

# LEADERSHIP STYLE & ITS IMPACT ON ORGANISATIONAL CLIMATE

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## ABSTRACT

*This study helps to know about leadership and its impact on organization climate. Leadership is clearly a very hot topic not just in India but around the world these days. Leadership has been described as a process of persuasion where the leader (or team of leaders) acts as an example for a group in order to motivate and induce the group to pursue the organization's goals. Some personality traits may naturally lead people into leadership roles, but more often people learn leadership skills, which usually takes a lot of time. What's the solution for an efficient leadership? How could a leader take advantage of his/her weak points? What makes people follow a leader?*

## INTRODUCTION

What makes a good leader? This question has bothered leaders for centuries, striving to find the best way to lead employees, so that they could successfully achieve the predetermined goals. It seems the success lies in leaders' flexibility and ability to change their leadership style depending on a particular situation. According to Hersey and Blanchard's situational model (the well-known authors of "Management of Organizational Behaviour"), the choice of the best leadership style depends mainly on three variables: the leaders themselves, their subordinates and the situation particularity. Leaders must remain sensitive to employees' level of readiness to take on the task and adjust their behaviour to that situation accordingly. Ability describes the technical aspect of work and willingness refers to confidence and motivation to perform the assigned task. A successful leader creates thus a co-relationship between the leadership style and the current situation, as well as a climate that motivates people to maximize productivity and consequently their satisfaction. Thus, leadership can be defined as one's ability to get others to willingly follow. Every organization needs leaders at every level. Leaders are recognized by their capacity for caring for others, clear communication, and a commitment to persist. An individual who is appointed to a managerial position has the right to command and enforce obedience by virtue of the authority of his position. All managers seek to improve performance. They monitor costs, invest to increase revenue and profits, spend a lot of money on technology and advertising. But they often ignore certain opportunities to improve the organization performance, especially those concerning the improvement of the workplace conditions that motivate people to do their best. These aspects are defined as "organizational

climate". This study helps to know about leadership and its impact on organization climate.

## REVIEW OF LITERATURE

A leader is a person who influences a group of people towards a specific result. It is not dependent on title or formal authority. (Elevos, paraphrased from Leaders, Bennis, and Leadership Presence, Halpern & Lubar.) Ogbonnia (2007) defines an effective leader "as an individual with the capacity to consistently succeed in a given condition and be viewed as meeting the expectations of an organization or society." Leaders are recognized by their capacity for caring for others, clear communication, and a commitment to persist. An individual who is appointed to a managerial position has the right to command and enforce obedience by virtue of the authority of his position. However, she or he must possess adequate personal attributes to match this authority, because authority is only potentially available to him/her. In the absence of sufficient personal competence, a manager may be confronted by an emergent leader who can challenge her/his role in the organization. However, only authority of position has the backing of formal sanctions. It follows that whoever wields personal influence and power can legitimize this only by gaining a formal position in the hierarchy, with commensurate authority.

## OBJECTIVES OF THE STUDY

The objective of the study is to know that we have the leadership ability to achieve and sustain growth and its impact on organization climate. A leader's performance usually excels in many of these areas: Energizing and engaging people to vigorously achieve ambitious goals, allowing transparent discussions that provoke new thinking, resolving complex problems with creative

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thinking and new insights, setting extraordinary expectations for results and getting them, keeping an open mind to differing points of view, Holding everyone accountable for achieving the required results, making sure controversial issues are brought to the surface for discussion, constantly exploring new ways to improve group performance, challenging "status quo" in how things are done to find better ways of working, accomplishing goals within specified time limits and budget, using the collective wisdom of a work group in making critical decisions, dealing with and resolving crucial differences of opinion.

### ORGANIZATIONAL CLIMATE AND LEADERSHIP

According to Daniel Goleman, a teacher at Harvard University, psychologist and author of the best-seller "Emotional Intelligence", there would be six leadership styles adjusted to particular situations. The following points refers to different leadership facts and their influence on organizational performance.

#### Organizational climate and leadership

According to certain studies carried out in U.S.A. in 2001, there is a positive co-relation between a good organizational climate and profitability. The results of those studies showed that profit margins were 71% higher in organizations with energizing climates than in those with poorer climates. In order to increase organizational performance, managers should, consequently, make use of leadership styles that had already proven their positive impact on the working environment.

According to these studies, organizational climate's factors that influence employees' motivation are:

Clarity : Accuracy in expressing company's mission and values.

Standards : The quality level (a high level) that managers and employees set.

Responsibility : Sense of responsibility towards the organization. Employees are encouraged to take calculated risks.

Flexibility : Employees feel free to innovate, and be creative by official procedure. They are stimulated to come up with better ways to do their jobs.

Rewards and recognition : Excellent performance is rewarded; weakness is not tolerated.

Commitment : Employees' sense of cooperation to a common purpose.

There are six leadership styles, each of which stems from different aspects of emotional intelligence (EI).

The concept of EI was popularised by Goleman in 1995 and refers to the ability of perceiving, feeling, understanding and controlling one's own emotions, as a basic component of the emotional and intellectual development of one's self (see "Emotional Intelligence"). Emotional intelligence consists of four capabilities: self-awareness (self-confidence), self-management (self-control, initiative, adaptability, trustworthiness, achievement orientation), social awareness (empathy, organizational awareness, service orientation), social skills (influence, change catalyst, communication, conflict management, teamwork and collaboration).

### LEADERSHIP STYLES AND ORGANIZATIONAL CLIMATE

David McClelland, a Harvard University psychologist, found that leaders who have six or more emotional competencies were far more effective than peers who lacked such abilities. Emotionally competent leaders know better how to switch between the different leadership styles, depending on the situation (authoritative style, affiliative style, democratic style, coaching style, pacesetter style, coercive style).

#### COERCIVE STYLE

The coercive leader demands immediate compliance, he makes all decisions and he expects people to do what they are told to without question or debate. There is little or no allowance for cooperation or collaboration. ("Do what I tell you!") Likewise, people are unable to act on their own initiative, they lose their sense of responsibility and have no motivation to work for the organization. This style makes use of fear and the threat of destruction or privation. Coercive leadership should thus be used with extreme caution and only in the few situations when it is absolutely imperative, such as during a genuine emergency that could put in danger people's security. But this kind of situation does not occur every day. A leader using this style tends to think like that: "This situation of emergency is so important that we don't have the time to take care of your problems, which are not ours." If leaders rely solely on this style, the long-term impact of their insensitivity to the morale and feelings of those they lead will be harmful for the climate. That is why this type of leadership should be used only in certain cases, when it is important to warn people they are expected to have immediate reactions, so that they wouldn't get frustrated.

#### PACESETTING STYLE

Pacesetter leadership is often used in technological fields. These leaders are very appreciated for their

excellent technical skills. Their rise in the hierarchy is facilitated by their leadership abilities and they get easily to the team-leader position. But if the person aiming for this high position does not have the necessary skills, he/she will have to face a lot of leadership problems. Expectations are very high, as one's own performance; ("Do as I do, now!") and he/she loses patience if the standards are not met. Many employees feel overwhelmed by the pacesetter's demands for excellence. This type of leader hardly gives a constructive feedback. Feeling that their boss doesn't trust them to work in their own way or to take initiative, employees' morale drops and work becomes reutilized and boring.

Because of the negative consequences of this leadership style upon the organizational climate, leaders must be very cautious in adopting the pacesetting style. The approach works well when quick results are expected and the employees are self-motivated, highly competent and need little direction or coordination - for example R&D groups or teams.

### AFFILIATIVE STYLE

This approach focuses on employees' well-being, the leader striving to keep them happy and to create harmony among them. The style drives up flexibility, encouraging habitual innovation and risk taking and imposes no unnecessary strictures on how employees get their work done. The affiliative leader gratifies well-done work, which highly motivates people. This style is effective in improving employees' morale and communication skills, making them feel confident. Despite its benefits, it should not be used alone. Its exclusive focus on praise can allow poor performance to go uncorrected. Also, when people need clear directives, this type of leader could leave them adrift. That is why many affiliative leaders use this style in close conjunction with the authoritative one. Affiliative leadership is very efficient in organizations with horizontal management (lawyer's office, consulting firm, public accountants).

### DEMOCRATIC STYLE

The democratic style is based on the relationship between leader and team. By letting workers have a say in decisions, the democratic leader drives up responsibility and flexibility, which reinforces the confidence within the company. People working in a democratic system tend to be very realistic about what can and cannot be accomplished, being aware of their own strengths and weak points (emotional intelligence). However, the democratic style has its drawbacks, which is why its impact on climate is not as high as some of the other styles. One of its more exasperating consequences can be endless

meetings where ideas are mulled over, consensus remains elusive and the only visible result is scheduling more meetings, making people feeling confused and leaderless. This approach is ideal when a leader feels uncertain about the best direction and needs ideas and guidance from competent employees. But, of course, it makes much less sense when employees are not experienced enough to offer sound advice or in times of crises when immediate reactions and quick decisions are required.

### COACHING STYLE

Coaching leaders act more like a counsellor than a traditional boss. They help employees identify their strengths and weaknesses and tie them to their career aspirations, which reinforces employees' sense of loyalty and commitment towards the company. They make agreements with their employees concerning their role and responsibility in enacting development plans and they give plentiful instruction and feedback. Of the six styles this one is used the least often. Many leaders say that in the context of high-pressure economy they don't have the time for the slow and tedious work of teaching people and helping them grow. But ignoring this style, leaders are passing up a powerful tool: its impact on climate and performance are markedly positive. The coaching style works well in many business situations, but it is most effective when people on the receiving end are willing to be coached and leaders have the necessary coaching experience.

### AUTHORITATIVE STYLE

Authoritative leaders motivate people by making them aware of the way their work would fit into a larger vision of the organization. Due to its positive impact, this style works well in almost any business situation. This type of leadership also maximizes commitment to the organization's goals and strategy. Authoritative leaders give people the freedom to innovate, experiment and take calculated risks.

This style proves its efficiency only if the leader has a strong capacity of empathy; he/she must be able to perceive employees' feelings and understand their aspirations. Powerful as it may be, it will not, though, work in every situation. The approach fails, for instance, when the leader is working with a team of experts or experienced peers; they may see the leader as pompous or out-of-touch, which may harm the climate.

### CONCLUSION

By concluding, the main idea of the research is that leaders' performance is measured in terms of the leadership styles in their "repertory". The more they

master, the more stable their organizational climate is. Few leaders, of course, have all styles, but in order not to lose their performance, they can build a team of members who employ styles they lack. For that, they must be aware of their own strengths and weaknesses, as well as of their technical and emotional abilities, so that they could make use of them when applying the appropriate leadership style. Empirical researches have shown that there is no normative (best) style of leadership and that successful leaders are those who can adapt their leader behaviour not only to organization's requirements, but also to employees' need and to particular situations.

A few important things to keep in mind: good leaders are visionary people who know how to make use of their experience to motivate people and inspire them; respect, trust and confidence towards themselves and the organization's mission. Organizations do not usually emphasize the individual recognition. So, good leaders must know how to adapt their technical and emotional abilities to the various leadership styles, depending on the changes made within the organization.

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