**GST 204 Material**

**Chapter One**

**Resources Management**

**1.1 Introduction**

Every day we carry out various activities. Think of any activity you do and you will find that to complete that activity you need one or more of the following.

1. Time
2. Energy
3. Money for purchasing required material
4. Knowledge
5. Interest/Motivation
6. Skills/Strengths/Aptitude
7. Material goods like paper, pen, pencil, colours, etc.
8. Water
9. air
10. School building

All these – time, energy, money, knowledge, interest, skills, materials – are resources. Resources are anything which we make use of while carrying out any activity. They help us in accomplishing our goals. You may need more of a certain resource for a particular activity as compared to other resources. In the previous chapter, you have learnt about your own strengths.

Resources can be classified as–

• Human resources

• Non Resources-human resources or material goods

• Human/non-human resources

• Individual/shared resources

• Natural/community resources

Overall, these will in

Human

Non-human/

material

Time

Skills

Aptitude

Knowledge

Energy

Equipment

Furniture

Space

Money

**Human resources** are central to carrying out any activity. These resources can be developed through training and self-development. For example, knowledge regarding any field/task can be acquired, skill may developed which will help you to develop aptitude. Let us read about human resources in detail.

(a) *Knowledge* – It is a resource one uses throughout one’s life and is a pre-requisite for carrying out any activity successfully. A cook must have knowledge of how to operate cooking gas or *chullah* before she/he starts preparing food. A teacher who does not have thorough knowledge

of her/his subject, cannot become an effective teacher. One needs to be open to acquiring knowledge throughout one’s life.

(b) *Motivation/Interest:* There is a common saying, ‘Where there is a will there is a way’. This indicates that to accomplish any task, the worker must be motivated and interested in doing it. For example, if a student is not interested in learning a task, even when other resources are

available, she/he still may give excuses and not finish the task. We may pursue dance, painting, reading fiction, art and craft and other hobbies as per our motivation.

(c) *Skills/Strength/Aptitude:* All individuals may not be skilled in performing all activities. Each one of us has an aptitude in certain areas. We can therefore carry out activities in these areas better as compared to others. For example, pickles and chutney prepared by different individuals will taste different depending upon their skill. However, we can acquire skills we do not have through learning and training.

(d) *Time:* It is a resource available to everyone equally. There are 24 hours in a day and every one spends it in her/his own way. Time once lost cannot be regained. Hence, it is the most valuable resource. Managing time in a specific period and attaining the goal is very important. We need to continuously plan and be able to utilise the available time to finish the desired task.

Time can be thought of in terms of three dimensions — work time, non-work time, rest and leisure time. We need to learn and balance time across these three dimensions in order to be able to accomplish one’s goals. When one learns to balance all the three dimensions, it helps the

individual to be physically fit, emotionally strong and intellectually alert. You should be aware of the peak periods when you are best able to work and use this precious resource effectively to accomplish your goals.

(e) *Energy:* For sustaining individual growth and physical output, energy is essential. Energy levels vary from person to person, according to their physical fitness, mental condition, personality, age, family background Management of Resources and their standard of living. To conserve energy and to use it most effectively, one must carefully think and plan through the activity so that one can complete the task efficiently.

**Non-human Resources**

(a) *Money*: We all require this resource but it is not equally distributed among us – some have less of this resource as compared to others. We need to remember that money is a limited resource and must be spent judiciously to fulfill our requirements.

(b) *Material Resources:* Space, furniture, clothes, stationery, food items, etc., are some of the material resources. We require these resources to carry out activities. Individual and Shared Resources

(a) Individual Resources: These are resources which are available to an individual for personal use only. These can be human or non-human resources. Your own skills, knowledge, time, your school bag, your clothes are some of the examples of individual resources.

(b) Shared resources: These are resources which are available to many members of the community/society. Shared resources can be natural or community based.

**Natural and Community Resources**

(a) Natural Resources: Resources available in nature, like water, mountains, air, etc., are natural resources. These are available to all of us. In order to protect our environment, each one of us has the responsibility of judiciously using these resources.

(b) Community Resources: These resources are available to an individual as a member of community/society. These are generally provided by government. These may be human or non-human. Consultancy provided by hi government hospitals, doctors, roads, parks and post offices are some examples of community resources. Every individual must strive to optimally use these resources and feel responsible in maintaining them.

**Characteristics of Resources**

Though we can categorise resources in various ways, they also have certain similarities. The following are some characteristics of resources.

(i) Utility : ‘Utility’ means the importance or usefulness of a resource in helping one to achieve a goal. Whether or not a resource has utility depends on the goal and the situation. For example, cow dung is considered waste. However, it can be used as a fuel and can also be used to prepare humus (manure). Proper use of important resources available to a family or community leads to greater satisfaction.

(ii) Accessibility : First, certain resources are more easily available as compared to others. Second, resources may be more easily available to some people as compared to others. Third, the availability of resources changes over time. Thus, we can say that accessibility of resources

varies from person to person and from time to time. For example, every family has money as a resource. While some have sufficient money to meet their needs, others have limited budgets. The amount of available money is also different during the beginning of a month as compared

to towards the end of the month.

(iii) Interchangeability : Almost all the resources have substitutes. If one resource is not available, it can be substituted by another. For example, if your school bus does not arrive on time to pick you up, you can go to school in your car, tractor, bullock cart or scooter. Thus, the same function can be performed by a number of resources.

(iv) Manageable : Resources can be managed. Since resources are limited, they should be managed properly and effectively for their optimum utilisation. Resources should be used in such a way that we attain maximum output with minimum input of resources. For example, we

should avoid using two-three buckets of water to wash clothes if we can wash them using one bucket.

**Managing Resources**

It is important to note that none of the resources are unlimited. All resources are finite. We need to utilise resources effectively to achieve our goals faster and efficiently. Resources, therefore, should not be misused and wasted. Thus, to achieve our goals, effective management of resources is extremely essential. Think of your own self and make a list of the human resources you have. Use the following guidelines to reflect on this.

• Knowledge – which areas are you knowledgeable about

• Motivation/interest – what activities do you enjoy doing most

• Skills/strengths/aptitude – what are you particularly good at doing

• Time – which periods of the day are you most active

• Energy – Do you largely feel energetic or tasteless/tired?

**Activity 1**

Managing resources is about getting the most from the resources which are available to us. For example, everybody has 24 hours in a day. While some plan their schedule everyday and utilise every hour to achieve their goals, others waste their time and are not able to do anything productive the entire day. Management of resources involves implementing resource management procedures which include planning, organising, implementing, controlling and evaluation. We will read about these in detail in the following section.

**The Management Process**

As stated above, the management process involves five aspects – planning, organising, implementing, controlling and evaluation.

(a) Planning: It is the first step in any management process. It helps us to visualise the path to reach our goals. In other words, to plan is to produce a scheme for action to achieve specified goals by using the available resources. Planning involves selecting the course of action. To plan effectively to achieve a goal, you must ask the following four basic questions. The answers to these questions will help you to develop a plan.

1. What is our present situation? This involves assessing the present situation, analysing what one has at present and what one would like to have in future.
2. Where do we want to reach? This involves setting specific goals or targets which we desire to achieve keeping in mind the present and future needs.
3. Gap. This is the difference between our present situation and the desired situation. We need to cover this gap in order to achieve our goal.
4. How can we reach our desired goals? Answering this question will help you to decide how to cover this gap. This involves making a plan to achieve goals.

[Current Status]

1. What is your present situation?

[Future Image Goal]

2. Where do we want to reach?

3. Gap?

4. How can we reach the desired goals?

***Steps in planning : The basic steps in planning are–***

1. Identifying the problem
2. Identifying different alternatives
3. Choosing between alternatives
4. Acting to carry out the plan/Putting the plan into action
5. Accepting the consequences

For example, there is only one month left for your annual examination and you have not completed your revision (present situation); your aim is to score good marks (goal). To achieve this goal you need to study five subjects in the specified time period (gap). You would think of a way of achieving this goal (prepare a plan of action), which will include the number of hours you will devote to each subject, prioritising subjects, curtailing other activities and so on.

(b) Organising: It is collecting and arranging appropriate resources in order to implement plans in an effective and efficient manner. If we take the above example, you would organise and arrange all the resources which you may require to study and secure good marks. Some resources could include books, notes, space to study, light, stationery, energy and time.

(c) Implementing: This stage involves carrying out the prepared plan. In the above example, you would put the plan into action by starting to study from the available resources (e.g., books, stationary, notes, etc.).

(d) Controlling: It refers to the task of ensuring that your activities are producing the desired results. In other words, the plan you have put into action is getting the desired results. Controlling helps monitor the outcome of activities and makes sure that the plans are being

implemented correctly. It is important as it provides feedback and helps to check errors. Feedback helps you to revise your plan of action so you can achieve your goal. Therefore, while you are putting your study plan into action, yet you are unable to complete your allotted chapter

because you watch television, this gives you the feedback that you need to minimise your distractions. You will not watch T.V., play or chat with friends during the study hours, as it can affect the outcome of your formulated plan (i.e., study as per the decided number of study

hours).

(e) Evaluation: In the final stage, the outcomes that you have arrived at after putting your plan into action are evaluated. The end result of the task is compared with the desired result. All the limitations and the strengths of the task are noted so that they can be used in future to achieve one’s goals effectively. With reference to the example of studying, evaluation is what you do when you get back the checked answer sheets of the examination. You evaluate your marked answer sheets as per the preparation you had done for the examination and the results you had wanted to achieve. If the scores for any subject all short of your expectations, you try to identify the reasons for the same. At the same time, you also try to find out your strengths which

helped you to secure good marks in other subjects. Then you use these strengths to overcome your limitations to secure better marks in your next examination.

In addition to the different resources discussed in this chapter, there are some other non-human resources that form an integral part of our daily living. One such resource is fabrics. The following chapter tells us about the various fabrics that we come into contact with and their properties.

**Review Questions**

1. Define a resource.

2. Classify resources in three different ways giving the definition of each

resource and two examples of each.

3. Why should resources be managed?

4. Explain the steps in the management process, using one example to clarify

each step.

CHAPT

**CHAPTER TWO**

**ORGANISATIONAL BEHAVIOUR (OB)**

**Evolution of OB**

1. The great Greek philosopher PLATO had wrote about the “importance of Leadership”.
2. Great philosopher Aristotle had addressed the topic “Persuasive

Communication”.

1. In 500 B.C Chinese philosopher Confucius had started “Emphasizing ethics and

leadership”.

1. In 1776, Adam smith, economist in his book “Wealth of Nations” he propounded new form of organizational structure based on “Division of labour and Work specialization”.
2. Robert Owen is an important name in the history of OB because he was one of

the first industrialists who argued for :-

Regulated hours of work for all workers

Child labour laws

Public education

Company supplied meals at work

Business involvement in community projects.

1. German Sociologist, Max Weber developed “a theory of authority structures and described organizational activity based on authority structures”.
2. Soon after Max Weber, F W Taylor introduced a “systematic use of goal setting and rewards to motivate employees” and als0o defining clear guidelines for improving production efficiency by his one of the paper called “The Principles of Scientific Management”.
3. Henry Fayol, Real father of modern Management defined the universal functions that all managers perform and the principles (14 principles of Management) that constitute good management practices.
4. In the late 1950’s people like Abraham Maslow, Douglas McGregor, David McCellenad, Fred Fiedler, Herzberg, Freud Sigmund and other behavioural scientists propounded many theories on employee behaviour.

**Introduction to OB**

Organisational Behaviour tries to understand human behaviour in the organization. OB is a part of total management but plays a very important role in every area of management and has been accepted by all the people concerned. The mangers now understand that to make their organization more effective, they have to understand and predict the human behaviour in the organization.

**Definitions of OB**

1. According to **Stephen P Robbins -** “Organisational behaviour is a field of study that investigates the impact that individuals, groups and structure have on behaviours within the organizations for the purpose of applying such knowledge towards improving an organizations effectiveness”.

2. According to **Fred Luthans** - “Organisational behaviour is directly concerned with the understanding production and control of human behaviour in organization”.

3. According to **Raman J Aldag –** “Organisational behaviour is a branch of the social sciences that seeks to build theories that can be applied to predicting, understanding and controlling behaviour in work organizations”.

By analyzing the above definitions, we can define OB as a behavioural Science that states about :

Nature of Man

Nature of the Organization

Knowledge of human would be useful in improving an organization’s effectiveness.

**Nature of OB**

OB is the study of human behaviour in the organization. Whenever an individual join an organization he/she brings with him/her unique set of personal characteristics, experiences from other organizations and a personal background. At first stage, OB must look at the unique perspective that each individual brings to the work setting. At second stage, OB is to study the dynamics of how the incoming individuals interact with the broader organization. No individual can work in isolation he/she comes into contact with the other individuals and the organization in a variety of ways:

The OB must be studied from the perspective of the organization itself because an organization exists before a particular individual joins in and continues to exist after he or she left the organization. Thus, we can say that we cannot study individual behaviour completely without learning something about the organizations. On the other hand, we cannot study the organizations without studying the behaviour of the individuals working in it. This is because the organization influences and is influenced by the people working in it.

**Foundations of OB**

The subject OB is based on a few fundamental concepts which are explained below :-

**1. Individual Differences**

Each person is different from one to another in intelligence, physique, personality, diction, or any such trait. Individual differences mean that management can cause the greatest motivation among employees by treating them differently. If it were not for individual differences, some standard, across-the-board way of dealing with all employees could be adopted and minimum judgement would be required thereafter. It is because of individual differences that OB begins with the individual. Only a person can take responsibility and make decisions, a group, by nature, cannot do so. A group is powerless until individuals therein act.

**2. A whole Person**

When an individual is appointed, his or her skill alone is not hired, his/her social background, likes and dislikes, pride and prejudices are also hired. A person’s family life cannot be separated from his or her work life. It is for this reason that managers should endeavour to make the workplace a home away from home. They not only strive hard to develop a better employee out of a worker, but also a better person in terms of growth and fulfillment.

**3. Caused Behaviour**

The behaviour of the employee is caused and not random. This behaviour is directed towards some one that the employee believes, rightly or wrongly, is in his/her interest. The manger must realize this basic priniciple and correct this behaviour and tackle the issue as its root. For ex: when a worker comes late to his or her work, pelts stones at a running bus, or abuse the supervisor, there is a cause behind it.

**4. Human Dignity**

This states that people want to be treated with respect and dignity. Every job, however simple, entitles the people who do it to proper respect and recognition of their unique aspirations and abilities. The concept of human dignity rejects the old idea of using employees as economic tools. Organizational behaviour always involves people, ethical philosophy is involved in one way or other in each action. Human decisions cannot and should not be made devoid of values.

**5. Organizations are Social systems**

Organizations are social systems; consequently activities therein are governed by social as well as psychological laws. The people are also have social roles and status. Their behaviour is influenced by their group as well as by their individual drives. The existence of a social system implies that the organizational environment is one of dynamic change, rather than a static. All parts of the system are interdependent and are subject to influence by any other part.

**6. Mutuality of Interest**

Organizations are formed and maintained on the basis of mutuality of interest Among their participants i.e. organizations need people and people also need organizations. People see organizations as a means to help them reach their goals, while, at the same time, organizations need people to help attain Organizational objectives. Mutual interest provides a superordinate goal that united the variety of needs that people bring to organizations.

**7. Holistic Concept**

This concept interprets people-organization relationships in terms of the whole person, whole group, whole organization, and the whole social system. It takes an all-encompassing view of people in organizations in an effort to understand as many of the possible factors that influence their behaviour. Issues are analyzed in terms of the situation affecting them rather than in terms of an isolated event or problem.

**Importance of OB**

**1) OB provides a road map to our lives in organizations**

People bring to their work place their hopes and dreams as well as their fearsand frustrations. Much of the time, people in organizations may appear to be acting quite rationally, doing their fair share of work, and doing about their tasks in a civil manner. Suddenly, a few people appear distracted, their work slips, and they even get withdrawn. Worse still, one may find someone taking advantage of others to further his or her personal interest.

Such a range of human behaviors makes life in organizations perplexing. But those who know what to look for and have some advance ideas about how to cope with pressures are more likely to respond in ways that are functional, less stressful, and even career-advancing. Therefore, OB need to map out organizational events so that employee can function in a more secure and comfortable environment.

**2) A Manager in a Business Establishment is concerned with Getting Things Done Through Delegation**

He or she be successful when he or she can motivate subordinates to work for better results. OB will help the manager understand the basis of motivation and what he or she should do to motivate subordinates.

**3) The field of OB is useful for improving Cordial Industrial/Labour Relations**

If an employee is slow in his/her work, or if his/her productivity is steadily declining, it is not always because of a poor work environment. Often the indifferent attitude of the boss makes the worker lazy. Similarly, reluctance of the management to talk to union leaders about issues might provoke them to give a strike call. In other words, relations between management and employees are often strained for reasons which are personnel issues, not technical. Human problems need to be tackled humanely. OB is very useful to understand the cause of the problem, predict its course of action, and control its consequences. The field of OB serves as the basis for human resource management.

**4) OB helps in motivating employees**

OB helps manager to motivate the employees bringing a good organizational performance automatically that leads to job satisfaction. It helps managers to apply appropriate motivational tools and techniques in accordance with the nature of individual employees.

**5) OB helps effective utilization of human resources**

OB helps managers to manage the people’s behaviour and the organization effectively. It enables managers to inspire and motivates employees towards high productivity and better results.

**Contributing Disciplines of OB**

**1) Psychology**

The terms psychology comes from the Greek word ‘Psyche’ meaning soul or spirit. Psychology is the science that seeks to measure, explain and sometimes change the behaviour of human beings. Psychology studies processes of human behaviour, such as learning, motivation, perception, individual and group decision-making, pattern of influences change in organization, group process, satisfaction, communication, selection and training also such above concepts are used in Organization Behaviour.

**2) Anthropology**

The term anthropology combines the Greek term ‘anthropo’ meaning man and the noun ending ‘logy’ meaning science. Thus, anthropology can be defined as the science of man. It is also known as ‘science of humanity’. It studies the relationship between individuals and their environment. The major contributions of Anthropology in the field of OB are Comparative values, Comparative attitudes, Cross-culture analysis, Organization environment etc.

**3) Political Science**

Political science is the branch of social science which deals with political system and political behaviours. In other words, political science helps us to understand the dynamics of power and politics within organizations Which includes conflict resolution, group coalition, and allocation of power etc. The main contributions of political science in the field of OB have been concerned mainly with Conflict, Intra-organizational policies and Power.

**4) Economics**

Economists study the production, distribution and consumption of goods and services. The economic conditions of a country have long lasting impact on organizational behaviour. If psychological and economic expectations of employee are met, they are satisfied and become high performers. Economic systems include financial, commercial and industrial activities which have greater influences on the behaviour of the people.

**5) Engineering**

Engineering also influences organisational behaviour. Some topics are common to engineering as well as organisational behaviour e.g. work measurement, productivity measurement, work flow analysis, work design, job design and labour relations etc.

**6) Medical Science**

Stress is becoming a very common problem in the organisations. Research shows that controlling the causes and consequences of stress in and out of organisational settings, is important for the well being of the individual as well as the organisations. Medicine helps in the control of stress as well as stress related problems.

**7) Sociology**

Sociology also has a major impact on the study of organisational behaviour. Sociology makes use of scientific methods in accumulating knowledge about the social behaviour of the groups. Sociology contributes to organisational behaviour through the study of interpersonal dynamics like leadership, group dynamics, communication etc.

**Application of OB in Management**

**1) Responding to Globalization**

Organization in recent days has changed the style of working and tries to spread worldwide. Trapping new market place, new technology or reducing cost through specialization or cheap labour are few of the different reasons that motivates organizations to become global.

**2) Managing Workforce Diversity**

The increasing heterogeneity of organizations with the inclusion of different groups. Whereas globalization focuses on differences among people from different countries. "Workforce diversity has important implications for management practice. Managers will need to shift their philosophy from treating everyone alike to recognizing differences and responding to those differences in ways that will ensure employee retention and greater productivity while, at the same time, not discriminating".

**3) Improving Quality and Productivity**

a) Total Quality Management (TQM)

It is a philosophy of management that is driven by the constant attainment of customer satisfaction through the continuous improvement of all organizational processes.

1. Intense focus on the customer

2. Concern for continuous improvement

3. Improvement in the quality of everything the organization does

4. Accurate measurement

5. Empowerment of employees.

b) Reengineering

Reengineering: Reconsiders how work would be done and the organization structured if they were being created from scratch. "It asks managers to reconsider how work would be done and their organization structured if they were starting over".

**4) Improving people skills**

It will help management to better plan and respond to changes in the workplace. employee relationship is also showing change in the modern era. Employer Employers are no more autocrats and participative style of leadership welcomed. Flexible working hours and increased is authority motivates employees to perform to their best. Management now welcomes upward communication and participation of lower level employees in the decision making process.

**5) Stimulating Innovation and Change**

"Today's successful organizations must foster innovation and master the art of change or they'll become candidates for extinction. An organization's employees can be the impetus for innovation and change or they can be a major stumbling block. The challenge for managers is to stimulate employee creativity and tolerance for change.

**6) Work-life Balance**

Achieving a work-life balance between work and other important aspects of life is a big challenge today in every organization. It can be tough to make time for family and work. Hence, Employers can help employees to achieve work-life balance by instituting policies, procedures, actions, and expectations that enable them to pursue more balanced lives, such as flexible work schedules, company sponsored family events and activities etc.

**7) Improving People Skills**

Possessing people skills is essential to have success in todays’ organizations. Employees needs to improve their skills through a little effort and showing basic common courtesy in their business dealings like being polite, avoiding conflict, listening, appreciating etc. On the other hand employers’ should also concentrate more on training employees with this above context.

**Shortcomings of OB**

**1) Failure of Individual on the Domestic Front**

The subject helps an individual understand human behaviour better only in the work place, he or she may be a failure on the domestic front. People who have a thorough grounding of behavioural disciplines have sometimes proved to be total wrecks in their personal lives.

**2) Failure to contribute to improve Interpersonal Relations**

The subject of OB has not contributed to improved interpersonal relations in organizational settings. Jealousies, back-stabbing, leg-pulling, intrigues, harassment, and inequalities in rewards go side by side with nice lecturers, training programmes, discussions, smiles, assurances, niceties and the like.

**3) OB is selfish and exploitative**

It serves only the interest of the management. With high emphasis on motivation, efficiency, and productivity, the subject breeds a competitive spirit among the employees. They are not allowed to function and live in harmony with one another.

**4) Expectation of quick fix solutions**

A serious problem that has plagued the subject is the tendency of managers to expect quick-fix solutions from behavioural programmes. Critics of OB wonder whether the ideas that have been developed and tested during periods of organizational growth and economic plenty will endure with equal success under different conditions. Future environment shall be marked by shrinking demand, scarce resources, and more intense competition. When organizations stagnate, decline, or encounter a threat of closure, there will be conflict and stress as a result it leads to one of the critical issue to find answers to related questions.

**5) OB will not totally abolish conflict and frustration, it can only reduce**

**them**

It means, OB not an absolute answer to problems. It is only a part of the whole fabric of an organization. However, OB will not solve unemployment. It will not make up for our own deficiencies. It cannot substitute for poor planning, inept organizing, or inadequate controls. It is only one of the many systems operating within a larger social system.

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**CHAPTER THREE**

**ORGANISATIONAL LEADRESHIP**

**What is Leadership**

Leadership is a process by which an executive can direct, guide and influence the behavior and work of others towards accomplishment of specific goals in a given situation. Leadership is the ability of a manager to induce the subordinates to work with confidence and zeal.

A leader is someone who directs and motivates a group of people or an individual to accomplish a certain goal. Those who are leaders inspire followers to take the initiatives necessary for success. The abilities required to be an effective leader must be developed via learning and practice.

Leadership is the potential to influence behaviour of others. It is also defined as the capacity to influence a group towards the realization of a goal. Leaders are required to develop future visions, and to motivate the organizational members to want to achieve the visions.

According to Keith Davis, “Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and motivates it towards goals.”

## Features/Characteristics of Leadership

* *Influence the behaviour of others*: Leadership is an ability of an individual to influence the [behaviour](https://www.toppr.com/guides/economics/theory-of-consumer-behaviour/) of other employees in the [organization](https://www.toppr.com/guides/business-management-entrepreneurship/organizing/structure-of-organization/) to achieve a common purpose or goal so that they are willingly co-operating with each other for the fulfillment of the same.
* *Inter-personal process*: It is an interpersonal process between the leader and the followers. The relationship between the leader and the followers decides how efficiently and effectively the targets of the organization would be met.
* *Attainment of common organizational goals*: The purpose of leadership is to guide the people in an organization to work towards the attainment of common organizational goals. The leader brings the people and their efforts together to achieve common goals.
* *Continuous process:* Leadership is a continuous [process](https://www.toppr.com/guides/business-management-and-entrepreneurship/human-resource-management/selection-process/). A leader has to guide his employees every [time](https://www.toppr.com/guides/quantitative-aptitude/work-and-time/) and also monitor them in order to make sure that their efforts are going in the same direction and that they are not deviating from their goals.
* *Group process:* It is a group process that involves two or more people together interacting with each other. A leader cannot lead without the followers.
* *Dependent on the situation*: It is situation bound as it all depends upon tackling the situations present. Thus, there is no single best [style of leadership](https://www.toppr.com/guides/fundamentals-of-economics-and-management/leadership-and-management/leadership-style/).

## Qualities of a Leader

* *Personality:*A pleasing personality always attracts people. A leader should also friendly and yet authoritative so that he inspires people to [work](https://www.toppr.com/guides/quantitative-aptitude/work-and-time/days-from-work/) hard like him.
* *Knowledge:*A subordinate looks up to his leader for any suggestion that he needs. A good leader should thus possess adequate knowledge and competence in [order](https://www.toppr.com/guides/maths/differential-equations/order-and-degree-of-a-differential-equation/) to influence the subordinates.
* *Integrity:*A leader needs to possess a high level of integrity and honesty. He should have a fair outlook and should base his judgment on the facts and logic. He should be objective and not biased.
* *Initiative:*A good leader takes initiative to grab the opportunities and not wait for them and use them to the advantage of the organization.
* [*Communication skills*](https://www.toppr.com/guides/business-communication-and-ethics/intro-to-business-communication/)*:*A leader needs to be a good communicator so that he can explain his ideas, policies, and procedures clearly to the people. He not only needs to be a good speaker but also a good listener, counsellor, and persuader.
* *Motivation skills*: A leader needs to be an effective motivator who understands the needs of the people and motivates them by satisfying those needs.
* *Self-confidence and Will Power:*A leader needs to have a high level of self-confidence and immense will-power and should not lose it even in the worst situations, else employees will not believe in him.
* *Intelligence:*A leader needs to be intelligent enough to analyze the pros and cons of a situation and take a decision accordingly. He also needs to have a vision and fore-sightedness so that he can predict the future impact of the decisions taken by him.
* *Decisiveness:*A leader has to be decisive in managing his work and should be firm on the decisions are taken by him.
* *Social skills:*A leader should possess empathy towards others. He should also be a humanist who also helps the people with their personal problems. He also needs to possess a sense of responsibility and accountability because with great authority comes great responsibility.

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### LEADERSHIP STYLES

## What is a leadership style?

A leadership style refers to a leader’s methods, characteristics, and behaviors when directing, motivating, and [managing their teams](https://www.imd.org/reflections/team-leadership/). A leader’s style is shaped by a variety of factors, including personality, values, skills, and experiences, and can have a significant impact on the effectiveness of their leadership.

Their leadership style also determines how As leaders develop their strategy, implement plans and respond to changes while managing stakeholders’ expectations and their team’s well-being.

In many cases leaders will express a wide-range of leadership styles – and will likely adapt this dependent on their situation. However, leader will often have one pre-eminent style that they tend to express more often.

**IMPORTANCE OF LEADERSHIP STYLE**

a leader, understanding your leadership style is critically important. When you understand your leadership style, you can determine how this affects those you directly influence. It also helps you find your [leadership strengths](https://www.imd.org/reflections/leadership-strengths/) and define which [leadership skills](https://www.imd.org/reflections/leadership-skills/) to develop.

Some leaders can already categorize their current leadership style, recognizing whether this makes them effective. Or how their employees see them. But it is not always so defined. It is usually the case that leaders can categorize their style; however, they often exhibit traits of many other leadership styles.

Detailed feedback is one easy way to know your leadership style. Asking those who you lead to provide you with open and honest feedback is a helpful exercise. Doing so will allow you to adapt your style’s characteristics within your day-to-day responsibilities as a leader.

**TYPES OF LEADERSHIP STYLE**

* **Autocratic leadership style**: It refers to a leadership style where the leader takes all the decisions by himself.
* **Democratic leadership style**: It refers to a style where the leader consults its subordinates before taking the final decision.
* **Laissez-faire or Free-rein leadership style:** It refers to a style where the leader gives his subordinates complete freedom to take the decisions.

**Other Forms of Leadership**

**The six most common leadership styles are:**

* Transformational Leadership.
* Delegative Leadership.
* Authoritative Leadership.
* Transactional Leadership.
* Participative Leadership.
* Servant Leadership.

## 1. Transformational Leadership

We’ve likely all been in a group situation where someone took control, communicating with the group and creating a shared vision. Creating unity, developing bonds, creating energy, and instilling passion. This person is very likely to be considered a [transformational leader.](https://www.imd.org/leadership/tl/transformational-leader/)

Transformational leadership is a leadership style that emphasizes change and transformation. Leaders who adopt this approach strive to inspire their followers to achieve more than they ever thought possible by tapping into their potential. This type of leadership can be highly effective in organizations looking to make significant changes or transformations.

Some of the key characteristics of transformational leadership include:

A focus on the future: Transformational leaders always look ahead and think about what needs to be done to achieve the organization’s goals. They inspire their followers to do the same.

A focus on change: Transformational leaders are comfortable with change and understand it is necessary for organizational success. They work to ensure their followers are comfortable with change and can adapt to it.

A focus on people: Transformational leaders see the potential in every one of their followers. They strive to develop their followers’ [individual strengths and abilities](https://www.imd.org/reflections/leadership-strengths/) so that they can reach their full potential.

**2. Delegative Leadership**

Often referred to as “laissez-faire,” a delegative leadership style focuses on delegating initiative to team members. This is generally known as one of the least intrusive forms of leadership; this translates to “let them do.” This is therefore considered a very hand-off leadership style.

Leaders who adopt this style have trust and rely on their employees to do their jobs. They don’t micromanage or get too involved in providing feedback or guidance. Instead, delegative leaders allow employees to utilize their creativity, resources, and experience to help them meet their goals.

This can be a successful leadership strategy if team members are competent and take responsibility for their work. However, delegative leadership can also lead to disagreements among team members and may split or divide a group.

It can be challenging for newcomers to adapt to this style of leadership or staff members to develop an understanding of who is ultimately in charge and responsible for outcomes. Therefore, this leadership style must be kept in check.

## 3. Authoritative Leadership

Authoritative leaders are often referred to as visionary. Leaders who adopt this style consider themselves mentors to their followers. Not to be confused with authoritarian leadership, authoritative leadership emphasizes a “follow me” approach. This way, leaders chart a course and encourage those around them to follow.

Leaders who display authoritative traits tend to motivate and inspire those around them. They provide overall direction and provide their teams with guidance, feedback, and motivation. This promotes a sense of accomplishment or achievement.

The authoritative leadership style relies heavily on getting to know each team member. This allows a leader to provide guidance and feedback on a more personalized level, helping individuals to succeed. This means authoritative leaders need to be able to adapt, particularly as the size of their team grows.

Authoritative leadership is very hands-on, but leaders must be cautious not to micromanage. This is a tendency with this style, which can be overbearing for team members and create negative sentiments.

**4. Transactional Leadership**

Transactional leadership, often referred to as managerial leadership, is a leadership style that relies on rewards and punishments. This leadership style clearly emphasizes structure, assuming individuals may not possess the motivation needed to complete their tasks.

With this reward-based system, a leader sets clear team goals or tasks. Leaders also clarify how their teams will be rewarded (or punished) for their work. Rewards can take many formats but typically involve financial recompenses, such as pay or a bonus.

This “give and take” leadership style is more concerned with efficiently following established routines and procedures than making transformational organizational changes.

Transactional leadership establishes roles and responsibilities for each employee. However, it can lead to diminishing returns if employees are always aware of how much their effort is worth. Therefore, incentives must be consistent with company goals and supported by additional gestures of appreciation.

## 5. Participative Leadership

Sometimes referred to as democratic leadership, participative leadership is a leadership style that encourages leaders to listen to their employees and involve them in the decision-making process. This leadership style requires leaders to be inclusive, utilize good communication skills, and, crucially, be able to share power/responsibility.

When a leader adopts a participative leadership style, this encourages collaboration through accountability. This often leads to a collective effort of a team to identify problems and develop solutions instead of assigning individual blame.

This leadership style has historically been prevalent and utilized by many leaders in many organizations. However, as working habits have changed (accelerated by the COVID-19 pandemic) and teams have become more decentralized, this leadership style is more complicated.

Spontaneous, open, and candid communication is often associated with a participative leadership style. Remote working or [virtual teams](https://www.imd.org/reflections/team-leadership/) can make this particularly challenging to maintain.

Participative leadership is often favored as it helps to build trust with employees. Empowering them and encouraging them to share their ideas on essential matters, demonstrating their value to a team.

**6. Servant Leadership**

Servant leadership is a leadership style that puts the needs of others first. It emphasizes creating strong relationships with those around you and focuses on enabling them to reach their full potential. As a leader, it requires focusing on understanding the people you are working with and developing their abilities, while also setting a good example and understanding their personal goals.

At its core, servant leadership is about ethical decision making; if one follows this model they will be more likely to make decisions based on what is right for everyone involved, rather than just benefitting a select few. This approach fosters an environment where creativity and problem-solving thrive as team members feel empowered to suggest new solutions and build upon each other’s ideas.

Furthermore, following the principles of servant leadership can result in improved communication between all involved parties – from senior management to front-line employees. By taking into account the opinions of subordinates, leaders can prevent any potential conflicts while maintaining both healthy relationships and peaceful work environments. Ultimately, these qualities help create a stronger sense of loyalty amongst team members which consequently leads to increased productivity overall.

## Roles and Responsibilities of a Leader

A leader’s job description should include the following obligations. However, while a leader’s daily duties will vary from company to company, the following are the roles and responsibilities of a leader:

* Training new hires.
* Communicating in a transparent and constructive manner.
* Encouraging the staff to collaborate so that the business can profit.
* Obtaining input and settling disputes.
* Enabling each employee to realise his or her own potential and advance within the organisation.
* Acknowledging good conduct.
* Identifying ineffective techniques or procedures.
* Modifying undesirable behaviours.
* Team members are being watched over without being micromanaged.
* Creating timetables to accomplish goals.
* Setting examples.
* Creating engaging and pleasant work.
* Rewarding accomplishments (think pizza payday).
* Creating shared ownership for successful outcomes.
* Accepting accountability for unsuccessful results.
* Adjusting to organisational changes and guidelines.
* Bringing up issues or suggestions to management and reporting on metrics.

## How to find your leadership style?

Choosing a leadership style that works for you can make you a more effective leader. Whether you manage a large or small team, your leadership style heavily impacts how your team sees you. Here are a few points that can help you get started.

Firstly, being clear about your goals and what you want to achieve is essential. Once you have a clear vision, it will be easier to communicate your ideas to your team and inspire them to follow your lead.

Secondly, experiment! There are many different leadership styles, and the best way to find your own is to experiment with different approaches and see what works best for you and your team.

Finally, remember that leadership is not about being perfect but authentically leading. When you lead from a place of passion and purpose, others will naturally be drawn to you and your message. Remember, as a leader, it is vitally important to be open to (and to seek actively) feedback and be willing to adjust your approach as needed.