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Chapter 3- Leadership

Before you start:

[Leadership video lecture](#)

[Theories of Leadership video lecture](#)

LEADERSHIP:

Leadership is defined as ability to influence a group towards achieving a common goal. The process may be formal or informal. Not all leaders are managers and not all managers are leaders. Leaders act to help a group attain objectives through the maximum application of abilities. Leader must also instill values, give importance to both personal goals and organizational goals and willing to take calculated risk.

Leadership Task:

There is no set of defined tasks that the leader has to perform. They keep changing depending on the situation like,

- A high level leader is supposed to look after functioning of the organization and maintain the organizational goals.
- A middle level leader is supposed to drive a team in order to meet the personal and organizational goals.
- A low level leader has to see to it that the day-to-day operations are performed without any hurdle.

Leadership Styles:

There are many many ways in which leaders handle different situations, but there are 3 basic styles which form the crux of all the other styles

1. **Autocratic Leadership style/Authoritarian Leadership style** :- There is a centralized leader who has all the decision making powers. Managers retain much of the authority and power to control the team. The manager doesn't take the consent of the



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employees nor are their inputs considered. Employees are supposed to obey to the manager without any explanation. The work environment is usually based on rewards and punishment. A well performing employee is rewarded well and a dull performing employee is punished. This kind of leadership is useful when there is lot of manual work involved like a construction environment, a factory which involves more of manual labour, a swiggy delivery agent, or an uber driver.

○ Advantages -->

- Less mental stress on employee
- Better logistic operations
- Faster decision Making
- In line with organizational goals
- A manual labour dependent person will find the job interesting

○ Disadvantages -->

- Possible for short term goals
- More workload on manager as most of the decisions are made by them
- Less adaptive to changes
- A technical specific person will feel uncomfortable by obeying orders
- Team is dependent on the word of the leader

• **Democratic style:-** This leadership style is also called participative leadership. The important feature of this leadership style is the process of FEEDBACK from the employee. The leader engages the team in actively participating in decision making. Although the authority for the final say resides with the manager, they engage the team in discussing the various outcomes, possibilities, opinions. Since there is constant exchange of information between the employee and manager there is an improvement in the performance and the efficiency of the team as a whole.

○ Advantages -->

- Better work environment
- successful initiatives



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- increases creativity
- increases honesty within workspace
- scope for improvement in the organization structure or manager or employee due to the feedback mechanism
- Disadvantages -->
 - Decision making is a lengthy process
 - lead to procrastination
 - does not guarantee the best possible solution
 - Requires certain skill and education level

3. **Laissez-Faire style/ Delegative leadership** :- Laissez faire is essentially a philosophy focusing on individual's ability to follow his or her dreams without interference by other people. The word laissez faire is derived from the French and it stands for "*leave alone*". Here the leader delegates all the tasks to the employees. The employees are welcomed to share their view and provide suggestions that are in line with the organizational structure and goals. This style is highly useful when there is a lot of skillful work, intellectual work and where loyalty of the employees are required, example scientists. The leader is able to provide guidance and furnish the necessary resources as and when need arises.

- Advnatages -->
 - Less work for leader
 - highly creative
 - no interference from managers
 - empowers the group
- Disadvantages -->
 - induces a sense of insecurity due to unavailability of the managers
 - mechanism of proper feedback from manager is less



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The three styles could be viewed through a spectrum of involvement continuum of subordinates. In the left, you have the authoritative style with no input from the group and on the right the laissez faire model with high input from the group. The democratic style would sit in the middle, as it has a rather equal input from both the leader and the subordinates.



Other Leadership styles:-

- **Bureaucratic Leadership style:-** This leadership theory was given by Max Weber. These leaders work upon the rules fixed as duties by higher authorities and go strictly by the books to apply rules for management and taking decision. It is mostly noticed in organizations where the employees are involved in high-risk routine tasks as in a manufacturing plant. It is highly employed at various levels of in government organization like IAS officers. These leaders listen to the inputs provided by the employee but they are immediately rejected if they are violating the rules of the organization. Such leaders work rigorously to ensure that the procedures are being followed precisely by those under them. This leadership style helps fortify operational policies and work process of the organization. The downside of this leadership is that there is no scope for creativity and flexibility.



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- **Charismatic Leadership Style:-** This leadership was given by Max Weber. Charismatic leaders create a self-image so powerful that people are naturally drawn towards them. Such leaders influence others by projecting their strengths of their personality. They are energetic, full of passion and believe in motivating others to move forward. This leadership can be effective in boosting the organizations standing in the marketplace and in raising the morale of the members at the organization. One of the major drawback of this leadership style is that leaders are highly focused on themselves than their team. They tend to create an impression that the organization will fail if the leader fails them or abandons the team.
- **Relationship-oriented Leadership:-** Such leadership is focused on skilled interaction with people. Relationship oriented leaders inspire and motivate subordinates to achieve the team's or organisation's targets. Leaders assist subordinates in feeling positive about their career prospects and in navigating career opportunities through the quality of their work. They are approachable, friendly, understand the needs of the employees and try to fulfill their expectations. People usually like working under such leadership and their productivity is also higher, as these leaders make the people want to be a part of the team. Sometimes relationship oriented leaders may get carried away and put too much emphasis on the development of their team members than the project itself. A good example of relationship-oriented leadership is Indian cricket team's ex- captain, Mahendra Singh Dhoni who is known for encouraging players and has led the team to many unbelievable victories.
- **Servant Leadership:-** Servant leaders lead by example and work behind the stage. Servant leadership is best suited for people who provide their services to non-governmental charity organisations or community development programmes. They are generous, have high integrity and work hard to fulfill all the requirements of their team. They also involve the whole team in the decision- making process and give equal credits to all team members for goals that are successfully achieved. Servant leaders are said to have strong ethics and values. This type of leadership style is considered



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unfit for competitive tournaments and hesitate to take the credit and recognition for their work. Mother Teresa is the perfect example of a servant leader.

- **Task- Oriented Leadership:-** Task – oriented leadership is a behavioural approach that revolves around the proficiency of getting tasks done within set deadlines. They always aspire to set high standards with utmost efficiency. They look for efficiency in their subordinates and provide clear instructions about the requirements and schedule. Subordinates who work best with easy to follow work structure and have a knack for method and management appreciate such leadership. Task- oriented leaders are so strongly focused on increasing work efficiency and achieving goals that they often overlook their team’s well- being. They also tend to exhibit autocratic leadership style. Lenin, the Russian political leader and ideological figurehead behind Marxism-Leninism is viewed by supporters as a task- oriented leader who championed socialism and the working class.
- **Transformational Leadership:-** This is a highly encouraged form of leadership among growth-minded companies because it motivates employees to see what they're capable of. It encourages employees to think critically and the leaders is often inspiring. These leaders have a big vision, and they are charismatic and motivating. These leaders not only expect the best from their teams but also work hard to be the best at everything that they do. known for taking new initiatives and promoting the flow of innovative ideas. Good at increasing team engagement and inspiring subordinates to become more productive in their work. The downside of this leadership is may lack managerial skills at the practical level and require assistance from the staff. Steve Jobs is widely regarded as an iconic transformational leader. He worked hard and always challenged his employees to think bigger and better and inspired them to create extraordinarily successful products.
- **Transactional Leadership:-** Transactional leadership is interchangeably called managerial leadership. It is based on the idea of a transaction between the leader and the team members. These managers reward their employees for precisely the work they do. Transactional leadership helps establish roles and responsibilities for each



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employee, but it can also encourage bare-minimum work if employees know how much their effort is worth all the time. This leadership style can use incentive programs to motivate employees. People who admire external rewards are often motivated to improve the quality of their work. Team members are shown appreciation for their good work and consistent efforts in terms of rewards. Team members are punished by the leader for not meeting an appropriate standard and self-motivated people consider this as interference. For example, a transactional leader in a sales call center will use strict call scripts and will reward employees who learn and follow the scripts to drive sales.

- **Paternalistic Leadership:-** A type of parent and child managerial style where they exert organizational power and treat employees as part of a large extended family. The subordinate staff are expected to be loyal & obedient.

Leadership Theories:-

A) Great Man Theory :- originally proposed by Thomas Carlyle

The assumption of this theory is that leaders are born and not made. Great leaders will arise when there is great need. This theory came into focus during the 19th century. The theory was formulated mainly by analyzing the behavior of already established leaders of the time. In the 1800's authoritative positions were held solely by men and were passed on from father to son. This theory is more gender biased as more importance and focus was given to men rather than women, hence the name Great Man theory.

B) Trait Theory :-

This theory states that the leaders have certain innate trait that enables them to lead. Traits like assertiveness, dependability, persistence, and adaptability differentiate them from others. Qualities like intelligence and personality are stable over time and differ across individuals. In the early research on leadership, attention was put on discovering such traits by studying successful people, but with the underlying assumption that if other people could also be found with these traits then they



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could be great leaders. A few of the following traits and skills classified by discovered by Stogdill (1974) are

Traits	Skills
<ul style="list-style-type: none">• Adaptable to situations• Alert to social environment• Ambitious and achievement-orientated• Assertive• Cooperative• Decisive• Dependable• Dominant (desire to influence others)• Energetic (high activity level)• Persistent• Self-confident• Tolerant of stress• Willing to assume responsibility	<ul style="list-style-type: none">• Clever (intelligent)• Conceptually skilled• Creative• Diplomatic and tactful• Fluent in speaking• Knowledgeable about group task• Organised (administrative ability)• Persuasive• Socially skilled

One of the famous Trait theory is Gordan Allport Trait Theory given by Gordan Allport. In His theory he defines that traits are developed in a person based on their experience, the environment surrounding them and the interaction with others. He classified the different traits as follows:

- Common Trait - these are the abstract traits that are used to measure ones personality or a portion thereof. These traits can be with multiple people at any given time if they are all placed in a similar situation.
- Cardinal Trait - These traits are not present in everyone. They differ from individuals and so integrated that they have one general focus that guides their life motivations
- Central Trait- Predominant traits within an individual that define the personality. Usually there are six to eight foci of development.
- Secondary traits - reflect more situational or opportunistic expression and aren't incorporated withing one's personality as the others.



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One may question the originality of the basic trait theory, as it is similar to the Great Man Theory, only that the trait Theory enumerates specific qualities a leader should possess.

C) Behavioral Theory:-

Behavioral Theories of leadership are focused on the study of specific behavior of a leader. A leader's behavior is the best predictor of the leadership influences and as a result is the best determinant of his or her leadership success. These theories do not seek inborn traits or capabilities but look at what leaders can actually do. There are two important Behavioral studies given by Michigan Leadership Study and Ohio State Leadership Studies Commonly known as task vs Person Preference-

- Task Oriented leaders - Task oriented leaders concentrate their behavior on organizational structure, operational procedure and the leaders like to keep control. Task oriented leaders are concerned about the motivation of staff; however it is not their main concern. They favor behaviors that are in line with Initializing, Organizing, Clarifying, and Information Gathering.
- People Oriented leaders - They focus their behaviors on ensuring that the inner needs of the people are satisfied. They motivate the staff thorough emphasizing the human relations. Leaders with a people focus will have behavior that are in line with Encouraging, Observing, Listening, Coaching and Mentoring.

Managerial Grid Model [Leadership Grid] - by Robert R. Blake, Jane Srygley Mouton. In this model leaders may be concerned for their people and they also must have some concern for the work to be done. This theory draws its basis from Task vs Person Preference behavioral model. The question on how much importance is to be given is given by this theory.



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Concern for People	High	Country Club management		Team management
	Medium		Middle of the road management	
	Low	Impoverished management		Authority-compliance
		Low	Medium	High
		Concern for Production (Task)		

Improvised Management/Indifferent - Minimum effort to get the work done. A lazy approach to avoid work. Employee have high degree of dissatisfaction, no harmony within the group.

Authority-Compliance/Produce, Perish and Control - Strong focus on task but with little concern for people. Focus on efficiency, including the elimination of people whenever possible. Employee experiences high level of dissatisfaction, high level of conflict within the group.

Country Club Management/Accommodating - Care and concern for people, with a comfortable and friendly environment. But low focus on task may give questionable result. Employee are happy and good team harmony

Middle of the road Management/Status Quo - A balanced focus on both people and work. Doing enough to get things done but not pushing the boundaries of what may be possible. Employee are not discontent nor are they happy. Good harmony in the group

Team Management/ Sound Management - People is committed to task and leader is committed to people along with task. Employees are forming a highly cohesive team, they are satisfied, and motivated to work as a team.



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Role Theory:- Role theory refers to the explanation of what happens when people are acting out social process and the consequences of what they are doing. Each person is an actor trying to impersonate a person whom he thinks fits his ideological thinking. The essence of this theory is to provide a model of behavior specific situation. A person assuming the character and activities of a person is real and situation will perform as if situation were real. People Define roles for themselves and others based on social learning and reading. People form expectation about the roles that they and others will play. When role expectations are low or mixed then this leads to role conflict. Role conflict can also occur when people are experiencing different expectations of their leader. It also happens when leaders have different ideas about what they should do vs the expectations that are put upon them.

D) Participative Leadership:-

A participative leader rather than taking the autocratic approach seeks to involve people in the process. Often it is within the managers as whom to involve. The percentage of influence the subordinate employee can have on the manager depends totally on the preference on the manager's preferences. This is quite similar to democratic style of leadership.

< Not participative

Highly participative >

Autocratic decision by leader	Leader proposes decision, listens to feedback, then decides	Team proposes decision, leader has final decision	Joint decision with team as equals	Full delegation of decision to team
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Lewin's Leadership Theory:- Given by Kurt Lewin. This theory focus more on the 3 basic leadership styles Democratic, Autocratic and Laissez-Faire styles. Lewin conducted experiments on a group of people on basic leadership styles based on which the outcome was derived. It states that the democratic leadership style is the most effective style. Excessive Autocratic styles let to revolutions, while under the Laissez-Faire approach, people were not coherent of their work and did not put in energy that they did when actively led.



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Likert's Leadership Theory:- This theory was given by Rensis Likert, identifying the four main styles of leadership in particular around decision making and degree to which people involved in the decision making process.

- Exploitative Authoritative - Leader has low concern for people and uses such methods as threats and other fear based methods to achieve desirable performance. Communication is entirely downwards and psychological distant concerns of the people are ignored.
- Benevolent Authoritative - Here the leader adds concern for people in a authoritative environment. Leader uses reward to encourage appropriate performance and listens more to concerns lower down the organization. The leader only hears what he/she thinks is right. Although there may be some delegation of decisions, most of the decisions are still made centrally.
- Consultative - The upward flow of information is still limited a little bit rose-tinted to some degree, although the leader is making genuine effort to listen carefully to ideas. Major decisions are still made centrally.
- Participative - Leader makes maximum use of the participative method, engaging lower down the organization in decision making. People across the organization are psychological closer together and work well together at all levels.

D) Contingency Theory:-

Contingency theories are a class of behavioral theory that contended that there is no one best way of leading and that the leadership style that is effective in some situation and many not be successful in others. As an effect leaders who are effective in one situation may not be effective in another situation. It is similar to situational theory that suggest that there is no one best way possible for all solutions. There are different solutions for different situations and leader have to adopt according to the situation. To provide meaning to the theory it is



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necessary to focus on one aspect of the leader-led situation, although such a focus only highlights the issue rather than giving a complete description of the situation.

Major contingency Theories are:-

Fiedler's Contingency Theory:-

This theory was given by Ferd Fiedler. Also known as Fiedler's Least Preferred Co-worker (LPC) theory. Fiedler identified that a least preferred co-worker scoring for leaders by asking them to think of a person with whom they have worked before and would they like to work again. They were asked to score the person on a range of scales between positive factors and negative factors. A high LCP leader scores the other person as positive and a low LPC leader scores them negative. High LPC leaders tend to have close relation and act as supportive way, even prioritizing the relation before task. Low LPC leaders put the task first and will turn to relations only when they are satisfied with how the work is going on. Three factors are identified about the leader, member, and task relation as follows:

- Leader-Member relation - extent up to which the leader has support and loyalty of followers and relation with the members in a friendly and cooperative manner.
- Task Structure - The extent to which tasks are standardized, documented and controlled.
- Leader Position Power - The extent to which the leader has authority to assess followers performance and give reward and punishment

The LPC approach depends on combination of these three. Generally a high LPC approach is the best when member relation are poor, except when the task is unstructured and the leader is weak. This approach seeks to identify whether the leader sees others as positive (high LPC) or negative(low LPC).



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- Follower R1 - Low competence, low commitment and unwilling to work
- Leader high task focus and low relation focus
- When the follower cannot do the job and is unwilling or afraid to try, then the leader takes a highly directive role, telling them what to do but without a great deal of concern for the relationship. The leader may also provide a working structure, both for the job and in terms of how the person is controlled. When the follower cannot do the job and is unwilling or afraid to try, then the leader takes a highly directive role, telling them what to do but without a great deal of concern for the relationship. The leader may also provide a working structure, both for the job and in terms of how the person is controlled.
- S2 Selling/Coaching -->
 - Follower: R2: Some competence, variable commitment / Unable but willing or motivated Leader: High task focus, high relationship focus
 - Leader: High task focus, high relationship focus
 - When the follower can do the job, at least to some extent, and perhaps is over-confident about their ability in this, then 'telling' them what to do may demotivate them or lead to resistance. The leader thus needs to 'sell' another way of working, explaining and clarifying decisions. The leader thus spends time listening and advising and, where appropriate, helping the follower to gain necessary skills through coaching methods.
 - Note: S1 and S2 are leader-driven.
- S3 Participating/Supporting -->
 - Follower: R3: High competence, variable commitment / Able but unwilling or insecure
 - Leader: Low task focus, high relationship focus
 - When the follower can do the job, but is refusing to do it or otherwise showing insufficient commitment, the leader need not worry about showing them what to do, and instead is concerned with finding out why the person is refusing and thence persuading them to cooperate. There is less excuse here for followers to



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be reticent about their ability, and the key is very much around motivation. If the causes are found then they can be addressed by the leader. The leader thus spends time listening, praising and otherwise making the follower feel good when they show the necessary commitment.

- S4 Delegating/Observing -->
 - Follower: R4: High competence, high commitment / Able and willing or motivated
 - Leader: Low task focus, low relationship focus
 - When the follower can do the job and is motivated to do it, then the leader can basically leave them to it, largely trusting them to get on with the job although they also may need to keep a relatively distant eye on things to ensure everything is going to plan. Followers at this level have less need for support or frequent praise, although as with anyone, occasional recognition is always welcome.
 - Note: S3 and S4 are follower-led.

Path Goal Theory:- by Robert House

Path-goal theory of leader effectiveness can be considered as a variant on Transactional Leadership Theory, where the leader clearly is directing activity and the only factor that varies is the manner in which this is done. Describe the way that leaders encourage and support their followers in achieving the goals they have been set by making the path that they should take clear and easy. In particular, leaders:

- Clarify the path so subordinates know which way to go.
- Remove roadblocks that are stopping them going there.
- Increasing the rewards along the route.

Leaders can take a strong or limited approach in these. In clarifying the path, they may be directive or give vague hints. In removing roadblocks, they may scour the path or help the follower move the bigger blocks. In increasing rewards, they may give occasional encouragement. This variation in approach depends on Leader Behavior, Environmental



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factors, Subordinate factors leading to a desirable outcome. This approach assumes that there is one right way of achieving a goal and that the leader can see it and the follower cannot. This casts the leader as the knowing person and the follower as dependent. It also assumes that the follower is completely rational and that the appropriate methods can be deterministically selected depending on the situation.

House and Mitchell (1974) describe four styles of leadership

- Supportive Leadership - Considering the needs of the follower, showing concern for their welfare and creating a friendly working environment. This includes increasing the follower's self-esteem and making the job more interesting. This approach is best when the work is stressful, boring or hazardous
- Directive Leadership - Telling followers what needs to be done and giving appropriate guidance along the way. This includes giving them schedules of specific work to be done at specific times. Rewards may also be increased as needed and role ambiguity decreased (by telling them what they should be doing). This may be used when the task is unstructured and complex and the follower is inexperienced. This increases the follower's sense of security and control and hence is appropriate to the situation.
- Participative Leadership - Consulting with followers and taking their ideas into account when making decisions and taking particular actions. This approach is best when the followers are expert and their advice is both needed and they expect to be able to give it.
- Achievement-Oriented Leadership - Setting challenging goals, both in work and in self-improvement (and often together). High standards are demonstrated and expected. The leader shows faith in the capabilities of the follower to succeed. This approach is best when the task is complex.



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Vroom-Yetton-Jago Decision Making model of Leadership - by Victor Vroom, Phillip Yetton and Arthur Jago:-

This theory focuses upon decision making as how successful leadership emerges and progresses. The theory states that there can be many styles of leadership and no one type fits all situations, thus making this a Contingency Theory. A leader sizes up a situation, assesses the situation facing the group, determines how much support the group will give to the effort, and then effect a style of leading. The parameters shaping a decision are quality, commitment of group or organization members, and time restrictions. Decision quality is the selection of the best alternative, and is particularly important when there are many alternatives. It is also important when there are serious implications for selecting (or failing to select) the best alternative. Decision acceptance is the degree to which a follower accepts a decision made by a leader. Leaders focus more on decision acceptance when decision quality is more important. Vroom and Yetton defined five different decision procedures. Two are autocratic (A1 and A2), two are consultative (C1 and C2) and one is Group based (G2).

Leadership Style	Description
Autocratic (A1)	Using an autocratic style of leadership, the leader will make the decision by himself or herself, using the information readily available.
Autocratic (A2)	Using a less stringent autocratic leadership style, the leader will consult the group members to gain more informations, then will make the decision himself or herself. The final decision may or may not be shared with the group.
Consultative (C1)	Using a consultative leadership style, the leader will consult individuals to seek their opinion. The leader will make the decision himself or herself.
Consultative (C2)	Using a consultative leadership style, the leader will consult the group to seek individual opinions and suggestions. The leader will make the decision himself or herself.
Collaborative (G2)	Using a collaborative leadership style, the group will make the decision. The leader will play a supportive role to ensure that everyone agrees on the decision.



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Situational factors that influence the method are relatively logical:

- When decision quality is important and followers possess useful information, then A1 and A2 are not the best method.
- When the leader sees decision quality as important but followers do not, then G2 is inappropriate.
- When decision quality is important, when the problem is unstructured and the leader lacks information / skill to make the decision alone, then G2 is best.
- When decision acceptance is important and followers are unlikely to accept an autocratic decision, then A1 and A2 are inappropriate.
- When decision acceptance is important but followers are likely to disagree with one another, then A1, A2 and C1 are not appropriate, because they do not give opportunity for differences to be resolved.
- When decision quality is not important but decision acceptance is critical, then G2 is the best method.
- When decision quality is important, all agree with this, and the decision is not likely to result from an autocratic decision then G2 is best.

Cognitive Resource Theory:- by Fred Fiedler and Joe Gracia

The Cognitive Resource Theory main claim is that various sources of stress are blocking the use of rationality in leadership. The more cognitively acute and experienced a leader is, the more she or he is able to overcome the effects of stress. Command, though, is the factor that overcomes the effects of stress. As for experience is the main factor enabling leadership under stress. Intelligence is more effective in less stressful situations. However, the leader's ability to think is more effective when her or his style is more orderly, premeditated and authoritarian. If the leader is similar to the average of a group, effective leadership will come from consensus-oriented approaches. In terms of objectives, the less complicated the tasks a group needs to do, the less of a need there is for an intelligent and experienced leader. A particularly



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significant aspect of CRT is the principle that intelligence is the main factor in low-stress situations, whilst experience counts for more during high-stress moments. The theory states 4 main objectives

- A leader's cognitive ability contributes to the performance of the team only when the leader's approach is directive - When leaders are better at planning and decision-making, in order for their plans and decisions to be implemented, they need to tell people what to do, rather than hope they agree with them
- Stress affects the relationship between intelligence and decision quality - When there is low stress, then intelligence is fully functional and makes an optimal contribution. However, during high stress, a natural intelligence not only makes no difference, but it may also have a negative effect. One reason for this may be that an intelligent person seeks rational solutions, which may not be available (and may be one of the causes of stress). In such situations, a leader who is inexperienced in 'gut feel' decisions is forced to rely on this unfamiliar approach. Another possibility is that the leader retreats within him/herself, to think hard about the problem, leaving the group to their own devices
- Experience is positively related to decision quality under high stress - When there is a high stress situation and intelligence is impaired, experience of the same or similar situations enables the leader to react in appropriate ways without having to think carefully about the situation. Experience of decision-making under stress also will contribute to a better decision than trying to muddle through with brain-power alone.
- For simple tasks, leader intelligence and experience is irrelevant - When subordinates are given tasks which do not need direction or support, then it does not matter how good the leader is at making decisions, because they are easy to make, even for subordinates, and hence do not need any further support.

Strategic Contingency Theory:- by D J Hickson

With Strategic Contingencies Theory, a leader depends on his problem solving skills and a projective personality that is center stage. The leader his so because she or he is in demand



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and others cannot solve the problems the leader faces. This gives the leader bargaining power. In that the leader cannot be replaced easily, he or she is not easily displaced, especially by popular will. Social processes depend upon the leader. Strike out the leader and the system is in danger of collapsing. The ability of one to maintain leadership in a system through problem solving relies on the interconnections of system units (department, divisions, etc.), social interaction, communications speed and system infrastructure integrity.

Example --> A production manager in an organization is in charge of a key manufacturing operation (centrality), and understands its complexities very well (uniqueness). From a long experience, when things go wrong, he is very good at fixing things, both mechanically and with the unions.

E) Transactional Leadership Theory:- more recently by Max Weber and Bernard M Bass(1970)

The transactional leader works through creating clear structures whereby it is clear what is required of their subordinates, and the rewards that they get for following orders. Punishments are not always mentioned, but they are also well-understood and formal systems of discipline are usually in place. The early stage of Transactional Leadership is in negotiating the contract whereby the subordinate is given a salary and other benefits, and the company (and by implication the subordinate's manager) gets authority over the subordinate. When the Transactional Leader allocates work to a subordinate, they are considered to be fully responsible for it, whether or not they have the resources or capability to carry it out. When things go wrong, then the subordinate is considered to be personally at fault, and is punished for their failure (just as they are rewarded for succeeding). The transactional leader often uses management by exception, working on the principle that if something is operating to define performance then it does not need attention. The theory assumes everyone is rational; it disregards emotions and social values. It presumes people are always motivated by rewards and punishments. The central idea is relatively straightforward to convey to subordinates and they obey although When the demand for workers exceeds the supply, the leader does not have as much control, being that the subordinate has the ability to simply walk away from the situation.



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Popular Theory in Transactional is Leader Member Exchange Theory or LMX Theory

LMX Theory:- by Dansereau, Graen and Haga

It also goes by the name *Vertical Dyad Linkage Theory*, describes how leaders in groups maintain their position through a series of tacit exchange agreements with their members. The word "dyad" means "two", and the two refers to the leader and the others with whom she or he works. "Linkage" defines the type of relationship; it is a connection that is maintained in the dyad. This theory divides the followers/supports of leaders into 2 categories

- In-Group - close to the leader
- Out-Group - Not so close to the leader

In particular, leaders often have a special relationship with an inner circle of trusted lieutenants, assistants and advisors, to whom they give high levels of responsibility, decision influence, and access to resources. This in-group pay for their position. They work harder, are more committed to task objectives, and share more administrative duties. They are also expected to be fully committed and loyal to their leader. The out-group, on the other hand, are given low levels of choice or influence. This also puts constraints upon the leader. They have to nurture the relationship with their inner circle whilst balancing giving them power with ensuring they do not have enough to strike out on their own.

LMX Process --> The relation of In-Group and Out-Group happen during the initial stages, starts as soon as a person joins the group and follows three stages

1. Role Taking - The member joins the team and the leader assesses their abilities and talents. Based on this, the leader may offer them opportunities to demonstrate their capabilities.
2. Role Making - In the second phase, the leader and member take part in an unstructured and informal negotiation whereby a role is created for the member and the often-tacit promise of benefit and power in return for dedication and loyalty takes place. Trust-



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building is very important in this stage, and any felt betrayal, especially by the leader, can result in the member being relegated to the out-group.

3. Routinization - In this phase, a pattern of ongoing social exchange between the leader and the member becomes established.

F) Transformational Leadership Theory:-

Transformational leadership theories believe that people are motivated by the task that must be performed. The more structured an organization is, the greater the success. People give their all to the organization which can be their primary need and they will place their individual interests second. There is an emphasis on cooperation and collective action and stress is included in the long-range goals of an organization. Individuals exist within the context of the community, rather than competing with each other. Accordingly, tasks are designed to be challenging and desirous. The whole system adjusts to place the community above individual egos. Leaders of these theories start with developing a vision, selling that vision, finding the way forward leading the charge. Transformational Leaders are often charismatic, but are not as narcissistic as pure Charismatic Leaders, who succeed through a belief in themselves rather than a belief in others. Transformational Leaders, by definition, seek to transform. When the organization does not need transforming and people are happy as they are, then such a leader will be frustrated.

Popular Theories:-

Bass Transformational Leadership Theory - by Bernard M Bass

Bass defined transformational leadership in terms of how the leader affects followers, who are intended to trust, admire and respect the transformational leader. Followers go after a leader because of trust, honesty, and other qualities and the stronger these are, the greater loyalty they have for the leader. The leader transforms the followers because of her or his having these qualities. Not only is the leader a role model but she or he exhorts the following to challenging the existing order, the revolutionary being a stark example of this. While the leader may have democratic motives in mind, s/he can assume a Transaction Leadership style at the



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same time, directing the followers to do things. He identified three ways in which leaders transform followers:

- Increasing their awareness of task importance and value.
- Getting them to focus first on team or organizational goals, rather than their own interests.
- Activating their higher-order needs.

Charisma is seen as necessary, but not sufficient, for example in the way that charismatic movie stars may not make good leaders. Bass also noted that authentic transformational leadership is grounded in moral foundations that are based on four components:

- Idealized Influence - refers to the leader becoming a full-fledged role model, acting out and displaying ideal traits of honesty, trust, enthusiasm, pride, and so forth.
- Inspirational motivation - giving meaning to the follows of a task. This usually involves providing a vision or goal. The group is given a reason or purpose to do a task or even be in the organization. The leader will resort to charismatic approaches in exhorting the group to go forward.
- Intellectual Stimulation - provided by a leader in terms of challenge to the prevailing order, task, and individual. She/he seeks ideas from the group and encourages them to contribute. learn, and be independent. The leader often becomes a teacher.
- Individualized Consideration - there is an emphasis on what a group member needs. The leader acts as a role model, mentor, facilitator, or teacher to bring a follower into the group and be motivated to do tasks

Burn's Transformational Leadership Theory:- by James McGregor Burns

Burns defined transformational leadership as a process where leaders and followers engage in a mutual process of 'raising one another to higher levels of morality and motivation'. Transformational leaders raise the bar by appealing to higher ideals and values of followers. In doing so, they may model the values themselves and use charismatic methods to



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attract people to the values and to the leader. He also views transformational leadership as an ongoing process rather than the discrete exchanges of the transactional approach. Association with a higher moral position is motivating and will result in people following a leader who promotes this. It also focuses on the fact that working collaboratively is better than working individually. Burns focuses upon motivations and values in assessing how a leader approaches power. This aspect of having that basic ethical system sets leaders apart from those merely aspiring to power. The first, where ethics is first, are people-centric and that latter are ego centric.

Leadership Participation Inventory:- by James Kouzes and Barry Posner

James Kouzes and Barry Posner developed a survey (The Leadership Practices Inventory) that asked people which, of a list of common characteristics of leaders, were, in their experiences of being led by others. After completing the survey Kouzes and Posner discuss five characteristics they deem essential for successful leadership. They are -

- Model the way - A leader needs to be an exemplar, initiating action and presenting her or himself as a paradigm case of what a person should be and how actions should be performed.
- Inspire a Shared Vision - The followers need to be inspired but with a goal. They need to see that there is a desired endpoint to their actions. Leaders may intellectualize a situation but they have to be able to stand firm in the face of adversity.
- Challenge the Process - A leader be deterred or wither. Courage is a hallmark of good leadership. That is a main feature that others see in a good leader. Often a leader will have to be creative, and it is this creation that sets a person off from the humdrum of those who follow.
- Enable others to act - Getting others to act! Conveying a sense of empowerment to the others. People must feel able to act and then must have the ability to put their ideas into action.



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- Encourage the Heart - A vital component of leadership not only getting others to act, but they need to act with passion. People act best of all when they are passionate about what they are doing.

Successful Leader vs Effective Leader:-

A very important question is whether there is any relationship between successful leadership and effective leadership. Are the successful leaders always effective or is there a distinction between successful leaders and effective leaders. A manager always tries to influence the behavior of the subordinates through leadership. The subordinate may come up to the expectations of the leader or not. Moreover, if the behavior of the subordinate is compatible with the expectations of the leader it may be due to two reasons:

1. Impact of leader appropriate style
2. Because of the position power of the leader.

In the first case, the leader is effective because he has influenced the behavior of the subordinate and the subordinate sees the accomplishment of his own needs being satisfied by satisfying the goals of the leader and the organization. In the second case, the leader is successful but he is not effective. It is because of the reason that he has received the desired response from the subordinates but by using his power.

Success Of a Leader depends upon:

- How the individual or group behaves
- Position power
- Close supervision

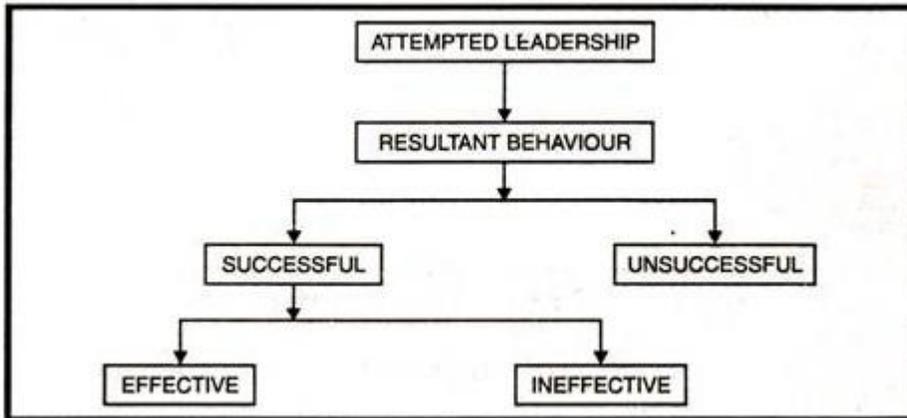
Effectiveness of Leader depends upon:

- Personal Power



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- General Supervision
- Attitude of the individual or a group towards the leader.



The position power can be delegated downward in the organization but the personal power cannot be delegated but is generated upward from below through acceptance by subordinates. Thus, a manager can be successful but ineffective. It means he will have only short-run influence over the behavior of others. A successful and effective manager is the ideal one whose influence tends to lead to long run productivity.