

Unit-Five

Leading

Meaning and Qualities of leadership

- **Meaning:** it is the process of influencing the behavior of employees to achieve predetermined goals; it can be an important modifier of human behavior to achieve common goal; it is human skill which binds a group together and encourage it towards common goal
- **Qualities:**
 1. **Action-oriented and competent**
 2. **Self confidence and drive**
 3. **Optimistic and intelligence**
 4. **Motivating and communicating skills**
 5. **Honesty and integrity**
 6. **Organizing ability**
 7. **Power of judgement**
 8. **Flexible and wider perspective**

Understanding Individual Differences and Psychological Contract

- **Individual differences:** it is the variation among persons in regards to single or multiple characteristics; individual may differ in ability, attitude, feeling, emotions, personality, social background etc; it is influenced by genetic and environmental factors; managers needs to understand such differences to handle employees effectively in the organization; biological and psychological characters of person are internal factors and environmental forces are external factors
- **Psychological contract:** PC is an unwritten contract between employer and employees that describes the perceptions of relationship and expectations between these parties; it is the sets of beliefs, commitments, expectations and understandings that exist between employees and the organization in employment relation; it is informal agreements; it includes mutual beliefs, perceptions, informal obligations between them; normally, employee contributes time, efforts, ability etc. whereas in return organization provides salary, security, status etc. for employees

Leadership Styles:

Autocratic(Authoritarian/Dictatorial)

- Conservative and traditional style of leadership
- Leader has sole authority (i.e.centralization) and never delegates it to the subordinates
- Leader gives order and expects the subordinates to follow them unquestioningly
- Leader dictates policies, procedures, defines goals, controls all activities without participation of subordinates
- One way communication; carrot and stick approach

Benefits of Autocratic Leadership

- Strong motivation to leader
- Quick decision and implementation
- Strong discipline
- Suitable in small organization
- Applicable in the firm where subordinates are unskilled , irresponsible

Disadvantage of Autocratic Leadership

- Low employee motivation
- High rate of quitting the job and turnover ratio
- Low performance and employee satisfaction
- Lack of opportunity for initiation
- Not suitable for large organization
- Chances of biasness and misuse of authority

Democratic/Participative Leadership

- Leader believes in decentralization of authority and participative management
- Leader is responsible for preparation of plans and policies whereas subordinates are responsible for their implementation
- Leader takes suggestions, guidance, ideas and information from subordinates for decision making and preparing planning
- Two way communication, combines all requirements
- Suitable where employees are capable, skilled and obedient

Advantages of Democratic Leadership

- Employee motivation and satisfaction
- Two way communication
- Boost up creativity and initiation
- Rational decision
- Good human relationship
- Benefits of specialization

Disadvantages of Democratic Leadership

- Delay in decision making
- Not suitable in emergency
- Possibility of conflict
- Absence of discipline
- Lack of secrecy
- Not applicable in firm where employees are less experienced, unskilled and less dedicated

Laissez Faire(Free-Rein) Style

- Leader believes in complete delegation of authority to subordinates
- Leader provides total freedom to subordinates for making and implementing decisions
- Leader avoids power and only provide resources needed by the subordinates
- Two way communication between leader and followers
- Leader practice low level of guidance and control over subordinates
- Suitable where subordinates are highly trained, qualified, creative and dedicated

Advantages of Laissez Faire

- Followers feel free and self respect
- Boost up creativity of subordinates
- High commitment in goal achievement
- High loyalty towards organization
- Career development opportunity to subordinates
- Suitable in firm where subordinates highly intellectual, self guided, responsible and creative
- Horizontal free communication

Disadvantages of Laissez Faire

- Problem in goal integration
- Problem in coordination
- Ignorance of leader(i.e. no discipline)
- Not applicable where subordinates are low skilled, inexperienced and less responsible
- Possibility of misuse of authority
- Improper decision

Groups: Concept and Types

Concept: collection of two or more people with some common features and goals; in a group, more than one interacting and interdependent people come together to accomplish combined job for a common goal

Types:

- A) Formal Group:** formed under formal authority to achieve organizational goals
 - 1. Command Group;** a permanent type of group created and specified in the organizational structure; it is comprised of superiors and subordinates who carry out orders on the basis of authority within group; marketing manager with some sales person is an example of command group
 - 2. Task Group;** a temporary group whose members come together to perform certain task; it is formed to capitalize expertise knowledge of different people to complete a particular project and is formed beyond the organizational structure

Groups: Concept and Types

B) Informal Groups; formed voluntarily without meeting any formalities; created by members with common interest, characteristics and objectives; they may be supportive to achieve organizational goals

- 1. Interest Group;** association of people who share common interest and commit for combined effort; its purpose may or may not be concerned with organization's goal; such groups are formed for enjoying holidays, games etc.
- 2. Friendship Group;** such groups formed due to social affiliation or mutual affection; it may be created inside or outside the working area of the organization; people having similar characteristics such as, age, religion, gender, ethnic background, language etc. form friendship group

Managerial /Business Ethics

- The set of moral principles and rules guiding a manager's behavior
- It is a manager's moral judgements about right and wrong
- Also known as business ethics, is the standard of behavior that guides the managers of organization
- It refers to implementation of appropriate business policies and practices in making right managerial decisions
- Is the standard of the social norms and values, truth and justice that is accepted by managers

Motivation: concept and Importance

Motivation: it is the process of creating willingness among people (employees) to exert high level of effort towards goal achievement; it is a psychological force that causes a person to act

Importance;

1. **Higher productivity;** motivated workers put high effort that maximizes output
2. **Proper utilization of resources;** encouraged employees can utilize other resources effectively and efficiently
3. **Promote healthy labor relation;** when workers are motivated by proper reward that help to create positive feeling in them and support good human relation
4. **Acceptance of change;** motivated employees always cooperate management to adjust with change
5. **Job satisfaction;** proper motivation provides job satisfaction to employees
6. **Growth and diversification;** motivated people work sincerely and contribute more for successful operation of business

Techniques of motivation

- **Financial Incentives;** providing additional financial benefits to employees is the common technique of motivation; bonus, commission, piece rate payment etc.
- **Job Security;** providing job security by making employees permanent in their job
- **Employee Participation;** management can make involvement of employees in decision making to motivate them
- **Quality of Work life (QWL);** it is maintaining quality of working life by providing healthy and good working environment, empowering workers etc.
- **Competition;** increasing healthy competition is another technique of motivation; in competition, they put their best effort to win
- **Flexible Work Schedule;** flexible work schedule such as, longer working hours a day but fewer days per week, anytime working for contract job, job sharing, telecommuting(doing job outside the office)
- **Job Rotation;** shifting an employee from one job to another of same level

Concept of Communication

- Literally, communication means to inform, to tell or to spread information to all the concern people
- Process of transmitting and understanding the message from one party to another
- The delivered message should be received and understood by the targeted person with the same meaning as it is created
- Communication is the transfer of information from a sender to a receiver with information being understood by the receiver
- An exchange process of ideas, facts, opinions, information and understanding between two or more persons through appropriate medium

Steps of Communication Process

- *Sender*; source of information who creates an idea and message and have some matters for exchange or express
- *Encoding*; act of translating the idea into a definite form that would be understood by the receiver
- *Message*; output of encoding which contains all the information or subject matter of communication and may be verbal, non-verbal, oral or symbolic form.
- *Medium/channel*; the bridge between the sender and the receiver . Telephone , messengers (mediator), letters, reports newspapers etc.

Process of communication

- *Receiver*; the target audience who receive message by way of reading, listening or seeing. An effective message must be receiver oriented, not the sender oriented
- *Decoding*; translation of symbols encoded by the sender for better understanding act of getting actual meaning of the message received
- *Noise*; an element or factor that disturbs the communication process. It consist sound of speech, machine, vehicles, etc. It may influence various steps of communication process
- *Feedback*; response of the receiver to the sender about the message. It clarifies whether the message is properly understood or not effective tool for measuring effectiveness of communication

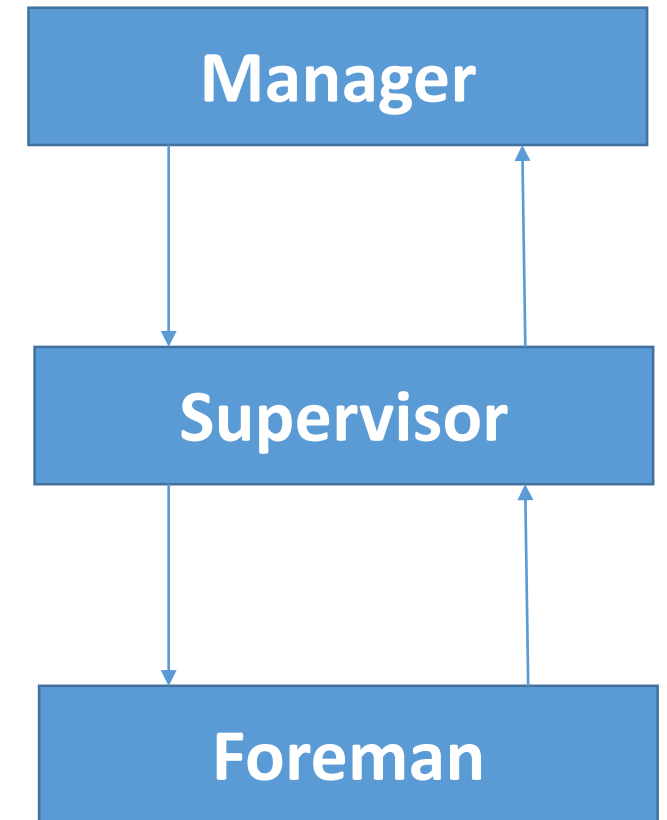
Communication Structure

1. Chain Structure:

In chain structure, one person of communication network communicates with only one person either vertically up or down.

It follows the chain of command that means, communicating person should not skip the immediate person in chain.

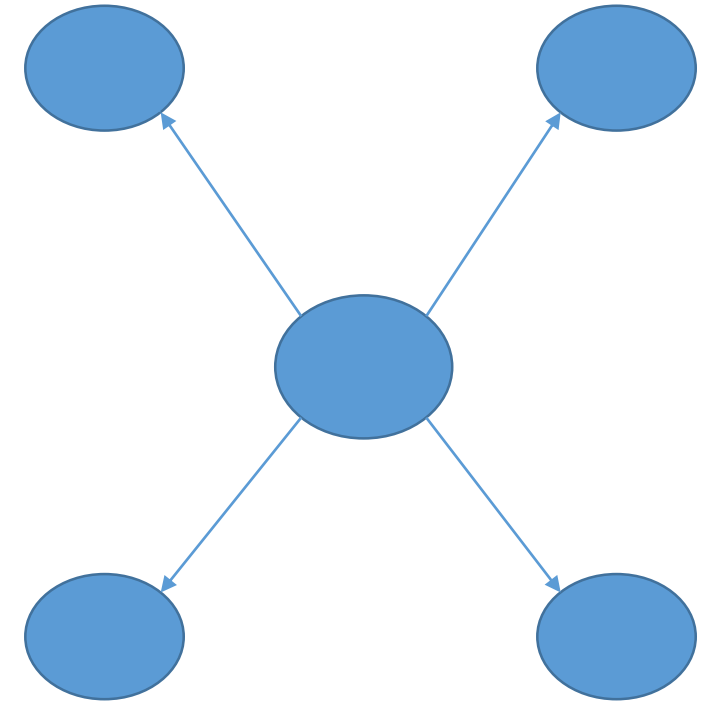
For example, a production manager can communicate directly with general manager or the production supervisor directly below him/her but not with others.



Communication Structure

3. *Wheel Structure:*

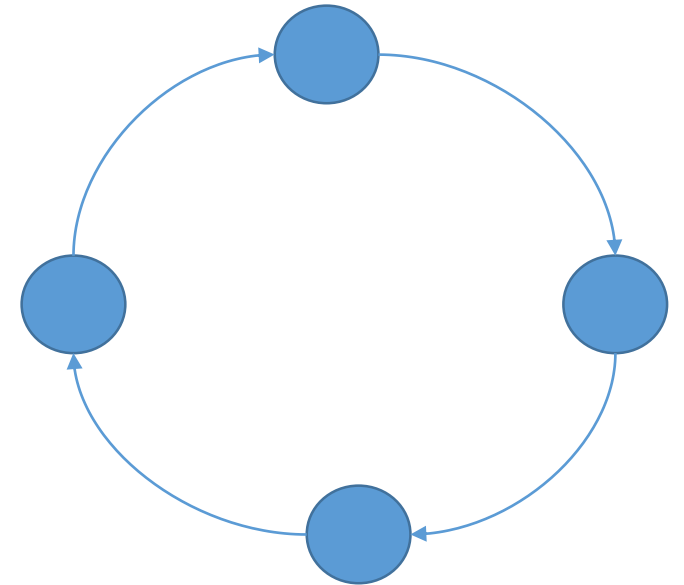
- Under this network, leader of the organization or group works as central person to acquire and disseminate information
- The manager or boss provides information within and outside the organization or group
- Subordinates or other members have no authority to communicate with each other to exchange official information
- More authoritarian type of network



Communication Structure

2. Circle Structure:

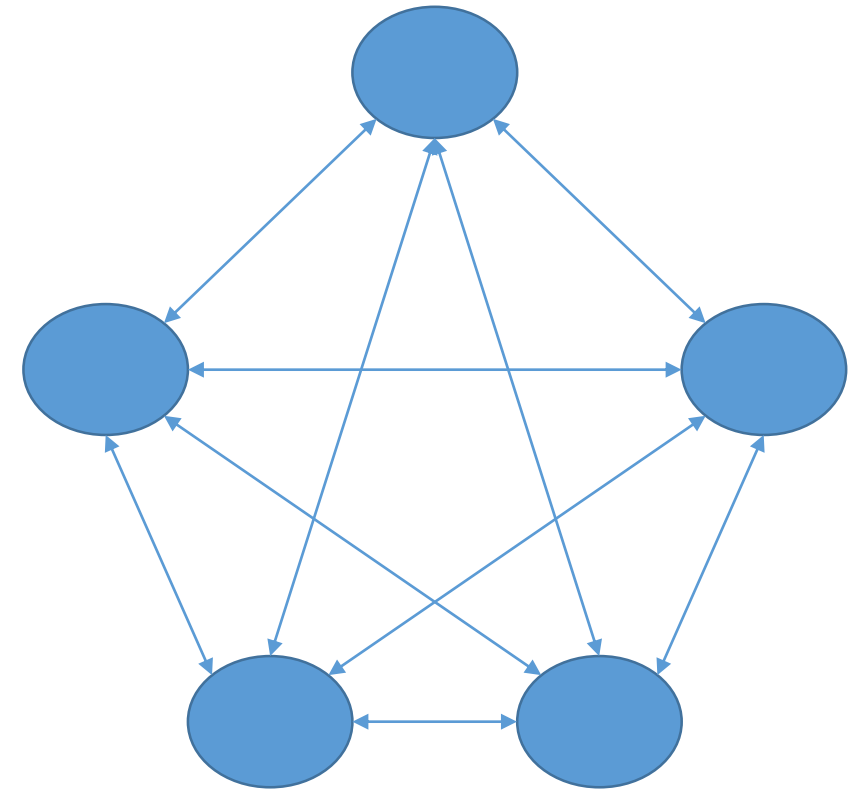
- Horizontal or sideward form of communication
- A person can communicate to other person next to his/her right or left but not with any other member of the group
- For instance, in a meeting, a member communicates to the member on his/her right or left
- In a same way marketing manager converses with finance or production manager to get official information



Communication Structure

4. *All Channel Structure:*

- An informal form of network where all members can communicate their ideas, views and suggestions to all members of the group
- Members have no restriction and boundaries to convey their information
- Free flow of information among the group members
- Leader of the group does not hold excessive power to control group members, so called open channel network



Types of Communication

1. *Formal communication*; flow of information through official channel of the organizational structure. Follows rules regulations and maintains the authority responsibility relationship in the organization. It is task oriented and can be upward and downward, horizontal and network
2. *Informal communication*; non official communication and takes place to build informal social relationship among informal groups. It is free from formalities and useful to overcome the barriers of formal communication. No need of boundaries of time, place or even subjects matter. It may be beneficial to achieve organizational goals as well as to maintain mutual understanding among the members

Types of Communication

3. Verbal Communication;

- It is a common type of communication in which sounds or language are used to transmit information from sender to receiver
- Communication takes place between two individuals or group of individuals
- Two way communication because communicating parties get face-to-face interaction
- People interacting through telephone and web chatting, instructions given by a manager are examples of interpersonal communication
- It is further divided into oral and written communication

Types of Communication

4. Non-verbal Communication;

- Exchange of message through gesture or body posture is referred as non-verbal communication
- Face-to-face conversation between sender and receiver makes the communication more effective
- Often relies on facial expressions, body parts movement, physical contact, gestures, signals, tone change, etc.
- Useful to express feelings, attitude, and emotions
- It expresses more meaning than oral or written communication

Active Listening

Meaning; It is the act of listening with all senses by giving full attention to the speaker and showing verbal or non-verbal signs of listening; it is a skill that can be acquired and developed through practice; it is not only hearing the message; it needs full concentration, understanding, responding and remembering what is being said

Techniques/Elements;

- 1. Avoiding interrupting the speaker**
- 2. Being empathic;** being sensitive to feelings and thoughts of speaker
- 3. Asking open-ended questions:** why, how, explain etc
- 4. Showing interest/eye contact;**
- 5. Proper responding;**
- 6. Paraphrasing;** saying and repeating back to speaker what was said

1. Organizational
Barriers

2. Physical
Barriers

**Barriers To
Effective
Communication**

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graph TD; A[1. Organizational Barriers] --- E(( )); B[2. Physical Barriers] --- E; C[3. Psychological Barriers] --- E; D[4. Semantic Barriers] --- E; F[5. Technological Barriers] --- E; E --- G[Barriers To Effective Communication];
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3. Psychological
Barriers

4. Semantic
Barriers

5. Technological
Barriers

Barriers to Effective Communication

1. **Organizational Barriers;** organizational policy, organizational rules and regulations, scalar chain, communication system, cultural practice
2. **Physical Barriers;** physical distance, office design, hierarchy structure, noise
3. **Psychological Barriers;** distrust of communicator, superiority complex, difference in individual perception, premature evaluation, no attention
4. **Semantic Barriers;** harsh language, vague language, faulty translation, technical words and language
5. **Technological Barriers;** mechanical barriers or problems, loss of transmission, information overload, insufficient time for response