Organizational Behaviour
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Lecture – 46
Power and Leadership - Part 4

Warm welcome to this lecture series on Organizational Behaviour, we are on the chapter on Power and Leadership. I am Dr. M.P Ganesh from IIT Hyderabad.

OVERVIEW

- Defining Power
- Sources of power
- Empowerment
- Organizational Politics
- Leadership
- Leader Vs Manager
- Approaches to Leadership
- Managerial Grid
- Leadership Theories
- Contemporary Issues

POWER

- Ability to influence others.
- The capacity to change the behaviour or attitudes of others in a desired manner.

SOURCES OF POWER

- Legitimate: based on formal position.
- Coercive: capacity to administer punishment to others.
- Reward: capacity to administer reward to others.
- Expert: based on skills and abilities.
- Referent: the degree to which one is liked and admired by others.

Quick summary of what happened in the previous lecture, we defined what is power, we also looked at different sources of power.

EMPOWERMENT

- Power as a cooperative concept
- Benefits of empowerment

We discussed the importance of empowerment in organizations, empowerment means delegation of power within the organization.

ORGANIZATIONAL POLITICS

- Unauthorized usage of power to enhance or protect self-interest.
- Forms of political behaviour:
  - Manipulating information flow
  - Impression management
  - Building coalitions
  - Blaming
  - Creating and using reciprocity

We also looked at some of the negative effects of power inequality in the organization, one such negative effect is organizational politics. We looked at different forms in which political behaviour is exhibited in the organization; we also looked at the concept called leadership.

LEADERSHIP
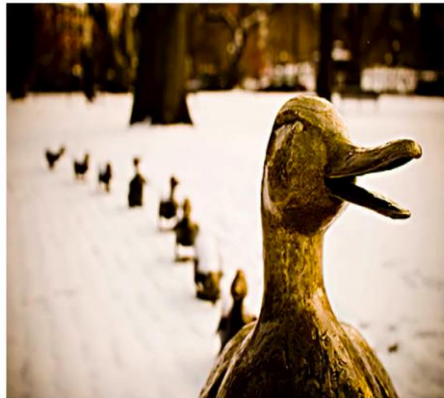
DEFINITION

- The ability to persuade others to seek defined objectives enthusiastically.
- The process of influencing a group toward the achievement of goals.

MANAGERS AND LEADERS

Managers	Leaders
Administer and copy	Innovation and originality
Maintain	Develop
Focus on systems & structure	Focus on people
Rely on control	Inspire trust
Short-range view - bottom line	Long-range view - the horizon
Ask how and when	Ask what and why
Accept the status quo	Challenge the status quo
Classic good soldier	Own person
Do things right	Do the right things

So, to understand leadership we need to understand what is power. So, after we spoke about power we discussed about leadership. We defined what is leadership. We also looked at the difference between managers and leaders. So, one major difference is being a leader is a role, being a manager is a designation.

THE NATURE OF LEADERSHIP

- Leadership involves non-coercive influence.
- Leadership influence is goal oriented.
- Leadership requires followers.

We also looked at why it is important to have why it is important to be a non-coercive leader or we spoke about what kind of leaders succeed in organizational context.

THE TRAIT APPROACH TO LEADERSHIP

- The great person theory
- Characteristics of a great leader
  - Leadership motivation
  - Flexibility
  - Focus on morality
  - High energy level
  - Self-confidence
  - Role specific knowledge
  - Multiple domains of intelligence

We looked at we discussed about the approaches to leadership when you say approaches what I mean is how to understand this concept of leadership. So, we broadly looked at two approaches: the trait approach and the style approach. So, in trait approach the basic assumption is if someone has to be a leader he or she needs to have certain qualities. So, only when these qualities exist within an individual or these qualities are manifested by an individual he or she becomes a leader and this is like a great person theory. So, not all of us can become leaders.

So, let us say there are 1000 people in which 2-3 people can only possess these qualities or fewer people among the larger population will possess these qualities. When they possess these

qualities when they have these qualities they become leader. So, this is one way of understanding leadership.

BEHAVIOURAL APPROACHES

- Explaining what leaders do
- Leadership styles
  - Autocratic
  - Democratic
  - laissez-faire

The second way of understanding leadership is this approach which is called behavioural approach which uses styles to understand leadership, which approaches leadership as leadership styles. It talks about what actually leaders do, the earlier approach talks about what leaders have. So, this approach talks about what leaders do.

So, one indirect assumption this approach makes is we all can be leaders and each one of us exhibit different styles of leadership. So, depending on the context depending on the situation that particular style can be effective. So, if there is a misfit between my style of leadership and the context I may not be perceived as a good leader.

But let us say if there is a context which suits my leadership style then I may be considered as a good leader or I maybe I may exhibit leadership style which may suit that particular context which may lead to better outcomes ok. So, we will look at each of these styles in detail and we will also talk about in which context they will work better. So, this is where we stopped in the previous lecture, now we will continue with each of these styles and discuss them in detail.

TYPES OF LEADERSHIP STYLE

- Democratic:
  - Encourages decision making from different perspectives.
  - Consultative: process of consultation before decisions are taken
  - Persuasive: Leader takes decision and seeks to persuade others that the decision is correct

The first style is democratic style of leadership. So, as the name suggests democratic leadership style involves participative kind of leadership, which means the leader tries to bring in the subordinates in decision making or the leader tries to listens listen to all the subordinates and then try to make the decision. And also the democratic leader tries to empower the subordinates by delegating the authority.

So, democratic means everybody in the group has a voice in terms of decision making, in terms of choosing the path, in terms of choosing the goal and things like that. So, there are two types of democratic style of leadership, the first style is consultative democratic style which means the leader consults with the group.

In other words, the leader may not have a decision or the leader may not approach the group with the decision. The leader approaches the group with an open heart and tries to understand what people think, tries to listen to what they feel, tries to you know grasp the preferences of the group members and then understands which one of them are which solution can be the best for the group and then arrives at the decision.

So, here it is like very completely kind of a democratic approach where you listen to the group and then make the decision. The second type of democratic style is the leader has a decision the leader has already made a decision in terms of what has to be done. But the leader tries to sell this idea tries to persuade the group members to make them feel that this decision he or she has taken as a leader is the correct decision.

On the other hand, an autocratic leader will take a decision and will not even listen to the subordinates his or her subordinates; the leader autocratic leader will say this is a decision we have to do it.

But the persuasive democratic leader will make a decision, but he or she will not force the decision on the subordinate. See he or she will use persuasive methods, which means convince the subordinates you know try to make them understand this particular decision is correct and then get the consensus or the approval of the group members ok.

So, these are two styles of democratic leadership style. So, when will a democratic leadership work ok, we will talk about it after we discussed all three types all three styles of leadership and then we speak about which will suit the context which context better.

TYPES OF LEADERSHIP STYLE

- Democratic:
  - May help motivation and involvement
  - Workers feel ownership of the firm and its ideas
  - Improves the sharing of ideas and experiences within the business
  - Can delay decision making

So, the advantages of democratic style is it will make people or it will make the group members motivated about the entire process or get motivated in participating in the group. So, if the leader does not involve the subordinates they will not be showing any commitment to the decisions of the leader decisions made by the leader. So, if you make people participate they feel they have a voice in decision making that will increase a sense of involvement.

So, if you are asked what you should do when you give a suggestion and if that suggestion is followed then you will feel committed to fulfilling that decision or implementing that decision. So, you cannot say I will give advice I will suggestion, but I will not follow it.

So, it gives a sense of commitment and also involvement from the team member's side. Two, when people are made to participate they feel they are also part of the organization there is a sense of ownership, they also owned the idea they feel they also are part of the organization.

So, you know if the external performance of the team members may increase. I hope you remember that concept external performance, when members feel they are part of the organization they show more commitment and they go beyond what is expected from them. So, this is what is external performance.

So, when the leader consults with the group members for decision making they feel proud they feel happy they feel being acknowledged or recognized. So, that gives a sense of commitment to the larger group which is the organization and that can lead to extra role performance.

Also demographic democratic process is a good process of decision making because one individual making the decision can be biased. So, when you take the group in to consideration and if you use right methods to bring in the ideas of the members, it will lead to diverse ideas being considered for decision making.

So, when diverse ideas are taken into consideration for decision making the decisions will be more holistic and inclusive and also more effective. So when I say inclusive, when one person makes a decision the decision will most probably will be looked at from the leader's perspective.

When I say inclusive you include all the team members who are with different backgrounds. So, they will look at the problem from their own perspective and when all the perspectives different perspectives from different individuals who come from different backgrounds are collated and consulted.

You get better ideas where everybody feel their opinion is also heard and also these ideas will fit into almost any situation, because these are these ideas are or these solutions are made based on ideas from people from different backgrounds, different age groups, different cultural context.

So heterogeneous groups, when they make decisions those decisions are more inclusive and successful in long term. But the only problem with this decision making is it takes a lot of time

because especially when people are from diverse backgrounds and the group members are from different backgrounds they may not converge.

So, each one each one will look at the problem from their own perspective and they may not try to understand or accept what others are saying in the group. So, that may create conflict in the group and the leader may find it very difficult to manage the conflict.

So, the process of decision making may get diverted into a conflict resolution kind of a process. So, instead of making decisions we will be trying to resolve conflict in the group which is not good for the decision making. So, decision making may get delayed and many a times when the groups are highly cohesive the problems associated with group think or you know all these other decision making biases can creep in and that can also spoil the decision making.

But again if the leader is very effective in bringing in the group together and also make people accept each other or listen to each other's opinions and also the leader facilitates the group. So, that all these biases like groupthink or Abelian Paradox does not happen and also the leader creates a kind of you know climate which helps or facilitates people to voice out their true opinion without being hurt by others which is communication climate; the groups can make better decisions. So, this is the best method demographic way of leading, but provided you know all the factors are idle you know all the factors are optimal otherwise you know the group can become chaos.

TYPES OF LEADERSHIP STYLE

- Laissez-Faire:
  - 'Let it be' – the leadership responsibilities are shared by all
  - Can be very useful in businesses where creative ideas are important
  - Can be highly motivational, as people have control over their working life
  - Can make coordination and decision making time-consuming and lacking in overall direction
  - Relies on good team work and interpersonal relations

The second style of leadership which is called laissez faire leadership, laissez faire leadership means let it be. In fact, laissez faire leadership is not doing anything actively to lead. So, just

keep quiet as a leader you are not doing anything, you are just mum; you are not doing anything, you are let letting the group do whatever they want to do or whatever they feel it its right.

So this is like not doing anything; so not doing anything how can it be a leadership style or when can it be useful? So, laissez faire or let it be kind of a leadership which involves not doing anything. In fact, is a better way of leading a group which is like very matured, especially if the group members have lot of experience in the organization, they know the business well they are very matured people they know each other very well.

They are very synergized in terms of you know understanding each other and helping each other and working together you do not need a leader; you know the leader in fact becomes the kind of a symbolic person. So, the leader is just a position that is all. So, anybody can become a leader and the leader is just you know a person who represents the group to the outside world.

So, leader becomes the spear head, all the other things are done by the group itself. So, the leader does not need to intervene. In fact, in a matured group like this where everybody is like optimal in cooperating and collaborating with each other and understanding each other better. If the leader intervenes that can lead to problems ok, it is always better to let such kind of groups to take their own decisions to choose their own path.

Especially, it can be highly motivational in groups which are very matured, you know if we do not intervene itself that will motivate people in such groups where groups are very you know matured. So, most specifically these kind of leadership is very useful in creative kind of teams when and also very specialized the people have multiple specialities.

So, there are groups where each individual is specialists in their own areas, you know all these cross functional groups where each one of them is an expert in their own area. And you know they are like best in their own field, they are working together in a creative task.

So, in such a kind of situation the leader may not understand or know what each of these member's areas are in terms of what is right, what is wrong. So, under these situations it is better for the leader to keep quiet; if they do that members feel motivated they feel they get all the freedom to do or try out all their creative ideas. So, it is a kind of a motivation.

But, if the groups are not matured enough then it can lead to problems, this is like the groups may feel the leaders not giving any direction. They may feel the leader there is no point in

having this leader, they may feel the leader is inefficient. And also if the leader does not intervene, if the leader does not coordinate there might be confusions in terms of information sharing or you know understanding each other and things like that communication and things like that.

So, that can lead to delay in communication, delay in decision making and coordination. And maybe at some point if the members feel directionless, if the leader does not intervene it may lead to lack of direction, the group may feel lost. But again this method is a very successful method if the team has good team dynamics, they know each other well and also they appreciate and accept each other ideas.

So, this can also be a best method not doing anything, not leading itself can be a best method under these situations ok.

TYPES OF LEADERSHIP STYLE

- Paternalistic:
    - Leader acts as a 'father figure'
    - Paternalistic leader makes decision but may consult
    - Believes in the need to support staff

There is also another method called paternalistic method which is like a father figure or parent figure. So, this is like I know what the group should do and I want my group members to follow it. If they do not listen I will try to force my idea, because I know this is the correct idea.

So, this is one way of it is kind of an autocratic style. But sometimes paternalistic leaders can also may also consult they will say see this is the decision I have made as a leader, but you can voice your opinions. But anyway I will make the decision, this is the final decision, but I am willing to listen.

But one advantage of paternalistic leaders is they are very supportive towards their staff, you know they are like they feel they are the father figure or a parent figure; mother figure. So, I am responsible for all these followers so they are like my children. So, this is like typical Indian parenting you know I know what is correct for my child and my child should listen to it and I am doing it for the welfare of my children.

So, sometimes it may seem like very autocratic, but from the leader's point of view the leader feels that I know better and it is better you know I care for them I do not want to take the risk of making team members take the decision because it may harm them. So, better I would take the decision even if my team members feel I am like a you know a very autocratic kind of a leader.

So, another method which we also should discuss is autocratic style. So, autocratic style means the leader makes all the decisions and tells the group you should follow this decision ok. So, autocratic is like a dictatorship. But, may not necessarily bad because in some situations autocratic leadership can be very effective.

So, what are the situations where autocratic leadership will be effective? One when the team members highly trust the leader when they trust the leader blindly, they will obviously you know listen to the leader they may not even question what the leader says. So, when the trust between the leader and the when the trust placed by followers on the leaders is very high autocratic leadership can be very successful.

On the other hand, for democratic leaders when the leader trusts the followers completely, then the democratic leader will say you take the decision I will facilitate. So, laissez faire is the extreme form of trust the leader has on the follower, where the leader feels I do not have to intervene let the followers decide what they want let them go in the direction which they think is good.

Democratic is somewhere in the middle where the leader finally gives that stamp of agreement, the decision even though the decision is made by the group. The leader finalizes the decision in democratic style in autocratic style, the leader makes a decision the leader stands the decision, the leader orders the follower should follow this decision.

So like I said autocratic leadership can also be good one when follow is trust the leader, 2 when the situation is in a crisis situation. You know when there is no time for you to listen to every

member, when you do not have time when you do not have enough resources you do not have you know the members are also not capable enough to make the decision and they also trust us leader.

So, the autocratic leader can very well say I have decided this let us do it we do not have time to make democratic kind of leadership democratic kind of decision making and we do not and I know this is the correct decision. So, you all follow me. So, it can also work in many situations. So, again like I said each of the styles are unique in their own way of approaching the problem and whether this each of this style be successful or not depends upon many other contexts.
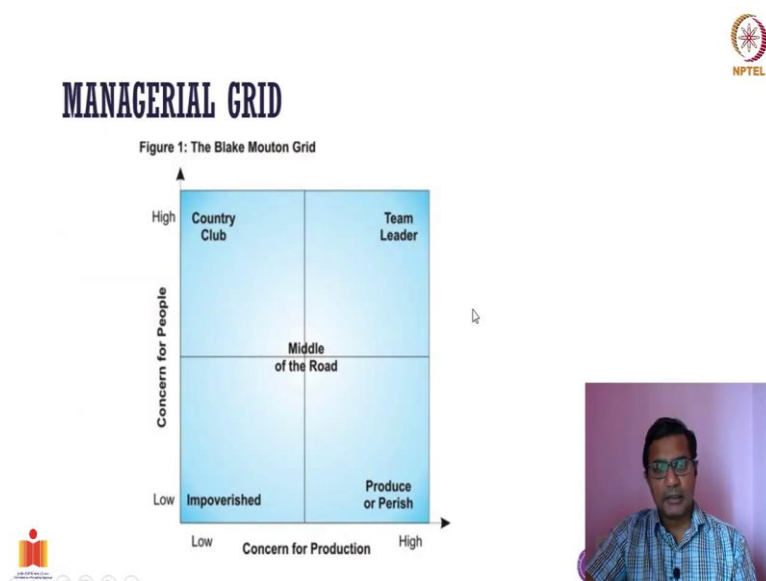
There is another model which explains or which is similar to the styles of leadership which is called managerial grid. In fact, this model is a very popular model among management scholars, you know there is a tool there is a questionnaire which measures the managerial style of leaders or the leadership style of managers and try to understand where they fall.

So, the style of leadership in terms of laissez faire democratic and autocratic ok. So, according to this model there are two important axes; the first axis is x axis is concern for production. So, there are some leaders who place lot of focus on the task, for them the job should be done; I do not care about what my group leader; group members think about me or what they feel about the decision. So, I need work to be done so that is one category one axis.

The second axis is leaders who are very concerned about people, they are like no you know I need my followers to be happy, I need my followers to accept me, I need my followers to you

know think good about me; they are like they want people to accept them as leaders. They want to please in extreme forms they would like to please their team members ok. So, these are two important aspects.

So, when someone as a manager is very high in task focus. So, there the manager only things about doing or fulfilling that work, he or she does not care about team members ok. So, these people are called as taskmasters they are like ring leaders, they are like circus ringmasters. So, they do not care about what the member's think, they even if it is harming their members they do not care ok. So, they use this whip to control the you know the members.

So, if you remember the sources of power most of the times they use coercive power which was punishing people and also formal power positional power. So, for them the power comes from positional power and coercive power. Again they can be useful in some situations when the task has to be done where you do not actually worry, you do not there is no need to worry about team members task is very important. So, under these situations you need people like this.

The another category is extreme, another extreme is people who like to please others; but for them even if the job is not done I do not worry I do not care. But my members should be happy I want to satisfy all my team members all the team members should be happy and comfortable.

So, these people are very people oriented even at the cost of task fulfilment. So, these people are called country club managers, country club managers mean if you go to a resort they will be a manager you know the role of the manager is to make you feel comfortable happy.

You know he or she will try to do everything to make you feel your experience in that particular resort very memorable and things like that. So, these managers are also like this, they want to keep their employees happy you know satisfied comfortable. So that they will talk good about your organization, whether the work happens or not does not matter.

Again this is also dangerous, but also some cases it is advantageous also. Which case it is very useful when the employees are highly skilled, it is a small organization highly skilled employees very difficult to get these kind of employees in the market and you cannot replace them it is very difficult to find alternatives.

For these kind of employees when they leave so you need to do everything to make their employees happy. So, that they will stay and they will perform ok. So, country club also will work under these situations. The other extreme is are not other extreme the ideal form or the ideal cases both concern for people and concern for task are high. So, these people are called task team leaders, they are like they will convince they will persuade they are like democratic leaders.

They will try to bring in members to their you know their wings they try to nurture people, they try to bring them and try to you know make the work happen bring them to their ideology convince them. So, they will do everything but they will not force people they do they will use all softer methods to make people understand this work is important and fulfil that work. So, these group of people are called team leaders which is a very ideal kind of leadership.

The other end is low in everything you know these people are not suitable for leadership position at all, they are like lost as leaders they do not even know what they are doing ok. So, these people cannot be successful in any kind of situation ok. So, this is like impoverished role impoverished kind of style, they can also be middle of the road where half of everything you know you are neither there nor here middle path. So in fact there is a question which measures leadership style of managers.

So, this is like a grid you know you can fall anywhere in the grid depending on your focus on tasks or focus on production. So, maybe depending on where you fall you can you know understand your leadership style and try to improve it, if there is a need to improve on a particular area like concern for people or concern for production and then you know work on it. So, this is a very interesting model very useful model which can be used in organizations to train managers to become better leaders.

I will stop here in the next lecture we will look at the styles of leadership till then take care we will meet in the next lecture.