

*Review paper***Leadership makes the difference - A Review of theories on leadership effectiveness****R. Bhuvaneswari^{1*} and V. Dhivaharan²**¹ MBA Department, STET School of Management, Sundarakkottai, Mannargudi - 614 016, Tamilnadu, India.² Sengamala Thayaar Educational Trust Women's College, Sundarakkottai, Mannargudi - 614 016, Tamilnadu, India.**Abstract**

In the new era of rapid changes, knowledge-based organizations and highly competitive environment, managerial work and success become increasingly a leadership task. Leaders supply a clear vision and inspire people to achieve more than they may ever have dreamt possible. Great leaders are almost always great simplifiers, who can cut through argument, debate and doubt to offer a solution everybody can understand. Leaders help each of their followers to develop into an effective self-leader by providing them with the behavioural and cognitive skills necessary to exercise self-leadership. An important measure of a leader's own success is the success of his/her followers. The strength of a leader is measured by the ability to facilitate the self-leadership of others. If leaders want to lead somebody, they must first lead themselves. Therefore, the success of any organization lies in the leader's efficiency and effectiveness. A review of leadership theories, leadership styles and effectiveness and good qualities of a leader as envisaged in literature on management has been made.

Keywords: behaviour, change, empathy, environment, style, trait**INTRODUCTION**

A leader is a person who guides and organizes a group of people who are working towards a common goal. Leadership has been described as the "process of social influence in which one person can enlist the aid and support of others in the accomplishment of a common task". A leader's job is to show the way so that others want to follow, not to make them submissive. Great leaders know that it is a privilege to coach and develop others. They recognize that by serving and setting the example, they will attract followers and gain their support along the way. Leadership is a matter of intelligence, trustworthiness, humaneness, courage and discipline etc., On the other hand, reliance on intelligence alone results in rebelliousness, exercise of humaneness alone results in weakness fixation on trust results in folly, dependent on the strength of courage results in violence and excessive discipline and sternness in command result in cruelty. About 2500 years ago Sun Tzu (cited by Gagliardi, 1999), stated that when one has all five virtues together, each appropriate to its function, then one can be a leader. This paper reviews various concepts on effective leadership.

LEADERSHIP THEORIES

There are different views on the qualities that are considered essential for effective leadership. Few emphasize on the personal characteristics of the leader, while some others emphasize on the behaviour of the leader and few others on the situation in which the leadership is to be exercised.

The following are the different theories of leadership:

1. Trait theory.
2. Behavioural and Style theories.
3. Situational and contingency theories.
4. Functional theory.
5. Transactional and Transformational theories.

According to trait theory, there are certain personal characteristics and qualities which are essential to be an effective and successful leader. Some of the important traits that are possessed by many of the successful leaders are: Intelligence, Emotional Stability, Intense inner motivational drive, Good interpersonal relationship, Vision, Fairness, Adaptability, Technical Skills, Communication skill and Social skills.

Behavioural theorists emphasized on the actual behaviour and actions of a leader rather than on the personal qualities. These theories aimed at determining how various kinds of specific behaviour affect the performance and satisfaction of subordinates. Some of the best known behavioural theories are i) Moutan's Managerial Grid (1964) ii) Michigan University Studies and iii) Ohio State University Leadership Studies. Style

*Corresponding Author
email: vvk_eshu@yahoo.co.in

theory as given by Lewin (1939) advocates that the leaders manage various tasks according to three styles: a. The authoritarian leadership style b. The democratic leadership style c. The laissez Faire leadership style. The authoritative style focuses on what must be done, when it must be done and how it must be done without getting suggestions from the subordinates. The democratic style includes consultation with subordinates and serious consideration of subordinates' ideas before making decisions. The Laissez Faire or Free Rein Style allows the subordinates to make the decisions although the ultimate responsibility lies in the leader.

Situational And contingency Theories advocate that leadership is greatly affected by a situation and to maintain that leadership pattern is the product of a situation at a particular time. A good leader is one who moulds himself according to the needs of a given situation. There are four theories which view that leadership is dependent upon the situations: Fiedler contingency model, Vroom-Yetton decision model, The path-goal theory, and the Hersey-Blanchard situational theory.

Functional theory (McGrath, 1962 and Hackman and Walton, 1986) emphasizes on the types of behaviour that leads to organizational effectiveness. This theory enlists five broad functions a leader performs when promoting organization's effectiveness. These functions include:

- ◆ Environmental monitoring
- ◆ Organizing subordinate activities
- ◆ Teaching and coaching subordinates
- ◆ Motivating others
- ◆ Intervening actively in the group's work

Transformational leadership is all about organization development by leading the change. According to Bernard M. Bass (1985), transformational leadership emphasizes four behavioural components: Individualised consideration, Intellectual stimulation, Inspirational Motivation, and Idealized Influence. Transactional Leadership is referred to as 'managing'. This theory depicts that the main purpose of the leader is to provide guidance and ensure that the followers carry on their work smoothly.

Choosing the best leadership style

First it is important to identify leadership styles. While there are a myriad of combinations and circumstances that might dictate particular styles and strategies, essentially there are three basic styles. They are the directive type of leadership, participative style and delegating style. No one style is the panacea for every

leadership challenge, so the knowledgeable and perceptive manager combines and utilizes the elements of each to fit the particular leadership situation demanded by the circumstances of the time.

This simple primer on leadership style should make it abundantly clear that there is ample opportunity for a leader to practice each style of leadership on an almost daily basis. Like a fighter that moves left, right, circles, jabs, punches and counter-punches, the successful leader adopts the style necessary to accomplish a particular job or task required by circumstance. No one style should dominate the life of an effective leader. Combining the elements of each business leadership style is a sound advice for a current or aspiring leader.

Relating different styles

One of the key qualities of a good leader is to understand leadership styles and know when to change. Each of us has our own unique strengths and weaknesses; sometimes, we need more direction, other times, less. Being able to recognize and respond to those differences is part of what makes a good leader.

"There is nothing so unequal as the equal treatment of unequals." – Hersey and Blanchard (1969).

In any organization not all the people are same. Each one has different abilities and also there are more abilities within each person. Hence, one may have to apply a different approach with the same individual depending on the task. Making this adjustment is another one of the qualities of a good leader. A good leader must be sure to treat people differently (it's the right thing to do!)

The ultimate leadership strategy

Even though people must be put first, many people are not doing it and many executives are not focused on motivating and inspiring their people. The reality is that people put profits first. They focus on the short-term financial gain without realizing that there is a direct link between putting people first and building outrageous profits.

In one of the very few great books on this topic, "The Human Equation", Jeffrey Pfeffer (1998) from Stanford Business School explains how to build profits by putting people first. He particularly challenges the view that downsizing, competing on price, and operating globally are really necessary. Pfeffer found that investors place a much higher values on companies that improved their bottom line through revenue growth, rather than cost cutting because they want growing companies not shrinking ones. He reminds us not to confuse success that occurs IN SPITE OF what leaders do, with success that comes BECAUSE OF what leaders do. Not everything one does leads to financial success. If one is

successful enough – and profitable enough- that success will mask some of the mistakes one makes.

Sir Richard Branson, founder of the UK's Virgin Group, says, "the people come first, the customers second and the shareholders third." The long-term interests of shareholders are actually damaged by giving them superficial short- term priority. Customer satisfaction generates recommendations and gets our clients back for more. But to get great customer satisfaction you need great customer service. And to have excellent standards in customer service means having staff who are proud of the company they work for and who respect the managers of the business. The way management treats its people is exactly how its people will treat the customers.

CONCLUSION

Leaders who are inflexible may create an environment that is unable to adapt to changes in the market place, or may alienate their best employees so that there is a high rate of turnover. Leaders who lead by example and who have a high level of empathy for their employees may create corporate cultures that are able to adapt to change and that set the stage for long-term success. Leadership styles can affect an organization's culture and even its ultimate success.

REFERENCES

- Albritton, R. L. 1998. A new paradigm of leader effectiveness for academic libraries: An empirical study of the Bass (1985) model of transformational leadership. In. T.F. Mech & G.B. McCabe (Eds.), *Leadership & Academic Librarians*. Westport, CT: Greenwood, 1998. P. 66-82.
- Bass, B.M. 1985. *Leadership and Performance Beyond Expectation*. Free Press. New York.
- Blake, R., Mouton, J. 1964. *The Managerial Grid: The key to Leadership Excellence*, Houston; Gulf Publishing Co.
- Fiedler, Fred . 1967. *A Theory of Leadership Effectiveness*. McGraw-Hill. Harper and Row Publishers Inc.,
- Gagliardi, G. 1999. *Sun Tzu's art of War plus the Ancient Chinese Secret Revealed*. Cambridge Publishing, Seattle, USA.
- Hackman, J. R. and Walton, R. E. 1986. Leading groups in organizations. In P. S. Goodman (Ed.), *Designing Effective Work Groups*. Jossey-Bass, San Francisco. P. 72–119.
- Hemphill, John, K. 1949. *Situational Factors in Leadership*, Ohio State University Bureau of Educational Research, Columbus.
- Hersey, P. and Blanchard, K. H. 1969. *Management of Organizational Behavior – Utilizing Human Resources*. Prentice Hall, New Jersey.
- Hersey, P., Blanchard, K. and Johnson, D. 2008. *Management of Organizational Behavior: Leading Human Resources* (9th Ed.). Pearson Education, Upper Saddle River, NJ.
- Lewin, Kurt, Lippitt, Ronald, White, Ralph, 1939. Patterns of aggressive behavior in experimentally created social climates. *J. Social Psychology* P : 271–301.
- McGrath, J. E. 1962. *Leadership behavior: Some Requirements for Leadership Training*. Civil Service Commission, Washington, D.C..
- Pfeffer, Jeffrey. 1998. *The Human Equation: Building Profits by Putting People First*. Harvard Business School Press, Harvard.
- Vroom, Victor , H. , Yetton, Phillip, W. 1973. *Leadership and Decision – Making*. University of Pittsburgh Press, Pittsburgh.