

Lecture notes

B. Com Hons Sem III, Sub Code – BCH-3.3

Sub – Management Principles and Application

Topic – Leadership: Meaning, Characteristics and Functions

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Learning outcome from this lecture note

1. Meaning and definition of Leadership
2. Nature and characteristics of leadership
3. Formal and Informal Leadership
4. Importance of Leadership
5. Leadership Functions
6. Qualities of good leader

Leadership: Meaning, Characteristics and Functions

Leadership can be defined as the ability of the management to make sound decisions and inspire others to perform well. It is the process of directing the behaviour of others towards achieving a common goal. In short, leadership is getting things done through others.

Leadership is a process by which an executive can direct, guide and influence the behaviour 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.

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.

The definition given by some famous authors and management experts are given below:

1. Koontz and O'Donnell, leadership is the ability of a manager to induce subordinates to work with confidence and zeal.
2. Dubin, R. Leadership is the exercise of authority and making of decisions.
3. Allford and Beaty, Leadership is the ability to secure desirable actions from a group of followers voluntarily, without the use of coercion.
4. Peter Drucker, Leadership is not making friends and influencing people, i.e., salesmanship it is the lifting of man's vision to higher sights, the raising of man's personality beyond its normal limitations.
5. 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."

In the various definitions of leadership the emphasis is on the capacity of an individual to influence and direct group efforts towards the achievement of organisational goals. Thus we can say that leadership is the practice of influence that stimulates subordinates or followers to do their best towards the achievement of desired goals.

Nature and characteristics of leadership

An analysis of various definitions of leadership reveals the following important characteristics of leadership:

1. Leadership is a personal quality.
2. It exists only with followers. If there is no followers, there is no leadership.
3. It is the willingness of people to follow that makes a person a leader.
4. Leadership is a process of influence. A leader must be able to influence the behaviour, attitude and beliefs of his subordinates.
5. It exists only for the realization of common goals.

6. It involves readiness to accept complete responsibility in all situations.
7. Leadership is the function of stimulating the followers to strive willingly to attain organisational objectives.
8. Leadership styles do change under different circumstances.
9. Leadership is neither bossism nor identical with management.
10. It is an inter-personal process in which a manager is into influencing and guiding workers towards attainment of goals.
11. It denotes a few qualities to be present in a person which includes intelligence, maturity and personality.
12. It is a group process. It involves two or more people interacting with each other.
13. A leader is involved in shaping and moulding the behaviour of the group towards accomplishment of organizational goals.
14. Leadership is situation bound. There is no best style of leadership. It all depends upon tackling with the situations.

Formal and Informal Leadership

From the view point of official recognition from top management, leaders may be classified as formal and informal leaders. A formal leader is one who is formally appointed or elected to direct and control the activities of the subordinates. He is a person created by the formal structure, enjoys organisational authority and is accountable to those who have elected him in a formal way. The formal leader has a two-fold responsibility. On the other hand he has to fulfil the demand of the organisation, while on the other he is also supposed to help, guide and direct his subordinates in satisfying their needs and aspirations.

Informal leaders are not formally organised. They derive authority from the people who are under their influence. In any organisation we can always find some persons who command respect and who are approached to help, guide and protect the informal leaders have only one task to perform, i.e., to help their followers in achieving their individual and group goals. Informal leaders are created to satisfy those needs which are not satisfied by the formal leaders to strengthen the formal leadership.

Importance of Leadership

Leadership is an important function of management which helps to maximize efficiency and to achieve organizational goals. The following points justify the importance of leadership in a concern.

1. **Initiates action-** Leader is a person who starts the work by communicating the policies and plans to the subordinates from where the work actually starts.
2. **Motivation-** A leader proves to be playing an incentive role in the concern's working. He motivates the employees with economic and non-economic rewards and thereby gets the work from the subordinates.
3. **Providing guidance-** A leader has to not only supervise but also play a guiding role for the subordinates. Guidance here means instructing the subordinates the way they have to perform their work effectively and efficiently.
4. **Creating confidence-** Confidence is an important factor which can be achieved through expressing the work efforts to the subordinates, explaining them clearly their role and giving them guidelines to achieve the goals effectively. It is also important to hear the employees with regards to their complaints and problems.
5. **Building morale-** Morale denotes willing co-operation of the employees towards their work and getting them into confidence and winning their trust. A leader can be a morale booster by achieving full co-operation so that they perform with best of their abilities as they work to achieve goals.
6. **Builds work environment-** Management is getting things done from people. An efficient work environment helps in sound and stable growth. Therefore, human relations should be kept into mind by a leader. He should have personal contacts with employees and should listen to their problems and solve them. He should treat employees on humanitarian terms.
7. **Co-ordination-** Co-ordination can be achieved through reconciling personal interests with organizational goals. This synchronization can be achieved through proper and effective co-ordination which should be primary motive of a leader.

Leadership Functions

Following are the important functions of a leader:

1. Setting Goals

A leader is expected to perform creative function of laying out goals and policies to persuade the subordinates to work with zeal and confidence.

2. Organising:

The second function of a leader is to create and shape the organisation on scientific lines by assigning roles appropriate to individual abilities with a view to make its various components to operate sensitively towards the achievement of enterprise goals.

3. Initiating Action:

The next function of a leader is to take the initiative in all matters of interest to the group. He should not depend upon others for decision and judgement. He should float new ideas and his decisions should reflect original thinking.

4. Co-ordination:

A leader has to reconcile the interest of the individual members of the group with that of the organisation. He has to ensure voluntary co-operation from the group in realising the common objectives.

5. Direction and Motivation:

It is the primary function of a leader to guide and direct his group and motivate people to do their best in the achievement of desired goals, he should build up confidence zeal in the work group.

6. Link between Management and Workers:

A leader works as a necessary link between the management and the workers. He interprets the policies and programmes of the management to his subordinates and represents the subordinate's interests before the management. He can prove effective only when he can act as the true guardian of the interests of his subordinates.

Qualities of a good leader

A leader has got multi-dimensional traits in him which makes him appealing and effective in behaviour. The following qualities must be present in a good leader.

1. Physical appearance – A leader must have a pleasing appearance. Physique and health are very important for a good leader.
2. Vision and foresight: A leader cannot maintain influence unless he exhibit that he is forward looking. He has to visualise situations and thereby has to frame logical programmes.
3. Intelligence: A leader should be intelligent enough to examine problems and difficult situations. He should be analytical who weighs pros and cons and then summarizes the situation. Therefore, a positive bent of mind and mature outlook is very important.
4. Communication skills: A leader must be able to communicate the policies and procedures clearly, precisely and effectively. This can be helpful in persuasion and simulation.
5. Objective: A leader should have fair outlook which is free from bias and which does not reflects his willingness towards a particular individual. He should develop his own opinion and should base his judgement on facts and logic.
6. Knowledge of work: A leader should be very precisely knowing the nature of work of his subordinates because it is then he can win the trust and confidence of his subordinates.
7. Sense of responsibility: Responsibility and accountability towards an individual's work is very impotent to bring a sense of influence. A leader must have a sense of responsibility towards organisational goals because only then he can get maximum of capabilities exploited in a real sense. For this, he has to motivate himself and arouse and urge to give best of his abilities. Only than he can motivate the subordinate to the best.

8. Self -confidence and will power: Self-confidence is important to earn the confidence of the subordinates. He should be trustworthy and handle the situations with full will power.
9. Humanist: this is an essential trait of a leader because he deals with human beings and is in personal contact with them. He has to handle the personal problems of his subordinates with great care and attention. Therefore treating the human beings on humanitarian grounds is essential for building a congenial environment.
10. Empathy: It is an old saying “stepping in to shoes of others.” This is important because fair judgement and objectivity comes only then. A leader should understand the problems and complaints of employees and should also have a complete view of the needs and aspirations of the employees. This helps in improving human relations and personal contacts with the employees.

Although a leader can have all traits at one time, but a few of them helps in achieving effective results.
