

1. Details of Module and its structure

Module Detail	
Subject Name	Business Studies
Course Name	Business Studies 03 (Class XII, Semester - 1)
Module Name/Title	Directing: Part – 5
Module Id	lebs_10705
Pre-requisites	Knowledge of about Leadership
Objectives	After going through this lesson, the learners will be able to understand the following: <ul style="list-style-type: none">• Meaning of leadership• Leadership involves• Features of Leadership• Importance of Leadership
Keywords	Directing, Leadership – meaning, Features, Importance, Qualities of a good leader, Leadership style

2. Development team

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Meaning of leadership

Whenever we hear the success stories of any organisation, we are immediately reminded of their leaders. Can you imagine Microsoft without Bill Gates, Reliance Industries without Ambanis, Infosys without Narayana Murthy, Tata without J.R.D. Tata or Wipro without Azim Premji. You would say it is not possible to achieve success without such great leaders. The leaders always play a key role for the success and excellence of any organisation. It refers to influence others in a manner to do what the leader wants them to do. Leadership plays an important role in directing.

Let us understand the concept of leadership, its importance and qualities of good leaders. Leadership is the process of influencing the behaviour of people by making them strive voluntarily towards achievement of organisational goals. This involves making sound (and sometimes difficult) decisions, creating and articulating a clear vision, establishing achievable goals and providing followers with the knowledge and tools necessary to achieve these goals. Leadership indicates the ability of an individual to maintain good interpersonal relations with followers and motivate them to contribute for achieving organisational objectives. Good leaders often possess the following characteristics: self-confidence, strong communication and management skills, creative and innovative thinking, perseverance in the face of failure, willingness to take risks, openness to change and levelheadedness and reaction capacity in times of crisis. Only through this quality, a manager can inculcate trust and zeal among his subordinates.

Leadership involves:

- Establishing a clear vision,
- Sharing that vision with others so that they will follow willingly,

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- Providing the information, knowledge and methods to realize that vision,
 - Coordinating and balancing the conflicting interests of all members and stakeholders.

A leader steps up in times of crisis, and is able to think and act creatively in difficult situations. Someone with great leadership skills today is Bill Gates who, despite early failures, with continued passion and innovation has driven Microsoft and the software industry to success. Unlike management, leadership cannot be taught, although it may be learned and enhanced through coaching or mentoring.

In business, individuals who exhibit these leadership qualities can ascend to senior management or C-level positions, such as CEO, CIO or president.

Features of Leadership:

i) Open, authentic and positive influence: Leadership comes from influence, and influence can come from anyone at any level and in any role. Being open and authentic, helping to lift others up and working toward a common mission, build influence. True leadership comes when those around you are influenced by your life in a positive way. Leadership indicates ability of an individual to influence others.

ii) Personal Relations: Leadership tries to bring change in the behaviour of others. It has been said that without leadership, all other business elements lie dormant. Strong leaders can help an organization to maximize productivity and achieve business goals, whereas weak leadership can hurt productivity and put the health of the business in jeopardy. Leadership is not one blanket characteristic that cures all ills, however, there are many different elements that must be present for an organization's leadership to be considered adequate.

iii) Knowing your team and yourself well: Leadership indicates interpersonal relations between leaders and followers. To me, leadership is about playing to strengths and addressing weaknesses in the most productive and efficient way possible. It's about knowing your team and yourself, and doing your best job to set both up for success.

iv) Building followership: Being a leader means building [followership](#). Your primary responsibility is how you can inspire those around you to support a larger agenda under your

direction and vision. Your job is no longer about what you can accomplish, but what your entire team can achieve. Good leaders focus on 'we' not 'me'. Leadership is exercised to achieve common goals of the organisation.

v) Leadership is a continuous process: Good leaders motivate employees to work hard and meet organizational needs through one means or another. Some leaders may inspire employees to work hard, while other managers may cause employees to fear the consequences of not working hard. Both methods work to drive motivation and one may work better than the other depending on the manager's specific style and the culture of the organization.

vi) The pursuit of bettering your environment: There is no one-size-fits-all approach, answer key or formula to leadership. Leadership should be the humble, authentic expression of your unique personality in pursuit of bettering whatever environment you are in.

vii) Being the solution to problems: Leadership is the ability to see a problem and be the solution. So many people are willing to talk about problems or can even empathize, but not many can see the problem or challenge and rise to it. It takes a leader to truly see a problem as a challenge and want to drive toward it.

viii) Helping others achieve the impossible: Leadership is the ability to help people achieve things they don't think are possible. Leaders are coaches with a passion for developing people, not players; they get satisfaction from achieving objects through others. Leaders inspire people through a shared vision and create an environment where people feel valued and fulfilled.

ix) Building the next generation of leaders: A leader is someone who builds their team, mentors them and then advocates for them. A leader develops the talent around them to be more successful than he or she is – or to borrow from a mentor of mine, 'a leader trains his or her assassins.

x) Actively listening: In my experience, leadership is about three things: to listen, to inspire and to empower. Over the years, I've tried to learn to do a much better job of listening actively — making sure I really understand the other person's point of view, learning from them, and using that basis of trust and collaboration to inspire and empower.

The term leader emerges from leadership. An individual possessing attributes of leadership is known as leader. While discussing about leadership, it is important to understand leader–follower relationship.

Many times, the success of an organisation is attributed to the leader, but due credit is not given to the followers. Many followers related factors like – their skills, knowledge, commitment, willingness to cooperate, team spirit etc., make a person an effective leader. It is said that followers make a person, a good leader by acceptance of leadership. Therefore, it is to be recognised that both leader and follower play key role in leadership process.

Importance of Leadership: Leadership is a key factor in making any organisation successful. History reveals that, many times, difference between success and failure of an organisation is leadership. It is aptly mentioned by Stephen Covey, a famous management consultant, that managers are important but leaders are vital for lasting organisational success. A leader not only commits his followers to organisational goals but also pools needed resources, guides and motivates subordinates to reach the goals. The importance of leadership can be discussed from the following benefits to the organisation:

i) Positive influence and 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. 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. Leadership influences the behaviour of people and makes them to positively contribute their energies for the benefit of the organisation. Good leaders always produce goods resultsthrough their followers.

ii) 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. A leader maintains personal relations and helps followers in fulfilling their needs. He provides needed confidence, support and encouragement and thereby creates congenial work environment. One of the most important things that every manager must do in order to be effective is to align employee needs and organizational needs. Employee talents, interests, and scheduling needs can

all either benefit or detract from an organization, depending on how well a manager works to align these things with organizational needs and goals. The best managers will find a way to effectively align each employee's needs and talents with the organization's goals.

iii) Inspires people to accept changes whole-heartedly: Leader plays a key role in introducing required changes in the organisation. He persuades, clarifies and inspires people to accept changes whole-heartedly. Thus, he overcomes the problem of resistance to change and introduces it with minimum discontentment.

iv) Handles conflicts effectively: A leader handles conflicts effectively and does not allow adverse effects resulting from the conflicts. A good leader always allows his followers to ventilate their feelings and disagreement but persuades them by giving suitable clarifications.

v) Provides Training and confidence: Leader provides training to their subordinates. A good leader always builds up his successor and helps in smooth succession process. 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.

vi) Delegates Responsibilities: It is possible for leaders to delegate too much and it is possible for leaders to delegate too little. Strong leaders know what to delegate and what to handle so that the organization is as productive as possible. Adequate delegation is also necessary for maintaining employee satisfaction, as employees may take advantage of a manager that delegates too little and resent a manager that delegates too much.

Qualities of Good Leader

What are the qualities possessed by a good leader? Are there any common traits (qualities) applicable to all good leaders? How many such qualities should a leader possess to be successful? One approach to leadership emphasises that a person should possess certain qualities or traits to become a successful leader. It assumes that leaders can be distinguished from non leaders by certain unique traits possessed by them.

Some of these qualities are explained below:

(i) Physical features: Physical features like height, weight, health, appearance determine the physical personality of an individual. It is believed that good physical features attract people. Health and endurance help a leader to work hard which inspires others to work with same tempo.

(ii) Knowledge: A good leader should have required knowledge and competence. Only such person can instruct subordinates correctly and influence them.

(iii) Integrity: A leader should possess high level of integrity and honesty. He should be a role model to others regarding the ethics and values.

(iv) Initiative: A leader should have courage and initiative. He should not wait for opportunities come to his way, rather he should grab the opportunity and use it to the advantage of organisation. Research shows that the top thing that employees want from their leaders is integrity. Be honest, fair, candid and forthright, and treat everyone in the same way that you yourself would want to be treated.

(v) Communication skills: A leader should be a good communicator. He should have the capacity to clearly explain his ideas and make the people to understand his ideas. He should be not only good speaker but a good listener, teacher, counsellor and persuader. In any organization, knowledge is power, and great leaders ensure that every employee, from the very top to the very bottom of the org chart, is provided with complete and up-to-date information about the organization's goals, performance, successes and failures. To achieve this level of connection, a leader should also provide ample channels for two-way communication between employees and managers, actively soliciting their ideas for improvement and rewarding employees for submitting them.

(vi) Motivation skills: A leader should be an effective motivator. He should understand the needs of people and motivate them through satisfying their needs.

(vii) Self Confidence: A leader should have high level of self confidence. He should not lose his confidence even in most difficult times. In fact, if the leader lacks self confidence, he cannot provide confidence to his followers. Highly effective leaders know deep down inside that they

and their team can accomplish anything they set their minds to. Failure is not an option. Tentative leaders make for tentative employees. If you're confident, your people will be too.

(viii) Decisiveness: One of the most basic duties of any leader is to make decisions. Leader should be decisive in managing the work. Once he is convinced about a fact, he should be firm and should not change opinions frequently. Highly effective leaders aren't afraid to be decisive and to make tough calls quickly when circumstances require it. Once a leader has all the information he needs to make an informed decision, then he shouldn't hesitate--make it. And once he makes a decision, then he should stick with it unless there is a particularly compelling reason for him to change it.

(ix) Social skills: A leader should be sociable and friendly with his colleagues and followers. He should understand people and maintain good human relations with them.

However, we should remember that all good leaders may not necessarily possess all the qualities of a good leader. In fact, it is not possible for any individual to have all the qualities.

But an understanding about these qualities help the managers to acquire them through training and conscious efforts.

Leadership Styles

There are many theories of leadership behaviour and styles. Research studies have revealed certain traits and qualities which a leader might possess. However, these are not conclusive since many people may possess these qualities but may not be leaders. There are several bases for classifying leadership styles. The most popular classification of leadership styles is based on the use of authority. Depending on the use of authority, there are three basic styles of leadership:

(i) Autocratic (ii) Democratic (iii) Laissez-faire

(i) Autocratic or Authoritarian leader: An autocratic leader gives orders and expects his subordinates to obey those orders. If a manager is following this style, then communication is only one-way with the subordinate only acting according to the command given by the manager. This leader is dogmatic i.e., does not change or wish to be contradicted. His following is based on the assumption that reward or punishment both can be given depending upon the result.

This leadership style is effective in getting productivity in many situations like in a factory where the supervisor is responsible for production on time and has to ensure labour productivity. Quick decision-making is also facilitated. But there are variations also, they may listen to everyone's opinion, consider subordinates ideas and concerns but the decision will be their own.

(ii) Democratic or Participative leader: A democratic leader will develop action plans and makes decisions in consultation with his subordinates. He will encourage them to participate in decision making.

This kind of leadership style is more common now-a days, since leaders also recognise that people perform best if they have set their own objectives. They also need to respect the other's opinion and support subordinates to perform their duties and accomplish organisational objectives. They exercise more control by using forces within the group.

(iii) Laissez faire or Free-rein leader: Such a leader does not believe in the use of power unless it is absolutely essential. The followers are given a high degree of independence to formulate their own objectives and ways to achieve them. The group members work on their own tasks resolving issues themselves. The manager is there only to support them and supply them the required information to complete the task assigned. At the same time, the subordinate assumes responsibility for the work to be performed. Depending upon the situation a leader may choose to exercise a combination of these styles when required. Even a laissez faire leader would have certain rules to be followed while doing work and a democratic leader may have to take his own decision in an emergency situation.

- Authoritarian
- Democratic
- Laissez Faire

Summary

Meaning of leadership:

Leadership is the process of influencing the behaviour of people by making them strive voluntarily towards achievement of organisational goals. This involves making sound (and sometimes difficult) decisions, creating and articulating a clear vision, establishing achievable goals and providing followers with the knowledge and tools necessary to achieve these goals.

Leadership involves:

- Establishing a clear vision,
- Sharing that vision with others so that they will follow willingly,
- Providing the information, knowledge and methods to realize that vision,
- Coordinating and balancing the conflicting interests of all members and stakeholders.

Features of Leadership:

- i. Open, authentic and positive influence
- ii. Personal Relations
- iii. Knowing your team and yourself well
- iv. Building followership
- v. Leadership is a continuous process
- vi. The pursuit of bettering your environment
- vii. Being the solution to problems
- viii. Helping others achieve the impossible
- ix. Building the next generation of leaders
- x. Actively listening

Importance of Leadership:

- i. Positive influence and motivation
- ii. Builds work environment
- iii. Inspires people to accept changes whole-
- iv. Handles conflicts effectively
- v. Provides Training and confidence
- vi. Delegates Responsibilities

Qualities of Good Leader:

- i. Physical features
- ii. Knowledge
- iii. Integrity
- iv. Initiative
- v. Communication skills

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- vi. Motivation skills
 - vii. Self Confidence
 - viii. Decisiveness
 - ix. Social skills

Leadership Styles:

- i. Autocratic
- ii. Democratic
- iii. Laissez-faire