince them to perform a task or approach something in a different manner. As a leader, you have to deal with complaints to resolve the conflicts and grievances of others. You have to encourage others to come together and reconcile differences through negotiation. More information and discussion about conflict resolution and negotiation is provided in the chapter on leadership skills in team building (Chapter 9). The leader must empower his/her followers by delegating authority and providing power to them, and inspiring them to believe in the organization's values and to act in accordance with those values. The leader must gain knowledge to understand the political climate and anticipate how decisions will be affected by the organization culture.

In order to lead people effectively, the leader has to encourage employee participation, consider the type of team, socialize, supervise the group, use multiple modes of communication, and finally, sell and market concepts. Employees will contribute their best if they are involved in the decision-making process. They will also cooperate and coordinate. Naturally, conflict resolution will not be an easy task. Depending on the type of team being led, the leader has to take into account whether the members are new or experienced as also the extent of interdependence (high interdependence versus low interdependence), and accordingly find how should he/she would be able to adapt and how to guide, direct, interact with, and motivate group members. After the joining of a new member in the group, the leader has to acclimatize the member to the group, teach and coach the member, and thereafter mentor and counsel the member whenever required.

Leaders are expected to train, coach, and supervise team members or other related persons, understanding and honouring their beliefs,

abilities, and perspectives. While communicating with different types of groups and individuals, leaders must be able to recognize and adapt to the necessary modes of communication that will fit their needs. Leaders must realize that good communication helps persuade or influence people easily, and to market any concept they need to have negotiation skills and must be emphatic listeners. These steps or actions would further strengthen the communication process, interpersonal awareness, development of commitment and motivation, and capacity to influence.

Task Management

A leader has to execute tasks, undertake problem-solving, manage information and material resources, manage human resources, and concurrently enhance their performance.

Executing tasks

Task execution needs knowledge of standard practices and procedures necessary to accomplish tasks. It has already been discussed that knowledge of the job is essential for an effective leader. Assigning tasks to the appropriate people based on the knowledge and ability of individuals about the work processes, organizational planning, and work group flow is important. The leader must keep in sharp focus on the details of the task to be accomplished. The leader has to coordinate the work-related activities necessary for task completion of all relevant constituents (both inside and outside the team, department, or organization) and review to adjust the plans in light of how others are acting or how the environment is changing.

Feedback mechanism, both positive and negative, in a timely and constructive manner helps to unearth weaknesses and reveals whether a task is being performed in conformance to the plan. The concept of multi-tasking allows the absorbing of the sudden absence of key personnel in the team and shifting one's resources between multiple systems when needed.

Solving problems

Analytic thinking, data analysis, and interpretation of the data and decision-making help to design and redesign the work system. Analytic thinking enables using existing information to logically evaluate situations and solve problems and utilizing inductive and deductive logic to make inferences. Data analysis and interpretation refer to summarizing and making inferences from information through the application of statistical tools and/or qualitative analyses. Interpretation and proper judgment need adequate concentration, avoiding all distractions.

Managing information and material resources

Management of materials, facilities, and utilities needs close monitoring along with the delivery, inventory, and flow of materials, using tracking systems. It also demands identifying and designing the facility location/layout to maximize productivity. Any decision needs information in a particular structure for which we are required to get hold of the relevant database. If some data required for the information are not available, we have to collect them. Thus, information for decision-making needs prior analysis. Management of both information and material resources needs administrative activities accompanied by maintaining of documents and records. Therefore, management system also needs traceability to maintain and track quality.

Managing human resources

Human resource management deals with changing business scenario and emerging issues, job analysis and job design, human resource planning, succession planning, attracting and retaining talent, outsourcing human resource functions, socialization, mobility and separation management, human resource measurement and audit, managing personnel policies, human resource development system, balanced score card, and many more human resource functions. A leader must develop the human resource management system, review it periodically, and revise it to suit the changing needs.

Enhancing member performance

It includes enhancing job knowledge, eliminating hurdles to performance, adopting benchmarking, and strategic task management. Involving team members should be the primary concern in discovering methods to enhance task performance and redirecting the group to achieve better task completion. Identifying roadblocks and redundancies in work processes and promoting improvements in task performance also assume importance in this context. Benchmarking—an endeavour to know the best practices—and facilitating communication outside the organization to identify and integrate the best practices in task design and performance is vital to succeed against competition. Strategic task management refers to matching the appropriate people and resources in the organization to maximize task performance.

Sometimes, and in certain situations, a leader is required to lay more emphasis on task management. When an organization adopts quality management system, develops systems, procedures, instructions, and administrative rules, and documents these for compliance, then the leader must communicate these to his/her followers.

In some groups, tasks are characterized by autonomy. While leading such groups, the leader is required to discharge a variety of responsibilities and get extensive feedback, and therefore needs competence in many areas of task management. When a leader is expected to assign tasks and goals for the group, he/she has to provide the ideas for implementation and must give attention to detail.

Leaders are often made accountable for the output and judged based on the team performance. Obviously, in such cases, leaders should be extremely careful that everything happens according to plan so as not to adversely affect the end result. Formalization, job enrichment, task assignment, and accountability are vital considerations for task management. Task management further needs time management skills, particularly when stringent deadlines are set.

LEADERSHIP DEVELOPMENT DRIVES BY ORGANIZATIONS

Today organizations need leaders, not merely persons possessing managerial skills. Organizations are keen to impart leadership potential and develop leaders in many ways. Leaders might be born, but the majority of leaders are made.

Lakshmi et al. (2008) submit that some multinationals including their Indian subsidiaries like General Electric (GE), IBM India, and Hindustan Unilever Limited (HUL) have been at the cutting edge of leadership development for many years. They further say that Indian growth companies like Infosys Technologies, Tata Consultancy Services (TCS), Bharti Airtel, and Wipro have also been pioneers in the field of leadership development and have also focused on leadership in the last few years.

Eureka Forbes Limited (EFL) has established its leadership development centre. A recent global survey by consultancy firms Hewitt and RBS International along with *Fortune* magazine has placed two Indian companies, HUL and Infosys, in the top 10 on leadership development. ICICI, Wipro, and TCS are in the top 20.

Further, the Indian subcontinent has been classified as one of the global hotspots. Indian companies have grown in scale and global exposures require new mindset. Leadership development, proactively and innovatively, has emerged as a readymade solution to address the issue of an acute talent crunch. The drives of HUL, Infosys, TCS, IBM, and EFL are presented in brief here. Organizational drives to develop leadership will be discussed in detail in Chapter 8 on leadership development.

LEADERSHIP EFFECTIVENESS

Different authors view leadership effectiveness from their individual perspectives. To evaluate leadership effectiveness, researchers select the criteria based on the explicit or implicit conception of leadership. Leaders get along with followers and endeavour to achieve team goals. As such, leadership effectiveness can obviously be measured or evaluated in terms of the consequences of the leader's actions vis-à-vis the followers. That team performance affects the organization and therefore impacts organizational stakeholders is also considered by many researchers while evaluating leadership effectiveness.

The most commonly used measure of leader effectiveness is the extent to which the leader's organizational unit performs its task successfully and achieves its goals (Yukl 2007). Various parameters of success may be decided based on the task assignment and the nature of the group. Net profit, profit margin, increase in sales, market share, return on investment, return on assets, output and productivity, cost per unit of output, costs in relation to budgeted expenditure, and absenteeism of team members are some of the objective measures of team performance or goal attainments.

Besides the objective measures, there are subjective indicators also of leadership effectiveness. Effective leaders demonstrate strong abilities in nine basic leader skill dimensions, which are goal setting, delegation, motivation, communication, decision making, stress management, conflict resolution, performance coaching and counselling, and team development.

Furthermore, it is the moral responsibility of any leader to satisfy the needs and expectations of the followers, improve the quality of work life, ensure psychological growth and career advancements, develop group cohesiveness, and so forth. There must not be frequent incidence of complaints against any team-mate and/or grievances about the functioning of the team. Every member should be willing to cooperate and assist other members and work together to achieve team goals. In fact, the attitudes toward the leader should be positive and they should exhibit team belongingness.

Summarily, some of the subjective indicators are

- Satisfying followers' needs and expectations
- Improving the quality of work life
- Contributing to followers' psychological growth
- Inculcating group cohesiveness
- Complaining against team members and the leader
- Grievances against team functioning
- Not cooperating to achieve team goals

- Quality of group processes as perceived by followers
- Attitude of followers towards the leader
- Team belongingness

It is thus obvious that the evaluation of leader effectiveness needs considerations of multiple factors, both objective and subjective, that render the task difficult. It is also not clear as to which measure is most relevant. This poses problems to researchers to formulate hypothesis. Therefore, they combine several measures into a single, composite criterion, but this approach requires subjective judgment about how to assign a weight to each measure (Yukl 2007).

Multiple factors chosen to measure leadership effectiveness pose problems if any two of them are negatively correlated. Let us consider two subjective factors: (a) satisfying followers' needs and expectations and (b) complaints against team members and the leader. An investment of time and efforts in the first factor is likely to reduce the second factor. A company may decide to reduce the profit margin as a policy matter to bring down the price. This venture will result in the enhancement of sales. Thus, these two factors are negatively correlated. If a number of objective factors, along with these two, are considered to assess the effective leadership, then the result may be misleading due to trade-offs between the factors. If a company introduces multi-skilling and multi-tasking for interchangeability of task assignments, then quality and precision may be affected, at least initially. Keeping in view efficiency and customer satisfaction, the same company may opt for specialization and that would lead to reduced flexibility.

LEADERSHIP PIPELINE

Hiring an executive from outside is merely a short-term option and temporary solution of a problem. For survival and growth, an organization needs to develop a pool of successors to keep the wheel of excellence moving. Managers at each level of the organization take responsibilities to achieve business goals. In order to accomplish the objectives and goals, an organization must use a model of leadership development termed as 'leadership pipeline'.

GE developed such a leadership model and has been using that for many years. GE's model supports the company's approach to leadership succession (DuBrin 2008). The model comprises six levels, each with unique management challenges: (1) managing individual contributors, (2) managing managers, (3) managing functional managers, (4) being a business manager,

(5) being a group manager, and (6) being an enterprise manager. It is obvious that managing individuals is easier than managing managers.

For example, the first level needs coaching, while the sixth level needs intensive inputs on strategic planning. Skill development of persons at each stage is essentially required to make the transition easier, faster, and effective. While moving from one level to the next higher level, the leaders must learn to value different types of work and have fewer quantitative measures to evaluate the results of their direct reports (DuBrin 2008). As such, the model greatly contributes to succession planning. The leadership pipeline model applies primarily to a large hierarchical organization, but can be adopted by medium-sized organizations as well.

Benefits of Leadership Pipeline

Leadership pipeline, if meticulously designed, provides many benefits such as

- Helps to understand the distinct differences between managerial roles and leader roles
- Helps to organize structured coaching and mentoring programmes
- Facilitates objective decision-making for promotion
- Saves an organization when employees superannuate
- Identifies knowledge and skill gaps of an individual before moving him/her to a higher level
- Makes performing easier for a person at the next higher level in the organizational hierarchy
- Reduces wastage of time in developing an employee after assigning higher responsibilities

Limitations

Leadership pipeline approach has certain limitations too:

- It is primarily targeted at large organizations, though medium-sized organizations can also use this concept.
- The lead time required to adopt the approach is considerably high.
- The approach needs top management commitment.
- It needs consideration of organizational culture, which must be healthy.

MYTHS AND REALITIES OF LEADERSHIP

The maxim—nothing can be achieved without effort—applies to leadership also. Leadership development is accompanied by certain obstacles. Before

examining what leadership and leadership development are in more detail, one needs to consider what they are not (Hughes et al. 2008). There exist several beliefs, termed as myths, that stand in the way of fully understanding and developing leadership. The three myths mentioned by Hughes et al. (2008) are as follows:

Myth 1: *Good leadership is all common sense.* This implies that a person needs only common sense to be a good leader. Studies of leadership reported in scholarly journals and books only confirm what anyone with common sense already knows. Now, we are all acquainted with the saying that ‘common sense is very uncommon’. In many instances, we use this statement since the term ‘common sense’ is ambiguous.

Common sense generally refers to the body of knowledge acquired by a reasonable person about life through experience and what the person has learned from various incidents, observations, and the consequences of applications of thoughts in the workplace. The interpretations drawn by a number of persons from the same experiment and same observation differ widely based on their perceptions. The common sense they apply is guided by multiple factors including perception. Thus, common sense, it seems, can very often play tricks on us.

A leader has to lead confidently, know the theories and apply them judiciously. He/she has to be humble enough to recognize the viewpoints of others, and has to produce results. Leaders have to anticipate changes and set new directions for followers, which may not be structured at all. He/she has to energize and drive the followers with minimal problem in the workplace. Effective leaders must be something more than just ‘common sense’ holders.

Myth 2: *Leaders are born, not made.* We are familiar with many family-owned organizations. This observation prompts some of us to believe that leadership is in one’s genes. On the contrary, the majority of people do not subscribe to this view and believe that leaders are made. Both the views are right in the sense that instinctive as well as formative experiences influence many sorts of behaviours, including those required in leading a team.

Hughes et al. (2008) emphasize that both the views are wrong to the extent they imply leadership is either innate or acquired; what matters more is how these factors interact. At this juncture, we need not consider who is a leader and who is a non-leader. It is more useful to consider and address the ways in which each person can make the most of the leadership qualities he/she is endowed with.

More specifically, research findings indicate that cognitive abilities and personality traits are at least partly innate. Of course, natural talent or characteristics may offer certain advantages or disadvantages while leading. Contextually, it needs to be mentioned that someone who had displayed leadership during childhood and succeeded may not be a good leader in the workplace, as the environment is different.

Myth 3: *The only school you learn leadership from is the school of hard work.* Formal study and learning are not mutually exclusive or antagonistic. Rather, they are complementary to each other. Certain kinds of study and training can improve a person's ability to learn critical lessons about leadership from experience. Knowledge disseminated through formal training helps accelerate the process of learning from experience.

The advantage of formally studying leadership is that it provides the participants with a variety of ways of examining a particular leadership situation. A participant gains the ability of selecting a theory to apply in the situation prevailing in the organization. It must be kept in mind that a theory chosen at random cannot be applicable in all work environments. There is no single theory that has universal application.

LEADERSHIP IN DIFFERENT CULTURES

In the era of globalization, India has experienced both continuity and change and has responded to the forces that have arisen from globalization. In the current phase, globalization is experienced as a two-way scheme: while multinational companies are entering India, many Indian companies have a clear ambition to 'take India to the world'.

Foreign companies are 'intruding' with their value system and culture including work culture. Some of the 'intruders' are collaborating with Indian companies to make their culture blend with that of the Indian counterpart. But the process of blending is not at all an easy task. Some academicians and business leaders opine that globalization is the most significant trend affecting business today.

Large-scale organizations cannot ignore the production and marketing of products and services in other countries. Microsoft now operates in 100 countries, in contrast to some 70 countries in 2000. In 2002, Toyota initiated the Innovative International Multi-Purpose Vehicle (IMV) project to optimize global manufacturing and supply systems for pick-up trucks and multi-purpose vehicles and to satisfy market demand in more than 140 countries worldwide. The Motorola A830 mobile phone with 2G, 2.5G,

and 3G technologies combined in one device, operates in most major cities in more than 170 countries.

To be effective, leaders must adapt their leadership behaviour to the culture of the country they are working in and the societal institutions where they are situated. Unless they can cope with the prevailing culture, it would be extremely difficult for them to gain the spontaneous support of people of all strata and get along with the followers. Ultimately, it is the leaders' job to handle individual differences and bring people together to achieve team goals. Culture plays a predominant role in any organization.

Cross-functional leadership researchers began to address issues regarding the cultural values, norms, and beliefs that are most important for leadership, and effective leaders adjust their styles to fit into these cultural characteristics. Considering the immense importance of cross-cultural leadership, the Global Leadership and Organizational Behaviour Effectiveness (GLOBE) research project has identified nine cultural dimensions that are most important for effective leadership and is carrying out a cross-functional leadership research project throughout the world.

GLOBE was initiated by the world-class leadership researcher and writer Robert J. House, who also directs the GLOBE project. The project started in the early 1990s. About 200 social scientists and management scholars from more than 60 cultures/countries representing all major regions of the world are engaged in this long-term programmatic series of cross-cultural leadership studies. It is believed that the GLOBE project is the largest cross-functional leadership research project ever conducted. The dimensions on which the scholars are researching are power distance, uncertainty avoidance, humane orientation, institutional collectivism, in-group collectivism, assertiveness, gender egalitarianism, future orientation, and performance orientation (Howell and Costley 2006).

Leaders are putting enormous efforts to achieve the conglomeration of distinctly different cultures. Given the number and diversity of Indian organizations, all approaches and interventions of organization development have already been used. Family enterprises and the government have played a central role in shaping the Indian response to globalization. Developing a global mindset is India's major challenge for the future.

ATTRIBUTES OF EFFECTIVE LEADERS

The various attributes of any effective leader are the ability to adapt quickly to changes, administer efficiently, meet unpleasant situations, spot opportunities, and take decisions. He/she should have specific ambition, willingness to

work hard, enterprise, astuteness, capacity for lucid writing, imagination, analytical ability, capacity for abstract thoughts, capacity to speak lucidly, curiosity, enthusiasm, integrity, open-mindedness, single-mindedness, understanding of others, willingness to take risks, and willingness to work long hours. A leader can never be successful without these attributes. You will learn more about attributes of leaders in Chapter 2.

CURRENT ISSUES IN LEADERSHIP

Howell and Costley (2006) discuss some current issues in leadership including ethics and fairness, diversity, leadership development, leadership paradigm, leading organizational change, and transformational leadership.

Ethics and Fairness

Ethics is encompassing the right conduct and good life. It is significantly broader than the common conception of analysing what's right and wrong. Ethics help create competitive advantage in business. Fairness concerns the equality of opportunity for members of every caste, creed, colour, origin, ethnicity, etc. while applying any sort of organizational processes like personnel selection, aptitude measurement, performance appraisal, promotion, applying diagnostic processes, and the like. Goal achievement needs interaction with followers and others, with the implicit assumption that both parties will behave ethically.

Ethical behaviours lead to trust building between people, mutual cooperation, improved interpersonal relations, and a healthy organizational climate. Unethical behaviour with employees and external parties simply leads to disaster. At this point of time, the world is witnessing the result of gross unethical behaviour by the top management of a renowned software company and its financial auditors. Being unethical, one can achieve short-term goals but in the long run, he/she cannot gain. On the other hand, an ethical leader becomes a role model to his/her followers and everyone in the organization, gains their love and respect, can help others to learn ethics and fairness, and ensures leadership development and organizational change, produces other leaders, and, ultimately, benefits the organization.

Diversity

Diversity refers to multiplicity, assortment, and miscellany with regard to many aspects including culture. At present, organizations operate in various parts of the world, where they employ people with different cultural beliefs

and practices. A leader integrates the diverse groups of individuals into an orchestrated organizational effort to facilitate the achievement of business mission and organizational goals. Integrating people from diverse cultures is not easy at all and requires understanding of how culture affects us including the operation of human bias and prejudice (Howell and Costley 2006).

Leadership Development

In view of the differences between managers and leaders regarding the various dimensions, subjects, and the changing paradigm of leadership—conventional to emerging—leadership development has gained greater importance in today's context. Let us recall that all leaders are managers but all managers are not leaders.

Leadership development focuses on increasing the ability of a leader or an aspiring leader to carry out effective leadership behaviours, to drive a collection of people to work together for higher productivity. A leadership development programme typically emphasizes one or more of the three processes: assessment, challenge, and support (Howell and Costley 2006). Through the assessment process, people come to know about their strengths and weaknesses, which helps in building on strengths and improving on weaknesses. Challenge causes people to see the need for capabilities to help their followers adapt to the changing organization with least resistance. Support provides leaders with encouragement and reassurance as they move on to enhance their skills and the ability to lead. It is needless to mention that these three processes help them to initiate and maintain their continuous development in their journey. The issues have emerged as critical in the changing leadership paradigm.

Leadership Paradigm

Leadership paradigms are changing. Corporations across the world are bringing about major transformation. Michael Useem (Director, Center for Leadership and Change Management, and Professor of Management, Wharton) emphasizes that ideas must be taken upstairs; it takes courage to take ideas upstairs. Taking ideas upstairs by anyone at any level is referred to as 'upward leadership'.

Upward leadership is the ability to offer superiors or leaders a set of ideas that will help them and formulate strategies that will serve them and give a sense of better structuring of their operation. Useem argues that this will be the way corporations across the world can bring about major changes. In the US Marine Corps, it is obligatory for every officer to give ideas,

identify what is going wrong, and where the gaps are identified and ideas implemented, the rest of the team simply salutes and follows the order. Upward leadership requires an ability to articulate and be persuasive.

Deccan Airways, a south-west equivalent of Jet Airways, has a business model characterized by low cost and high quality, and has depended upon many managers at the bottom of the hierarchy to come up with great ideas (Narayan 2006). This endeavour is encouraging upward leadership.

In a research conducted by US-based Citigroup, the bank found that the rate of growth for assets under management was highest in those departments where the bosses took up coaching and mentoring with younger people in the organization. In upward leadership, candour is important so that subordinates are not under the fear that the boss will fire them for being critical. You have to create a culture where upward leadership is rewarded like that of the US Navy.

Thus, in view of the issues and concepts talked about, organizations need effective leaders. It is of immense importance to appreciate the inner beauty or structure of effective leaders.

Leading Organizational Change

Globalization is multi-directional. One of the exciting things about the world today is that it cannot and does not stand still. In the last few decades, technological innovations have multiplied. Products and know-hows are fast becoming obsolete, competition is sharp, natural resources are depleting, and basic resources are becoming expensive. On the other hand, the drive for social equity and justice has gained momentum, and customers today are cost sensitive and quality conscious.

Changes are inevitable during the life of any organization. Introducing and implementing total quality management is also a change. An organization must cope with changes and, more importantly, decide on the correct change points so that it sustains and grows, else it will perish and go extinct. The direction and the speed of change are the key success factors.

A change does not just happen. It is driven by a reason, a thought, or an idea. The cause comes either from 'without' (the business environment) or from 'within'. Over the past 25 years, we have seen successful changes in health care and other service sectors, manufacturing technology, and financial industries. No organization can survive if it remains static. Besides, with its competitors and customers changing, organizations must also change.

A leader must realize the growth of an organization, appreciate the need for changes in the organization to cope with the environment, identify the

forces behind the conditions of change, be acquainted with the phases in the process of change, and understand the phases of organizational growth. Moreover, he/she must be able to differentiate among changes at the individual, group, and organizational levels. A leader has to identify the changes essential for survival and growth, the applicable process of change, the organizational culture, and, most importantly, the people. (How is the current workforce? Does it have the knowledge to perform its tasks effectively? What HRD mechanisms may be used for organizational development?) Understanding the people is of paramount importance to successfully lead a change process. They must have the requisite competencies to successfully accomplish a task. Suitable HRD mechanisms need to be identified and applied to develop them for the ultimate benefit of the organization, to achieve its objectives and goals.

Leaders need to see the gap between the current state (where we are today) and the desired state (where we want to be tomorrow). This gap is also called the delta state. We all react to the delta state in different ways. A leader finds change challenging and energizing, whereas a manager finds it stressful and confusing. Resistance to change may come from those who find it stressful and confusing. In order to effect the change in a very smooth manner and make it successful, the leader must be proactive. He/she has to ascertain the volume, the direction, and the speed of change and anticipate the possible sources of resistance. The leader must unfreeze, move, and refreeze the change.

The leader must bear in mind the following to overcome resistance to change:

1. Resistance is natural and inevitable—Expect it.
2. Resistance does not always show its face—Find it.
3. Resistance has many reasons—Understand it.
4. Deal with people's concerns rather than their arguments—Confront it.
5. There is only one way to deal with resistance—Manage it.

Transformational Leadership

Transformational leaders focus sharper attention on essential changes and innovations, apply discretion, and possess entrepreneurial zeal. This variety of leadership is a behavioural process capable of being learned and managed. Transformational themes include recognizing the need to change, creating a new vision, and institutionalizing the change. Transformational leadership is a discipline with a set of predictable steps, where the themes

are revitalization, creating a new vision, and institutionalizing the change. (This leadership style has discussed in depth in Chapter 5, Contemporary Leadership Style.)

UNIVERSAL INNER STRUCTURE OF EFFECTIVE LEADERS

We remember the leaders who have made their mark by doing lasting good to the humankind, a nation, an organization, or a cause. They come in all shapes and shades; they depart the earthly world but remain immortal. They are flamboyant because of their knowledge, contribution, scholarly behaviour, sense of art, and similar other qualities.

We remember Ramakrishna Paramahansa Dev, Swami Vivekananda, and Mother Teresa for their deeds and service to humanity. It is difficult to define a gentleman. But, *sthithaprajnya*, a man of ready wisdom as described in the Gita, can be called a gentleman. A gentleman can be an effective leader, successful in accomplishing what he wants to achieve, both individually and collectively.

Certain universal virtues form the inner hard core of every outstanding leader. Broadly, selflessness, or an ideal or vision, and knowledge (of the job, of handling people, and of self) and character (courage to decide, will power to persist, and initiative to be a self-starter) form this core.

Selflessness

Selflessness is a relative virtue; total selflessness is rather a rare phenomenon. Prophet Muhammad, Guru Nanak, Ramakrishna Paramahansa Dev, Swami Vivekananda, and Mahatma Gandhi are among the most exemplary personalities who are known for their selflessness or self-sacrifice. A character without knowledge puts a ceiling on a leader's potential. Again, knowledge without character makes one indecisive.

Furthermore, character and knowledge together also cannot elevate a person unless he/she is selfless. Thus, the three broad components of a successful leader are knowledge, character, and selflessness. These components determine a leader's effectiveness.

Unselfishness or selflessness is the fountainhead of all that is noble in human beings. Vision and ideology help one to be selfless. The higher the ideal, the higher would be his/her extent of selflessness, and hence, the higher would be the potential to be an effective leader. This is a universal truth. In the words of Swami Vivekananda, 'I cannot expect anybody to be totally selfless; it is not possible. But if you cannot think of humanity at large at least think of your country. If you cannot think of your country,

think of your community. If you cannot think of your community, think of your family. If you cannot think of your family, think of your wife. For heaven's sake do not think merely of yourself' (Vaghal 1988). In this manner, Vivekananda explained the method to learn selflessness and how being selfless is essential to being an effective leader.

Selflessness vs organizational culture

Organizational culture values leadership, uses tools and techniques to create environments to produce executive leaders and empowers them, helps them to rise above their self-interest, and allows them to learn to make sacrifices. A good organizational culture is 'the regard for the honour and interest of the body one belongs to'. A major goal of strategic management must be to ensure that everyone in an organization is imbued with the feeling that 'no sacrifice is big enough to uphold its [organization's] honour and reputation'.

Such an organizational culture helps to promote selflessness. Purity of the mind, integrity, loyalty, honesty, and faith in the Almighty are the components of selflessness. Hindus purify their minds on Shivratri, Navratri, and the 41-day fasting prior to visiting the Sree Ayyappa Swami temple at Sabarimala. Muslims purify their minds through the fasting called *roza* in the month of Ramzan. In fact, there are many such examples.

Character

Character has always been an indicator of a person's potential for leadership. Character is the aggregate of features and traits that form the individual nature of someone and it comprises a bundle of virtues and weaknesses of the mental and moral qualities of a person.

If a balance sheet is prepared considering the mental and moral qualities of a person, it would reflect the character of the person. Character, excluding selflessness, is the single most important factor that makes for an effective leader. It stands for core values, self-discipline, loyalty, readiness to accept responsibility, and willingness to admit to mistakes.

Ash (2001) mentions about the core values of the US army where people are often required to work jointly. Joint operations are the rule rather than the exception. But joint operations pose problems. An editorial abstract in the *Aerospace Power Journal* raises a question, 'why then do interservice rivalries seem to work against becoming "more joint"?' Colonel Ash (2001) proposes that lack of a recognized set of common 'core virtues' is the root of the problem. The core values of the US army are provided in Table 1.4.

TABLE 1.4 Core values of the US military services

Air Force	Army	Marine Corps	Navy
<ul style="list-style-type: none"> · Integrity first · Service before self · Excellence in all that the air force does 	<ul style="list-style-type: none"> · Integrity · Selfless service · Duty · Honour · Courage · Loyalty · Respect 	<ul style="list-style-type: none"> · Commitment · Honour · Courage 	<ul style="list-style-type: none"> · Commitment · Honour · Courage

With regard to virtues and ethics, Bennett (1993) observes that people are not born with virtues; virtues must be learned. Arguably, they can also be unlearned. Therefore, the educational process must never let up but continually reinforce ethical fitness.

Courage

In all societies, courage or bravery is a much-admired human virtue. Many managers hesitate to take decisions though they are authorized and empowered to do so. Even if a decision is taken, it is forwarded to a higher authority for formal approval, delaying its implementation. Managers fumble due to lack of confidence.

A cowardly person does not hesitate to suppress the truth. A courageous person will never tell a lie. Courage gives distinctive direction to the entire approach of a leader's work by displaying which he/she gains distinctive competence and can perform to high standards. A courageous person can say no if the situation demands a negative response or where a positive response may be unethical. The most potent source of courage, both physical as well as mental, arises from knowledge. Knowledge makes one not only *nirbhaya* (fearless) but indeed *abhaya*—who knows no fear.

Will power

Outstanding leaders are characterized by their 'will power to persist'. They have obtained distinctive competence differentiable from others for having this vital virtue. Project management needs meticulous planning. Yet, hundreds of problems arise, or failures occur on the part of the people, technology, system, and for many other reasons. Sometimes, we cannot assign a reason and call it natural or chance occurrence. Strong determination of a leader drives to persist in spite of setbacks and the hurdles that emerge as roadblocks during execution of the plan. Will power is an inner beauty that prompts a leader to persevere, which is

behind the famous saying ‘try and try again till you succeed’ or ‘never, never, never, never give up’.

The fast food chain of McDonald’s succeeded in spreading its supply chain due to the will power of the management. Will power significantly contributed to its gaining worldwide popularity. The orchestrated efforts of everyone in the organization backed by their will power helped the company achieve success.

Initiative

Initiative to be a self-starter An American company displayed a notice at its entrance stating, ‘If you are a wheelbarrow moving no further than you are pushed, then you need not apply for any position in this company.’ A leader with initiative looks for opportunities and makes the best use of them. He/she always jumps ahead of others. He/she creates his/her own information-gathering sources to identify and overcome the difficulties that impede the progress of a task.

The abilities of creating sources of information gathering, identifying hurdles and taking steps to overcome them, and smoothly marching towards goal accomplishment all taken together are signs of initiative that makes one dynamic. Organizational culture puts the initiative of leaders into full play, which is a vital consideration in strategic management. A person who thinks, introspects, and has the habit of forethought can develop initiative. The likely snags need to be visualized and that demands mental preparedness. This is possible if one has initiative.

Knowledge

Knowledge of the job, handling people, and self is essential to be effective. Knowledge and the experience gained in course of time do not have substitutes. Learning, as we know, is a lifelong process and should be a continuous endeavour of any leader. Learning from other people’s experience, the indirect one, has always been a hallmark of success. The indirect experience is varied as it comes from multiple sources.

Knowledge of the job This is work-related knowledge and gives the leader competency. Knowledge broadens the outlook by virtue of which one sees everything related to the work clearly, enhancing his/her expertise.

Let us recall the well-known maxim ‘knowledge is power’. The attitudes towards work in conjunction with aptitude help build one’s altitude. A person with knowledge collects feedback from associates. When his/her mind is inquisitive and open, he/she collects criticism, does realistic analysis,

identifies the root causes behind any lapse, and ultimately rectifies them. Thus, his/her spectrum gradually increases. He/she becomes wise and never ignores comments. At this point, remember that ‘wisdom begins at the point of understanding that there is nothing shameful about ignorance.’ Also recall the maxim: ‘If you ask a question for clarification, you express your ignorance once; if you do not ask then you carry your ignorance for ever.’ Knowledge of the job generates work leadership, helps to influence colleagues, enables problem-solving, gives intrinsic satisfaction out of the mastery, and the like.

Knowledge of handling people People management is and has always been a matter of interest and is different from management of other resources. It is the quality of handling people that determines leadership capacity and handling people is the essence of leadership. Effective handling needs conceptual, human relations, and technical skills. Managerial effectiveness is the management terminology for leadership. Understanding human nature is useful for a leader to deal with people. Remember that ‘a good leader knows his people better than their mothers do and cares even more’. This is the *mantra* for handling people.

Knowledge of self This is the most important knowledge and is absolutely vital. Leadership mainly refers to interaction between the leader and the followers. A leader has to focus on the people he/she is working with to understand them. He/she has to be thorough in behavioural dynamics to improve the quality of interpersonal relations and group dynamics. As such, he/she needs knowledge about his/her own strengths and weaknesses.

If a leader feels that he/she is the epitome of perfection and refuses to look at himself/herself objectively as in a mirror, he/she will commit a blunder. What is needed is introspection. It is believed that quiet introspection and examining one’s real motives are the ways to know oneself. A leader has to ask certain questions such as: have I been truthful, honest, selfless, courageous, tenacious, helpful, and objective? A leader has further to verify whether any action resulted from greed, anger, selfishness, jealousy, or envy has impaired the collective outcome. Deep silence helps our conscience to the truth and to tell us very clearly when we are less than ethical and moral. Knowing the identified strengths and weaknesses, we can put in effort to fully develop our potential as a leader.

Effective and successful leaders transform their organizations. Transformational leadership is a discipline with a set of predictable steps wherein the themes are revitalization, creating a new vision, and

institutionalizing change. Transformational leadership has been discussed in detail in Chapter 5.

SUMMARY

Managers as organizational leaders perform a variety of roles to discharge responsibilities. The nature of managerial work is changing. Managers perform tasks whereas leaders can transform. Organizations need leaders, regardless of whether the environment is orderly or turbulent. Leaders differ from managers in many dimensions and areas. Leaders find new ways of performing, unearth resources, define the mission, create an environment for developing the business, align people, take calculated risks, rely on imagination, interact with outsiders, inspire people, create mandates, observe the outside culture, and consider cross-cultural issues. Demands, constraints, and choices define the job of a manager, being strong influencers on the person's behaviour.

In the changing business scenario and growing complexities, the leadership paradigm is also changing. Leaders need certain self-management dimensions. A leader must develop proper work habits, work attitudes, stress management, self-insight, and learning.

Organizations are keen to develop leaders through leadership development drives. To evaluate leadership effectiveness, researchers select the criteria based on the explicit or implicit conception of leadership and attempt to measure the extent to which a leader's organizational unit performs its task successfully to achieve its goals. Leadership pipeline helps to develop a pool of able successors and to keep the wheel of excellence moving. Leadership is associated with certain myths and realities. Leadership in cross-cultural teams needs adequate attention. Universal inner structures of effective leaders are analogous.

KEY TERMS

Leadership pipeline refers to developing a pool of able successors at each level to keep the wheel of excellence moving.

Selflessness or altruism is a relative virtue, indicating selflessness and unselfishness, that a leader needs to possess to be effective, though it is a rare phenomenon.

Self-management dimensions mean the core competencies any leader must have, which include work habits and attitudes, stress management, self-insight, and learning.

Upward leadership is the ability to offer superiors or leaders a set of ideas that will help them and strategies that will serve them and pave the way for better structuring of their operation.

Will power is an ‘inner beauty’ that prompts a leader to persevere.

EXERCISES

Concept Review Questions

1. Discuss the various roles managers perform and responsibilities they discharge.
2. Discuss the responsibilities a manager commonly discharges.
3. What are the arguments for and against the leadership–management distinction?
4. Discuss the universal inner structure of effective leaders.
5. Discuss the prerequisites of organizational leaders vis-à-vis self-management.

Critical Thinking Questions

1. Consider the job of a manager in an organization you are familiar with. Critically analyse the theories of demand, constraint, and choices in an organizational context.
2. The nature of managerial activities is changing. Attempt to assess the direction and speed of change. How should a leader handle the changes?
3. Should an organization invest in developing leadership potential among its managers? Critically discuss the statement, citing examples.

Assignments

1. Design a table to collect views on the functions of managers and leaders. Let the respondents decide the points of differences. Compare the responses with the information provided in Tables 1.1 and 1.2. Draw a conclusion and discuss with your professor.
2. Develop a questionnaire of 15 subjective indicators to measure leadership effectiveness. Use the Likert Scale to express the opinions. Contact at least 20 managers and administer the questionnaire. Analyse to find the indicators that would receive maximum weightage. Draw a conclusion from your findings.

REFERENCES

- Ash, Lt. Col. Eric (2001), Purple Virtues—A Leadership Cure for Unhealthy Rivalry, *Aerospace Power Journal*, Summer 2001, Document created on 16 May 2001 (www.airpower.maxwell.af.mil/airchronicles/apj/apj01/sum01/ash.html, accessed on 17 February 2009).
- Bennett, William J. ed. (1993), *The Book of Virtues: A Treasury of Great Moral Stories*, Simon & Schuster, New York.
- Bhargava, Shibganesh (2003), *Transformational Leadership*, Response Books (A division of Sage Publications), New Delhi.
- Birla, Kumar Mangalam (2009), J.R.D. Tata Memorial Award Lecture delivered at the All India Management Association on 21 February. *AIMA News*, Newsletter of the All India Management Association, New Delhi.
- Day, David V. (2000), Leadership Development: A Review in Context, *The Leadership Quarterly*, 11, 581–614.
- Dubrin, Andrew J. (2008), *Research Findings Practice and Skills, bizfantra* (Houghton Mifflin Company, Boston), Delhi.
- Field, Richard H.G. (2002), ‘Web Images Reveal the Differences between Leadership and Management’, University of Alberta. (apps.business.ualberta.ca/rfield/papers/leadershipDefined.htm accessed on 20 November 2008)
- Haldar, U.K. (2009), *Human Resource Development*, Oxford University Press, New Delhi.
- Haldar, U.K. and Ankhi Chatterjee (2007), Building Bridges of Relationship, *Manav*, a journal published by the Indian Institute of Social Welfare and Business Management (IISWBM), Master of Human Resource Management (MHRM) during ‘Genesis 2007’.
- Howell, Jon P. and Dan L. Costley (2006), *Understanding Behaviours for Effective Leadership*, Prentice-Hall India, New Delhi.
- Hughes, Richard L., Robert C. Ginnett, and Gordon J. Curphy (2008), *Leadership Enhancing the Lessons of Experience*, Tata McGraw-Hill Publishing, New Delhi.
- Krishnan, Sandeep K. and Varkkey Biju (2004), Nurturing Fast Track Leaders—A Concept Paper, IIM, Ahmedabad.
- Lakshmi, S., Shyamal Mazumdar, and George Skaria (2008), Building Future Leaders, *Indian Management*, January, Vol. 47, No. 1.
- Majumdar, Shyamal and Lesli Dmonte (2008), Down to Earth, *Indian Management*, November, Vol. 47, No. 11, pp. 22–30.
- Mintzberg, Henry (1973), *The Nature of Managerial Work*, Harper & Row, New York.
- Mukherjee, Kum Kum (2004), Effect of Leadership Styles on Followers’ Satisfaction and Perceived Effectiveness, *South Asian Journal of Management* (ISSN 0971 5428), Vol. 11, No. 1, January–March, p. 7.

- Narayan, Tarun (2006), It Takes Courage to Take Ideas Upstairs, *Indian Management*, February, Vol. 45, No. 2.
- Vaghal, N. (1988), Raja Ramdeo Anandital Podar Sixteenth Memorial Lecture, delivered at Jaipur on 10 December 1988.
- www.chsbs.cmich.edu/leader_model/CompModel/OnlineModel.doc, accessed on 25 July 2008 (A Leadership Competency Model: Describing the Capacity to Lead).
- Yukl, Gary (2007), *Leadership in Organizations*, Pearson Education, Delhi.

Web Source

- Bapat, Ashwini et al., A Leadership Competency Model: Describing the Capacity to Lead, at www.chsbs.cmich.edu/leader_model/CompModel/OnlineModel.doc, accessed on 25 July 2008.

CLOSING CASE

Fostering Young Leaders

Mr Ganguly, an excellent entrepreneur, discussed the issues regarding his business with one of his friends. His friend, a professional, advised him to consult an HR consultant Mr Singh who was also a reputed leadership expert.

Mr Singh and Mr Ganguly had a series of discussions and came up with an action plan. A tailor-made training programme for MC was designed and developed. Various probable outcomes were discussed, and a contract was finalized. The series of sessions were customized for all the four major centres where MC had substantial manpower and business. This 12-day training programme was conducted in batches with minimal disruption to the work schedules of MC: sometime sessions were conducted in the mornings or in the evenings, just after the day's work was over. Sometimes these sessions were held during breaks and spread over the weekend also. The course coverage included customer orientation modules, interpersonal relations, sensitization modules, communication skills, and stress management. The need for coordination with peers and subordinates, honouring their viewpoints, and learning from experience were an essential part of the supervisory-level training. Management games emphasizing on these areas along with some leadership cases made the training sessions more effective. Most of the knowledge-sharing sessions were informal. Participants freely shared their problems and subsequent sessions tried to incorporate some of the suggestions as well.

Mr Ganguly made it a point to attend all the sessions. The first programme was organized in Mumbai. It was initially decided that the second programme would be organized after about six months. The deliberations in the first

programme appeared extremely convincing and Mr Ganguly decided to organize the second programme in Ahmedabad at the earliest. A separate training programme for the lower levels of employees was also designed. This time also he attended the sessions and addressed the participants to further elucidate the knowledge transferred by Mr Singh.

The vision and leadership abilities of Mr Ganguly gradually started to become evident and his contributions to the training sessions were full of insights. In one instance, Mr Singh jokingly asked Mr Ganguly if he had decided to terminate Mr Singh in the third training programme at Chennai. Mr Ganguly laughingly responded that the problems at Chennai were huge and asked Mr Singh to continue.

The outcomes of this training endeavour were immensely useful for Mr Ganguly and Mr Singh to deliberate further. The data generated clearly showed the areas that needed urgent attention and a long-term action plan was devised.

Discussion Questions

1. Identify and elaborate the aspects that might have motivated Mr Ganguly to hire the HR expert.
 2. Comment on the course content used by the HR consultant.
 3. Do you think Mr Ganguly was a leader? Explain.
 4. Assess the gains of the consultant apart from the consultancy charges he received from Mr Ganguly.
 5. What are your derived learnings from this case?
-