

ROLES FOR EFFECTIVE LEADERSHIP AND ITS IMPACT ON AN ORGANIZATION'S SUCCESS - AN OVERVIEW

Dr. Devaki .K .K

Assistant Professor, PG Department of Commerce, MMKSDM College, Mysore, Karnataka

Abstract

The success of the entire business depends on the most important resource of any organization which is certainly human resources. They are creators and makers of new technical, technological and organizational solutions, creators of new values, controllers of working process and development of business systems. Leadership is one influence, one work of art and the process of impact on people, in sense that those who are affected are voluntarily and willingly participating in the creation of new values in the organization. Precisely, the role of a leader is to motivate its co-workers to their potential contribution in achieving the objectives of the organization. Leadership and motivation are key factors influencing the success of the organization, as well as employee satisfaction. Therefore, the connection and interconnection of successful leadership and proper ways of motivating employees are essential for all organizations.

Keywords: Leadership, Motivation, Management, Human resources management, Employee satisfaction.

Introduction

Today's managers nobody needs to remind that we are living in a global economic environment that is more complicated and subject to changes. Every year, new technologies, markets and competitors in an increasing extent appear. The emerging threats and opportunities are more difficult to guess. In addition, we live in an extremely complex and interdependent world in which for the business success is extremely important quality of relationship with strategic partners, external and internal customers and other stakeholders. While the future development is extremely difficult to predict, there are two trends to be predicted with great care. The pace of change continues to grow as well as their complexity and interdependence. Nearly a decade experts have been aware of upcoming trends and even talked about creating an agile company, i.e. organizations that anticipate and react to changing business conditions by harmonizing of highly productive internal and external relations.

To ensure success, companies must develop a more agile way of organization that is in line with the increasing level of complexity of the business environment, although for most companies this is still just more aspiration than a reality. It is therefore necessary to develop leaders that are more agile and something like that includes the ability of effective leadership in the complex conditions of constant changes. The survey showed that only 10% of managers have a satisfactory degree of agility that is required to operate in turbulent economic times.

Leader vs. Manager

Management and leadership are different but both are important. The challenges faced by modern organizations include the full reality of management and the commitment to modern management towards the attractive vision.

In American literature is very popular definition of the difference between a leader and manager who is a pun: the leaders are doing the right things, and managers do things right. Although popular, this definition is certainly not sufficient and complete, because it assumes that the positions of leaders

and managers are at the opposite sides, but that certainly is not the case in organizations, given that any business environment needs the work of leader and manager. They are not competitive but complementary. Organization requires both in order to prosper. Strong leadership and weak management and vice versa, can easily lead the organization at risk. The consequences of strong leadership and weak management in a complex organization are:

- Strong long-term vision with no short-term planning and budgeting
- Almost cult culture in the organization without a lot of the specialization, the structure and rules
- Inspired people who rarely or never use the control systems and solving problems discipline.

The situation in these organizations often goes beyond control. When there is no respecting the limits of work, approved budgets and promises given to consumers, the real threat to the organization grow. The consequences of a strong management and a poor leadership in a complex organization are:

- a) Insisting on short-term period, details, eliminating the risk, and ordinary rationality, with small focus on the long term, large scale strategies that involve risks, as well as human values
- b) A strong focus on specialization, the work is much more important than people, while they are slaves to the rules, with a minimal insisting on the integration, alignment and personal involvement of people.
- c) Control and prediction are in the foreground, growth, training and inspiration are not.

The situation in these organizations is a rigid, non-innovative, and therefore the organization is unable to cope with changes in market or technology. If a company has a strong market position, performance is deteriorating slowly, if does not - very quickly

Importance of Vision and Innovative Approach for Leadership

Innovation is an art of responding the market and technological challenges and the future trends of business for organizations in most suitable way that can lead organizations towards long term success and sustainability. It is necessary to make the products, services and business model compatible with the potential market demands and customer needs in order to meet the organizational goals and sustainable development.

There are different theories presented by the scholars to explain and identify the characteristics of leadership in an organization, in terms of their effectiveness.

(i). Contingency Theory

Fiedler presents the contingency or situational theory of leadership by highlighting the three important factors which has effect on the performance of leaders. Some of them are listed below:

- ❖ **Leader-Member Relations:** It describes that what are the relations between employees and the leader and up to what extent the employees have trust on leader's and how much the leader can attract h/her employees and subordinates and up to what level the leadership is source of inspiration for them.
- ❖ **Task Structure:** This factor talks about the nature of jobs for employees whether they are routine or non-routine, in order to manage and get the maximum output of employees work.
- ❖ **Position Power:** The position power is the power of leadership which she/he has in the organization. The leadership with the power of decisions and their implementation is needed to handle and manage the organizational issues with confidence.

(ii). Path-Goal Theory

Path Goal theory claims that the most successful leaders are those who keep their employees and subordinates motivated defining and making the path of work clear to them through their clear vision.

The main characteristics of a leadership according to this theory are to motivate their teams to meet the organizations goals by keeping control on the outcome of their work and activities. Leaders also appreciate the employees and give rewards on their good work, and to raise and maintain the enthusiasm by giving them confidence about their ability as well as to work.

(iii). Managerial Grid Theory

Robert R. Blake and Anne Adams elaborated the theory of leadership grid. This theory describes the concern of leadership with the customers demand based production by focusing the better management of teams by leadership styles. This approach may be difficult to implement in certain circumstances. In the theory leaders keep their teams motivated and flexible to realize the need of change and accept it.

(iv). Leaders Style Theory

This model highlights the urge of high quality decisions in organizations, which are well acceptable for both employees and leaders. In this model different ways are described for leaders to make appropriate decisions. This model also guides leaders in finding the level to which the employees can be the part of the decision making processes.

(v). Transformational Leadership theory

The transformational leadership means when leader transforms, or changes, he/her subordinates in three significant ways. These ways may lead to win the trust of subordinates for leaders. That can increase the output of their work and doing job activities which can help to achieve the organizational goals in better ways. Some main characteristics of transformational leaders are that they increase the employee's confidence and awareness so they can enhance their performance, and also make them able to understand their personal outgrowth and development. The transformational leadership also increases the level of dedication and motivation for employees to work for the betterment of organization in spite of their personal interest.

The qualities of transformational leadership may include:

- Ability to work as change agents
- Courage to take bold steps.
- Ability to trust on others.
- Value driven characteristics.
- Good learning abilities.
- Strong mental model to work in complex situation.
- A clear vision

From the above debate it can be seen that different scholars and researchers put the light on characteristics of leadership from different angles. There may be some difference in opinions and approaches to analyze these characteristics but all the authors agree on the point that the leaders must have some qualities to become effective leaders.

Effective Leadership Behaviors

So many Different leadership studies highlight the importance of effective leadership behaviors, whether they are based on under-graduates or commercial managers at every level in an organization. In short words, there are commonalities that emerge from this research time and again, which characterize positive behaviors and negative behaviors. Whilst there may be significant differences at the detailed level there seems to be a broad consensus of positive leadership behaviors:

- Effective project planning and management

- Conducts regular, effective meetings to set objectives, allocate tasks and review performance
- Identifying the right person for the right role
- Appropriate delegation of responsibility whilst retaining accountability
- Consults and includes others in decision-making
- Shows an interest in others and responding to their needs whether that is for more information, guidance, support, personal development, positive feedback or reward and recognition

Management Skills - Leadership Skills for Efficient Functioning of an Organization

The success and failure of an organization is directly proportional to the effectiveness of the management. The superiors must share a healthy relationship with the employees for them to deliver their level best.

Leaders need to acquire certain skill sets for an efficient functioning:

- ❖ Management needs to be **impartial towards its employees**. Rules and policies should be same for everyone. Favoritism is a strict no at the workplace. No employee should be granted special favors.
- ❖ **The superiors must ensure that employees do not fight amongst themselves**. Conflicts must be avoided at the workplace as nothing productive can be gained out of it. Make sure individuals do not have problems with each other and gel well. In cases of conflicts, management must intervene and sort out differences immediately. Make the employees sit face to face and let them discuss things amongst themselves.
- ❖ **Make sure employees adhere to the rules and regulations of the organization**. Set clear objectives for the employees. Targets must be predefined and the employees must know what they are supposed to do at the workplace. Discipline must be maintained at the workplace. The employees must come to work on time and strict action must be taken against those who do not follow company's policies.
- ❖ **Be a good listener**. The management must interact with the employees more often. Such initiatives go a long way in motivating the employees and make them stick to the organization for a longer span of time.
- ❖ **The “Hitler approach” does not work in the current scenario**. Be a mentor to your employees rather than being a strict boss. Guide them in their work. Try to help them in their assignments. Help them come out with innovative solutions.
- ❖ **Motivate the employees from time to time**. Design lucrative incentive plans and schemes to bring out the best in them. Appreciate each time they do good work
- ❖ **The leaders must promote healthy discussions at the workplace**.

Roles for Effective Leadership in Organization

In any group, there are key leadership roles to be performed if the group is to function well. Sometimes those roles are assigned formally to particular persons. Sometimes those roles are assumed de facto by group members. When key roles are neither assigned nor assumed, a “vacuum” exists that usually creates problems for the group. A common example in groups is taking a decision without assigning anyone the role of being accountable for follow-through. The following are some key leadership roles and behaviors associated with performing that role well:

1. Inspiring others

- Providing a vision for action (“keeper of the vision”)
- Identify “what” to accomplish, while leaving the “how” flexible.

2. Mentoring others

- Acting as a sounding board
- Championing staff in the organization
- Ensuring that staff have “risk-free” trial periods when learning new skills.

3. Supervising others

- Identifying and removing obstacles to performance
- Planning with staff for ongoing professional development
- Assisting with performance enhancement
- Providing feedback on performance
- Evaluating performance against agreed criteria.

4. Ensuring follow-through

- ✓ Summarizing and clarifying actions to be taken
- ✓ Monitoring implementation steps
- ✓ Setting time for review and evaluation of decisions.

5. Facilitating group process

- Clarifying the group task
- Ensuring that everyone’s contributions are heard
- Safeguarding time parameters
- Assisting the group in reaching consensus
- Assigning follow-through responsibilities.

The Challenges of 21st century

In today's globalized society, leaders are faced with the challenges of a changed environment and with completely new and important issues of leadership. Some of these issues relate primarily to the leadership in the areas in which completely different culture, gender differences in leadership, online leadership, empowerment of employees, etc. cross each other.

(a). Development of trust

Leaders in today's environment are faced with an increasing effort to develop confidence with their subordinates to effectively perform the task. Trust is defined as the belief in the integrity, character and leadership ability. The followers who believe leader are vulnerable when it comes to actions of the leader because they believe their rights and interests will not be abused. Studies have confirmed there are five dimensions that make up the concept of trust:

- ❖ **Integrity:** Honesty and sincerity
- ❖ **Competence:** Professional and inter-personal skills and knowledge
- ❖ **Consistency:** Reliability, predictability and good assessment when it comes to managing the situation
- ❖ **Loyalty:** The desire to protect people, physically and emotionally
- ❖ **Openness:** The desire to share ideas and information freely

(b). Moral Leadership

Leadership is not free of value system so moral leadership includes means the leader is using in an attempt to achieve the objectives and content of these goals. Only recently have researchers and ethics of leadership began to consider the ethical implications of leadership. One of the main reasons may be a growing interest in ethics in all areas of management. Many corporate financial scandals have greatly contributed to the issue of ethics put into focus the issues of management and leadership. Thus, before assessing whether a leader is effective, it is necessary to consider the moral code of its objectives and

means used to achieve these goals.

(c). Leadership Online

An important aspect of leadership is the online performance management, by definition, facilitating and encouraging. It is therefore important to ensure that all virtual team members understand the goals of the team, their responsibilities in achieving these goals and how to evaluate the achievement of goals. While these are important responsibilities of leaders valid for all situations, they are particularly important in a virtual working environment with no direct interaction that transmits expectations or points to problems related to performance. The biggest challenge regarding online leadership is a matter of trust, because virtually Leadership provides numerous opportunities for the violation of trust.

(d). Authorizing staff

In modern organizations, there is the increasingly common phenomenon in terms of authorizing employees. Therefore, leaders, in addition to power and authority, transfer a portion of responsibility to employees. One of the main reasons for the transfer of the mode of liability is a more frequent need to make decisions quickly, and those people, who know most about certain issues - often to those at lower organizational levels, can do this in the best way. If the organizations need to compete successfully in a dynamic global economy, they must be able to make decisions and make changes quickly.

(e). Cross-cultural

leadership The conclusion from the study of leadership is that effective leaders do not use only one style. They adapt their style to a particular situation, and a national culture is certainly an important variable in determining the component, which will be the most effective style of leadership in modern organizations. National culture affects leadership style because it affects how followers will react, and therefore leaders cannot randomly choose their own style. From today's leaders primarily is expected to learn the business culture of the country where they are located.

(f). Differences in gender and leadership

More women are now in managerial positions, and many will continue to take the positions of senior management. Due to the increasing influence of the tendency of women to high positions, in recent years a number of studies on gender and leadership styles have been conducted. The general conclusion is that men and women really apply different styles. Specifically, women tend to implement more democratic and participative style. Women encourages participation, share power and information, strengthen self-evaluation of followers. They guide through inclusion and rely on their charisma, expertise, contacts, and interpersonal skills to influence others. Women tend to apply transformational leadership to transform others through the transformation of self-interest in organizational goals. Men are more inclined to use commanding and control style. They rely on the formal position of authority when it is necessary to influence someone.

Strategic Intelligence

The five elements of strategic thinking:

1. **Prediction;** - in today's changing environment it is very important to set a clear strategy of action and set the key parameters that shape the future. The business involves a sense of anticipation for the upcoming changes.
2. **Systems thinking** means a completely different way of looking at things, the ability to synthesize, integrate, conceptualize information prior of collecting different parts of the whole.
3. The vision involves a combination of prediction and systemic thinking in a holistic vision, and then creating a realistic vision of the world of business.

4. The motivation is the ability to get interest the employees to accept your goals and implement the vision. Many leaders have so-called hard skills, but sometimes it is important to have soft skills and to motivate your employees. Most leaders seem to improve the system, reward or punishment. Modern leaders must possess the ability to recognize what it is the thing that motivates individual employees.
5. Partnership, involves the creation of strategic alliances. Given the enormous financial and social changes, it is very important to understand the personality of today's leaders.

Looking back at the twentieth century, it can teach us much about what caused the successes or failures of the leaders of that time.

Conclusion

The dominant problem today is the issue of human resources and motivation for work. At the beginning it is important to determine the key factors that affect the success of the company and the employees' satisfaction; because we don't only have to create new knowledge in the enterprise, we have to especially encourage human resources to share their knowledge and experience with others. Human opportunities and knowledge, because they are undoubtedly great, are no longer in focus as much as motivating and encouraging constructive change of these opportunities in the function of achieving organizational objectives and development.

Leadership is a process by which a person influences others to accomplish an objective and directs the organization in a way that makes it more cohesive and coherent. Leaders carry out this process by applying their leadership attributes, such a beliefs, values, ethics, characters, knowledge, and skills. Although your position as a manager, gives you the authority to accomplish certain tasks and objectives in the organization, this power does not make you a leader. It simply makes you the boss. Leadership differs in that it makes the followers want to achieve high goals, rather than simply bossing people around.

Reference

- Smritichand: 4 Different Types of Leadership Styles
- Akbar Ali(2012): The Role of Leadership in Human Resource Management – Proposing Conceptual Framework of Advanced Leadership Model, vol.no 4, issue 6.
- Akerele, J.U. (1980). Management: an over view, Ibadan: Winners press limited.
- Baridam, D.M. (2002). Management and organization theory,Port Harcourt: Sherbrooke Associates. [3]. Blake, R.R. and Monton, J.S. (1981). The versatile manager: A Grid Profile,
- Home Wood, Illinois: Richard D. Inwin. Inc.
- Borrow, J.C. (1977). The Variables of leadership: A Review and conceptual