

Leadership Style in Complement with Subordinate Preference

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Abstract

The purpose of the paper was to determine the Leadership in Banking Sector the Leadership is very important factor for making an organization successful. Leadership style is the behavior pattern that the leader exhibits when attempting to influence the activities of others. There are various theories explaining the importance of good leadership. Some leaders are autocratic Democratic and delegate each leader follows his own style of leadership based on his attitude towards others. One leader's style differs from another leader's style.

The present study has been undertaken particularly because in the past there were no enough studies on leadership style with reference to banks. Hence, it was proposed to undertake a study on leadership in banks to examine the leadership between leadership style preferred by supervisor and the leadership style expected by the subordinates. The study explains managers' perception towards leadership style and what they practice in their banks. Subordinates also express their preference towards leadership style. This study portrays the difference in leadership style among leaders of different socio economic variables and also exhibit significant difference in supervision preference among subordinates of different

socio economic variables. This study attempts to examine the relationship between leader perception verses subordinate preferences.

Key words: - Leadership, Banks,

Introduction

The search for the characteristics or traits of leaders has been ongoing for

centuries. History's greatest philosophical writings from Plato's Republic to Plutarch's Lives have explored the question

"What qualities distinguish an individual as a leader". Underlying this search was the early recognition of the importance of leadership and the assumption that leadership is rooted in the characteristics that certain individuals possess. This idea that leadership is based on individual attributes is known as the "trait

theory of leadership". Leadership has been described as the "process of social

influence in which one person can enlist the aid and support of others in the accomplishment of a common task". Other in-depth definitions of leadership have also emerged. Alan Keith of Genentech states that "Leadership is ultimately about creating a way for people to contribute to making something extraordinary happen." According to Ken "SKC" Ogbornia, "effective



leadership is the ability to successfully integrate and maximize available resources

within the internal and external environment for the attainment

of organizational or societal goals."Over the years the philosophical terminology of "management" and "leadership" have, in the organizational context, been used both as synonyms and with clearly differentiated meanings.

Objectives

This study will primarily aim at identifying the leadership styles in banking sector. With this end in view the following objectives will be formulated.

1. To study the opinion of leaders, regarding their perception of different leadership styles.
2. To find out the opinion of subordinates regarding their expectations and preference of different leadership styles.
3. To study the relationship between leadership style and various socio-economic variables such as age, education, income etc.

Review of Literature

Leadership plays a central part in understanding group behavior, for it's the leader who usually provides the direction toward goal attainment. However, regardless of what the leader does, effectiveness depends on the action of the followers. Leadership shall begin from understanding the subordinates' attitudes, and educate the subordinates to accept ones leadership from heart by integrating the inspiration and enlightenment bestowed from past leadership experience. The organizational and work climate in Japanese and Korean organizations, we can observe several significant differences that may affect the effectiveness of LMX in the workplace. Leaders emerge from within the structure of the informal organization. Their personal qualities, the demands of the situation, or a combination of these and other factors attract followers who accept their leadership within one or several overlay

structures. Instead of the authority of position held by an appointed head or chief, the emergent leader wields influence or power. Despite much debate and disagreement concerning how 'leadership' should be defined, there is an uneasy agreement among writers and researchers that at its core leadership has something to do with 'influencing' others. So for example,[1], an often cited writer in the field of organization studies, concludes that: "Most definitions of leadership reflect the assumption that it involves a process whereby intentional influence is exerted by one person over other people to guide, structure, and facilitate activities and relationships in a group or organization." [1] As Alan Bryman [2] argues however, even this loose notion of a social 'influence process' is not without its problems since it is unclear how one is able to differentiate leadership from other social influence processes in group and organizational contexts. Likewise, how does one distinguish the concept of leadership from such concepts as power and authority, which one could argue also, involve complex social influence processes Bryman and others have also raised methodological concerns such as how the researcher is able to identify and distinguish groups of followers from those who lead them, and whether leadership necessarily implies the setting and achievement of goals and objectives lay down by the leader. In a recent review of leadership theory, Northouse [3] identified four common themes in current conceptions of leadership. These were that leadership is a process, that it involves influence, that it occurs in a group context, and that it involves the achievement of goals. Job satisfaction can be defined also as the extent to which a worker is contented with the rewards he or she gets out of his or

her job, particularly in terms of intrinsic motivation [3]. The term job satisfaction refers to the attitude and feelings people have about their work. Positive and favorable attitudes towards the job indicate job satisfaction. Negative and unfavorable attitudes towards the job indicate job dissatisfaction [4] Job satisfaction is a worker's sense of achievement and success on the job. It is generally perceived to be directly linked to productivity as well as to personal wellbeing. Job satisfaction implies doing a job one enjoys, doing it well and being rewarded for one's efforts. Job satisfaction further implies enthusiasm and happiness with one's work. Job satisfaction is the key ingredient that leads to recognition, income, promotion, and the achievement of other goals that lead to a feeling of fulfillment [5].

Group leadership

In contrast to individual leadership, some organizations have adopted group leadership. In this situation, more than one person provides direction to the group as a whole. Some organizations have taken this approach in hopes of increasing creativity, reducing costs, or downsizing. Others may see the traditional leadership of a boss as costing too much in team performance. In some situations, the team members best able to handle any given phase of the project become the temporary leaders. Additionally, as each team member has the opportunity to experience the elevated level of empowerment, it energizes staff and feeds the cycle of success. Leaders who demonstrate persistence, tenacity, determination, and synergistic communication skills will bring out the same qualities in their groups. Good leaders use their own inner mentors to

energize their team and organizations and lead a team to achieve success. These Group Leaderships or Leadership Teams have specific characteristics:

Leadership Styles

Leadership style refers to a leader's behavior. It is the result of the philosophy, personality, and experience of the leader. Rhetoric specialists have also developed models for understanding leadership. Even though different leadership styles are advocated, commonly, there are three leadership styles, namely, (1) Autocratic or authoritarian style (2) Participate or Democratic style and (3) Laissez faire or free in style.

Autocratic style

Under the autocratic leadership style, all decision-making powers are centralized in the leader, as with dictators. Leaders do not entertain any suggestions or initiatives from subordinates. The autocratic management has been successful as it provides strong motivation to the manager. It permits quick decision-making, as only one person decides for the whole group and keeps each decision to him/herself until he/she feels it needs to be shared with the rest of the group.

Participative style

The democratic leadership style favors decision-making by the group. Such a leader gives instructions after consulting the group. They can win the cooperation of their group and can motivate them effectively and positively. The decisions of the democratic leader are not unilateral as with the autocrat

because they arise from consultation with the group members and participation by them.

Laissez-faire style

A free-rein leader does not lead, but leaves the group entirely to itself. Such a leader allows maximum freedom to subordinates; they are given a free hand in deciding their own policies and methods. Different situations call for different leadership styles. In an emergency when there is little time to converge on an agreement and where a designated authority has significantly more experience or expertise than the rest of the team, an autocratic leadership style may be most effective; however, in a highly motivated and aligned team with a homogeneous level of expertise, a more democratic or laissez-faire style may be more effective. The style adopted should be the one that most effectively achieves the objectives of the group while balancing the interests of its individual members.

Research Methodology

The Managerial approaches to leadership have evolved along with the development of organizations at different times. Different strategies, techniques, styles of leadership had been evolved to manage people effectively. However, success can be achieved through the use of any style. The key factor is whether the leadership style is complementary with the expectations of employees. Hence, it is proposed to undertake a study on leadership with a view to examine the leadership styles as practiced by the leaders on one hand and preferred by the subordinates on the other. Also, to find out whether the styles practiced by the managers are complementary with the

expectations of employees, by examining the correlation between these two.

SUMMARY

The Banking in India is generally fairly mature in terms of supply, product range and reach-even though reach in rural India still remains a challenge for the private sector and foreign banks. In terms of quality of assets and capital adequacy, Indian banks are considered to have clean, strong and transparent balance sheets relative to other banks in comparable economies in its region. The Reserve Bank of India is an autonomous body, with minimal pressure from the government. The stated policy of the Bank on the Indian Rupee is to manage volatility but without any fixed exchange rate-and this has mostly been true. With the growth in the Indian economy expected to be strong for quite some time-especially in its services sector-the demand for banking services, especially retail banking, mortgages and investment services are expected to be strong. Banking Regulation Act of India, 1949 defines Banking as “accepting, for the purpose of lending or of investment of deposits of money from the public, repayable on demand or otherwise or with drawables by cheque, draft order or otherwise.” The Reserve Bank of India Act, 1934 and the Banking Regulation Act, 1949, govern the banking operations in India.

The activities of commercial banking have growth in multi-directional ways as well as multi-dimensional manner. Banks have been playing a catalytic role in area development, backward area development, extended assistance to rural development all along helping agriculture, industry,



international trade in a significant manner. In a way, commercial banks have emerged as key financial agencies for rapid economic development.

Main Findings

The precise objective of the study were determined by formulation of the following hypotheses for this study.

1. The preference of leaders of the various leadership styles of Public Sector Banks will not differ among different group of leaders based on their personal variables.
2. There would be no significant relationship exists between leadership style and personal variables of the leaders of Public Sector Bank leaders.
3. The preference of leaders of the various leadership styles of Private Sector Banks will not differ among different group of leaders based on their personal variables.
4. There would be no significant relationship exists between leadership style and personal variables of the leaders of Private Sector Bank leaders.
5. There would be no significant differences between personal variables and leadership styles of private sector and public sector bank leaders.
6. The preference of subordinates of the various leadership styles of Public Sector Banks will not differ among different group of subordinates based on their personal variables.
7. There would be no significant relationship exists between leadership style preference and personal variables of the leaders of Public Sector Bank subordinates.
8. The preference of leaders of the various leadership styles of Private Sector Banks will not differ among different group of leaders based on their personal variables.
9. There would be no significant relationship exists between leadership style and personal variables of the leaders of Private Sector Bank leaders.
10. There would be no significant differences between personal variables and leadership styles of private sector and public sector bank leaders.

The data for this research was collected from the subjects selected, namely leaders of Private and Public Sector Banks in Pondicherry state on their leadership style preferences and subordinates of the banks on their leadership preferences along with the socio economic status of the subjects, through standardized questionnaires. The obtained responses of the subjects were converted into standard scores based on the methods and procedures laid out by the authors of the questionnaire administered.

CONCLUSIONS

The Leadership in Banking Sector is very important factor for making an organization successful. Leadership style is the behavior pattern that the leader exhibits when attempting to influence the activities of others. There are various theories explaining the importance of good leadership. Some leaders are autocratic Democratic and delegate each leader follows his own style of leadership based on his attitude towards others. One leader's style differs from another

leader's style. The results presented deals with the Public Sector Bank leaders, age, educational qualifications, family income and socio economic status. The frequency distribution enabled the researcher to classify the leaders under different groups and was found that age group of the leaders in Public sector banks are from 35 to 55 with qualifications of three broad categories, professional degree holders, post graduate and undergraduate degree holders The Public sector bank leaders were further classified into four categories based on their family income and five categories based on their overall socio economic status, "The preference of leaders of the various leadership styles of Public Sector Banks will not differ among different group of leaders based on their personal variables." is accepted at 0.05 level of confidence. From the above results it was concluded that Public Sector Bank leaders have more inclination to democratic leadership style, followed by dictatorship style and then delegative leadership style. It was further concluded that there was no significant differences among the groups based on personal variables such as age, educational qualifications, family income and socio economic status.

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