

Leadership and Management: A Literature Review

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Abstract

The influence of leadership in managing organization is increasing day by day. Organization's success and overall goal attainment depend heavily on how effectively the leaders lead their followers. Leadership skills and styles applied by leaders play a vital role in this respect. Leaders shape the organization's culture and overall working environment. Employees are inspired by the skills and actions of leaders. But leading an organization is not so easy in this competitive market. It needs to adopt or implement so many tactics and strategies to establish ones as a successful leader. One can easily be an efficient and effective manager if he or she implements all the qualities of leadership. Perfect leadership leads one as a perfect manager. So, leadership qualities need to be practiced for being an efficient and effective leader.

Key words: Organization, goal, Achievements and Leadership

INTRODUCTION

Leadership is a commonly used term in every sector of the world. Generally, it refers to the ability of a person to guide and lead a group of people to achieve common goals. But different business analyst, philosopher and different authors have defined leadership from different perspectives. [1] has defined that leadership is a process of leading, guiding, motivating individuals, teams and the entire organization towards its common organizational goal. According to [2] leadership comprises all the activities of leading a group of people or an organization. On the other side, [1] states that leadership is that charismatic power of an individual through which he or she can influence other individuals to do or not to do a particular action. Leaders are those persons who not only plan and direct but also work together with the employees, coordinate among the individuals, motivate them and achieve the desired goals [3]. According to [1], leaders lead by examples. So, leadership is that charismatic power or ability of a person through which that person leads a group of individuals and performs all the activities to achieve predetermined goals. This study is performed to increase the in depth understanding on leadership.

2. THEORITICAL BACKGROUND

2.1: *Analyzing concepts of leadership and management:*

Leadership is the ability of leading a group of people towards a common goal through sound decision making and inspiring them. Effective leaders can achieve challenging goals by taking calculated risks, take swift and realistic decisions in difficult situations and they can persevere in facing failures [6]. Leadership can't be developed overnight. The qualities of good leadership need to be exercised for a long time to be a good and effective leader.

2.1.1: *Difficulties of defining leadership:*

Leadership varies leaders to leaders and according to the leadership styles. As a result, it is tough to define or construct a strict boundary for leadership. For example, in case of defining charismatic leadership, it is very difficult to say what a charisma is [7]. Some leaders' charisma is their visionary

perspective, some leaders' charisma is their thinking and creativity, some leaders' charisma is their ready wit, even motivational ability is also works as charisma for some leaders.

2.1.2: Classification of leadership:

In practice there are five types of leaders or leadership. Those are discussed below:

Democratic leadership: Democratic leaders discuss and take opinion of his followers and value them. Decision is taken based on the opinion of majority peoples' opinion.

Autocratic leadership: Autocratic leaders use full power in decision making, where they do not discuss with others.

Bureaucratic leadership: In this form of leadership, leaders follow some conventional and traditional standards in case leading and decision making.

Charismatic leadership: Charismatic leaders influence and motivate their followers by their inherent characteristics and qualities.

Laissez-faire leadership: In this type of leadership, leaders provide full freedom to the followers for doing tasks.

2.1.3: Leadership as a process:

Leadership is an ongoing process. Like management it starts with planning, planning of how efficiently the workforce can be lead to the organization's goal. To do so leaders provide instructions, guide employees, motivate them, coordinate them, monitor and control them and finally evaluate their performance. When one goal is achieved, the leadership begins for achieving another goal [9]. And that's how this leadership process goes on.

2.1.4: Influence of leadership:

Leaders influence the overall organizational performance. For example, Steve Jobs was the main reason behind this huge success of Apple. Leaders' especially charismatic leaders can influence the mind of his employees and link them with the vision and goal of the organization [8]. Democratic leaders influence employees by taking employees' opinion and valuing that opinion. Leaders motivate employees and set examples which also influence employees.

2.1.5: Importance of common goals:

In an organization there can be many divisions and departments. But all these divisions have to work and coordinate each other to achieve common organizational goal [10]. Otherwise one division will achieve its goal without cooperating others and the organization as a whole will fail to achieve its common goal. Leaders are the persons who combine these divisions towards the common goal of an organization.

2.1.6: Leadership skills:

Leadership is a process where lots of qualities and skills need to be exercised. These qualities may vary according to the types of leadership style. But the common skills are risk taker, hardworking, influential personality, passionate to work prompt decision making ability, rationality, motivating ability, gender conscious, patient etc.

2.2: Evaluating management and leadership theories:

Leadership is constructed and guided by different leadership and management theories. Some of the most widely practiced leadership theories are described below:

Trait theories:

Trait theory assume that a leader is different from general people in the society in terms of his inherited traits and personalities such as vision, intelligence, risk taking and decision-making ability [12]. This theory provides attention on discovering different traits of leaders and their usefulness to leadership.

Process theories:

Process theory refers leadership as a process through which any individual or a group work towards the achievement of a common organizational goal and improving their qualities [2]. Through this process of leadership individuals learn about self-consciousness, congruence, working for a common purpose, commitment, collaboration, coordination and effectiveness.

Functional leadership:

Functional leadership theory treats leadership as a process of solving social problem. This theory states three main duties of leaders: diagnosing potential problem that can hinder group or organization's goal achievement, planning and generating appropriate solutions and implement those solutions [1].

Situational theories:

This theory states that leadership action depends on a probable range of situational factors. The argument is that effective leaders don't stick at single leadership styles rather they adopt leadership style based on the situations.

Contingency theories:

Contingency theory of leadership suggests for having back up plans and back up styles for leading and motivating people in some uncertain environment where traditional styles may not be applicable.

Path-goal theories:

Path-goal theory discusses about how leaders motivate their employees to achieve a specific goal. According to this theory leaders have to define or set a goal and then identify the path or ways to achieve that goal [3]. There may be many alternative paths for accomplishing that goal. An effective leader will choose the best path for the organization.

Transformational leadership:

Transformational theory assumes that people who have vision and passion will achieve great things and general people or employees of an organization will follow who can inspire and encourage them.

Psychodynamic theory:

This approach of leadership influences leaders to obtain an insight view of their own personality and characteristics and to encourage their employees to do so. Then the leaders need to see the response of the employees. Important aspects here need to be evaluated are family or origin of workers, individuation, independence and dependence etc. to get a view about employees [5].

2.3: Assessing the challenges of leadership and management practice:

In this highly competitive business environment of 21st century, leaders are facing different challenges in operating and leading organizations. Some of these practical challenges of leadership and management are described below:

Synthesis of theory and practice:

Synthesis of theories and practice is a major concerning issue for leaders. Theories are developed based on some ideas and assumptions. But practical problems may differ from those ideas and assumption because business environment is rapidly changing and more issues are evolving day by day.

Gender discrimination and gender awareness:

Previously gender discrimination was a major problem in workplace. Still it is a challenging issue for managers and leaders. Leaders must be aware about gender issue [6]. He should provide equal opportunity to his male and female employees; treat them equally and recognize their contribution equally.

Culture and leadership:

Cultural diversity and operating a firm with employees of multiple cultures is a tough challenge for current leaders. Leaders need to create a flexible working environment where every employee feels free to explore [15]. He has also to ensure that everyone's culture is respected and not violated through of organizational actions.

Leadership and management ethics:

Leadership is highly correlated with management; in fact, it is a part of whole management system. So, leaders have to lead the organization following management principles and ethics [14]. All these principles and ethics may not be followed everywhere because of some other limitations. So, following management ethics properly is a challenge for leaders.

Decision making:

Prompt and appropriate decision-making quality is one of the important qualities of a leader. Decision making has become more challenging in current business world as many organizational, technological, financial, legal, ethical and environmental issues have to be considered simultaneously by the leaders.

2.4 Different roles of leadership and management:

Manager is the person who has the ability to manage an organization, find the faults of the management, balance of the control, and an instinct to make decisions quickly [13]. On the other hand, leader is the person who has the leadership quality by born; he can inspire the workers under him, leads the way, passion for the business and also has the vision that is necessary to be successful. They should encourage their team to get rid of the problems [16]. Because the teammates might be afraid of their managers and leaders, so it is important to encourage them to avoid the manager in this case.

2.4.1 Leaders create a vision, managers create goals

Leaders are used to think about something that is beyond imagination for the others. He draws a picture of that imagination in his mind and makes that vision into reality [17]. On the other hand, managers try to find out the goals that are needed for the betterment of the company. For managing a company organizational and management structure is needed. Organizational structure is the actions taken by the company like task distribution, coordination of work and surveillance to achieve the desired objective [18].

2.4.2 Leaders are unique, managers' copy

Leaders like to be themselves. They don't want to copy others. They try to find out unique ideas and execute them for the greater purpose of the company. In case of managers, they tend to copy others [15]. They want to copy the best idea to control the company. They try to learn from the leaders and adopt the ideas to become successful. It is also acknowledging as the spectacles of an individual to see the environment or the organization. They set the goals, give motivations, encourage the team, and give reward. For which, the employees are willing to do their work properly. Leaders have the vision about what is coming and managers have the ability to control any situation [15].

2.4.3 Leaders take risks, managers control risk

As leaders are unique and don't follow others. They like to take on the challenges and risks [14]. This may result in failure but they are not afraid of failure. On the other hand, managers try to minimize the risk. They try to avoid the risks and gain more profit without taking many risks. To get the work done, it is important to give the freedom of working to the team that work for the manager or leaders [11].

3. IMPROVING MOTIVATION AND PERFORMANCE THROUGH THE APPLICATION OF RELEVANT LEADERSHIP SKILLS

3.1: *Analyzing key motivational theories and their influence in organizational success:*

There are many contemporary motivational theories in practice. Following these theories can contribute to the success of the organization. Some of those theories are described below:

Taylor's motivational theory:

Taylor the father of scientific management argued that people work for money. If employees are paid well they will perform well.

Mayo:

Elton Mayo suggested that motivations affected by some internal and external factors. For example, an internal factor can be desire for learning a new skill and external factor can be employee incentive.

Maslow:

Maslow's motivational theory "Hierarchy of needs" is the most popular motivational theory.

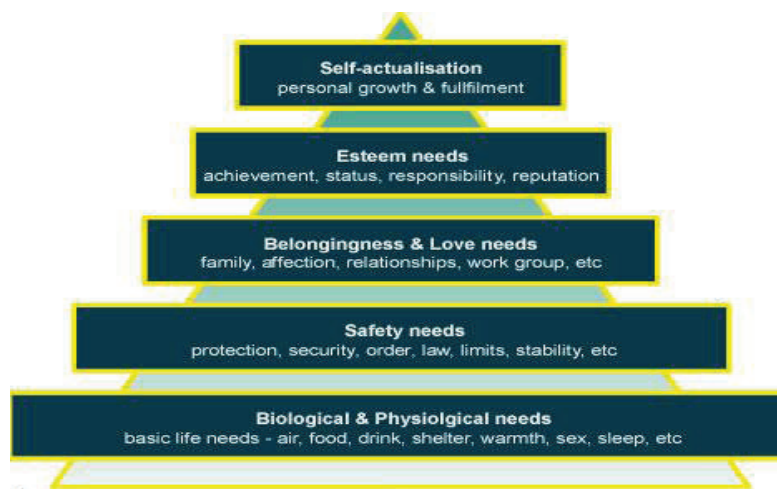


Figure 1: Maslow's hierarchy of needs

Source: (Maslow, 2004)

In this theory Maslow refers to the five types of human or employee needs [12]. Those are: basic needs, safety needs, social needs, self-esteem needs and actualization needs. This theory helps managers to understand human needs and when and how to fulfill those needs.

Herzberg:

Herzberg two factor theory of motivation focuses on the factors which satisfies and dissatisfies employees [5]. Herzberg also discusses about factors which may not satisfy employees but don't also lead to dissatisfaction. This theory helps managers and leaders to understand that which actions or steps taken by the organization will satisfy or dissatisfy employees.

Cognitive theory:

According to this theory people learn from others. For example, employees learn from observing leader's action. Successful actions motivate them and they follow those actions.

Power:

Power theory refers to the different types of power such as legitimate power, reward power, coercive power etc. and their relation to employee motivation. These powers motivate and influence employee performances.

Social constructivism:

This theory argues that motivation is not only affected by individual differences but also by various social factors such as culture, working condition, wishes, experienced peers and overall career goals.

3.2: Evaluating the role of leadership and management in employee motivation:

3.2.1: How leaders motivate:

One of the important roles a leader needs to play in current business world is motivating his employees. Employees lack motivation in case of routine, non-creative tasks and long-term projects [14]. Leaders have to motivate them in such situation. Generally effective leaders take the following strategies to motivate his employees:

Leaders can energize his employees by bringing passion about work within the employees to motivate them.

Leaders can motivate employees by giving priority to them and their life ahead of other organizational issues.

Leaders motivate their employees by listening to their problems and solving their problems.

Leaders motivate employees by setting examples and showing great skills and competencies of doing work.

Leaders also motivate their employees by valuing the employees and recognizing their contribution to the firm.

3.2.2: Practical aspects of motivation:

Motivation is required in business as well as in all other organizations. The importance of motivation is also growing along with the importance of human resources. So, leaders and managers need to motivate and energize their employees on a regular basis to ensure desired performance. Motivation leads to employee satisfaction and satisfied employees perform well [12]. Again, motivation will indicate that the organization values its employees. So, employees feel safe working in that organization. Organizations which have strong motivational facilities and techniques face less employee switching.

3.3: Analyzing the contribution of performance management techniques:

To increase the performance and efficiency of employees, an organization can follow different techniques. Some of these techniques and their contribution are described below:

Goal setting:

In case of goal setting technique an organization sets specific and reasonable goals for the organization as a whole or for a team and individuals. This goal needs to be achieved within the predetermined time frame [5]. Goal setting helps to manage employee performance. When there is a target or goal in front of employees they can plan according to the goal and provided time. So, goal attainment becomes easier.

Reward:

So far providing rewards to the employees is the best performance management technique. By this technique organizations announce that if any employee can achieve its target or goal then that individual or team will be rewarded. These rewards include bonuses, fringe benefits, employee recognition and promotions [16]. This strategy motivates employees to work hard.

Performance measurement:

Monitoring and measuring employee performance is also a good performance management technique. Through this technique leaders can measure actual performances of employees and compare them with organizational standards. If there is any deviation in employees' performance according to the expectation of the organization then it can different steps to improve employees' performances.

Job design:

Job design is a modern performance management strategy used by most corporate houses. Job design refers to designing a job with its duties, responsibilities, authorities and span of control (Griffin, 2006). Job design indicates the clear boundary of tasks of an employee so he can perform his task according to that boundary.

Employee needs:

Fulfilling employees' needs is also effective for performance management. Employees may need different resources and advance technology or any other logistic support for performing their tasks [17]. Organizations have to provide these so that employees can perform better.

4. UNDERSTANDING THE DEVELOPMENT AND EFFECTIVENESS OF TEAMS

4.1: Analyzing the development of teams:

Consisting of a team with few people will not ensure the team's success. Even experience and expert people take time to settle down in a team [19]. So, the development and effectiveness of a team depends of some factors which are described below:

Group dynamics:

Group dynamics refers to the variety of team members. This variety can be based on knowledge, skills, efficiency, creativity and experience. A team which consists of creative people, skillful and efficient members, having technological knowledge and experienced members can easily flourish and develop [2]. Group dynamics provide a team all necessary elements for development and ensure diversity in skills and competencies.

Team vs. groups:

Team works a broader aspect than groups. In facts team consists of some groups [1]. So, there is a coordinated effort among the groups are needed to achieve the common goal of the team.

Motivation of teams:

Motivation within the team is also crucial for team's development. Employees have to find interest in doing tasks with other members. Coordination, cooperation and communication among the members will inspire them [15]. Recognizing another members' contribution will also motivate them.

Roles within teams:

Every member of a team has to be aware about his duties and roles within the team. Carrying out his responsibilities properly will contribute to the overall development of the team. If one member of a team fails to perform his tasks properly it will affect the other members' tasks and the whole team will face problem in goal attainment.

4.2: Analyzing roles and models of team leadership:

Leadership process starts from leading a team within an organization. From that small segment of the organization leaders learn how to lead the overall organization in a larger context [1]. Leading a successful team leads to be a leader of a successful organization. But to achieve that success a leader needs to play a vital role in the team. Some of these roles and models of successful team approach are discussed below:

Effective team leadership:

An effective leader can ensure the efficiency and effectiveness within the team. Team has to plan effectively which is achievable, organize all necessary resources, coordinate effectively, monitor properly and control effectively to achieve team's goal [8]. In every stage team needs to follow the guideline of the leader, communicate with each other efficiently and ensure that the whole team can do the right task at the right moment. Ensuring all these will ensure the team's overall effectiveness.

Managing conflict:

As two or more people consist a team, so their view and opinion regarding planning, organizing, coordinating and controlling of team's activities may differ from each other. In some cases, potential conflict may arise. In such cases leaders have to manage those conflicts and maintain the unity of the team [4]. Leaders should always give priority to the majority's opinion. But he also should not take any action which harms the minority interest.

Value of teams:

Teams having strong values and beliefs are very effective and successful. Leaders can build a team of honesty, integrity, passion and dedication [6]. Team's values guide that team to be united, build a strong corporate culture and take decisions in particular situations.

4.3: Evaluating the roles and usefulness of teams within the organization:

Team approach is very useful in modern competitive market. But the contribution of group and team approach in an organization needs to be evaluated regularly. For an effective evaluation an organization can assess the following things:

How teams work and how teams don't work:

Usefulness of a team will depend on how the works. Teams having a goal consisting with the goal of the organization, maintain rules, regulation and having a good leader can work efficiently and will contribute to the firm's success.

Communication and collaboration:

Teams having strong collaboration and coordination and effective communication can perform better and very useful for the organization [3]. Effective communication helps that individual team as well as other teams of the organization to link together and work together.

Team decision making:

Teams which can take appropriate decisions quickly and implement their decisions properly are useful for various organizations. Prompt and appropriate decision-making ability can save a firm's resources, reduce costs and increase profitability [7].

Creativity of teams:

Teams' creativity is required for the growth of those teams. Teams which can generate creative and realistic ideas which can be implemented practically are also useful for organizations [8]. Creativity about new products or using better technologies can benefit a firm in many ways.

Measuring team's success:

Measurement of teams' success is also important for evaluating the usefulness of teams. Teams which can achieve their goal within the prescribed time using lowest possible resources are successful teams [20]. This type of team can contribute to the firm's overall success.

5. CONCLUSION

Leadership has a great influence on employees and overall outcome of the organization. Leadership require in order to attain organizational goals and achievements. As a result, managers are putting more emphasis on leadership in current days. Managements performs team work as because they are able to find out strong leadership from their employees. Establishing a strong bonding between leadership and management's activities such as planning, organizing, motivating, coordinating and controlling will ensure a smooth path for achieving organizational goal.

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