



IMPACT OF LEADERSHIP IN BUSINESS MANAGEMENT

Natasha Datar

Sanjay Ghodawat International School,
Atigre, Maharashtra.

Abstract

All the developing and developed businesses have one thing is common that is the presence of a dominant character, leaders. These businesses make use of different types of leadership styles including: Authoritarian, Participative, Delegative, Transactional, and Transformational. Some organizations make use of only strong, powerful and influential leaders while other organizations use various leadership styles. This paper is first differentiating between manager and leaders and later combining the skills of leaders and the impact that different leadership style son businesses and at last come to a conclusion on what type of leader would suit what leadership style.

Keywords:- *Corporation, leadership skills, management, Organization, Leaders, Authoritarian leadership, Participative leadership, Delegative leadership, Transactional leadership, Transformational leadership.*

Introduction

What we do each day, like being paired up in corporations to paintings in initiatives or speaking with distinctive humans for specific reasons, for example, speaking to your instructors for a suggestion you may need to place forth or to your classmates to discuss a query or a topic; is a manner wherein all of us learns the important leadership skills. Leaders play an important role in business, as they are the personalities who paint on the betterment of the firm/ company, issue duties to different people consistent with their ability and the mission that suites them to the maximum and so that it will provide out fantastic feedback. This paper makes a specialty of mixtures made through the use of the different sorts of leaders and managers, to locate and examine the fine mixture that might shape the fine management to be applied in an organization.

THEORY

In this paper we will be looking at the following points:

- What leadership is
- What management is
- Roles of managers and leaders – figure 1
- Types of leadership styles
- Table 1 leadership skill set analysis
- Table 2 impact of different leadership styles.

While Leadership may be a process of guiding followers or individuals within the right path by an individual who understand the importance of all the possible obstacles, guiding these individuals, sometimes making difficult decisions sound simple and establishing achievable goals and also ensuring that there's efficiency and cooperation within the group and ensuring

each individual receives attention and is heard to; management is that the art of conducting and supervising. The book ‘Leadership in organizations ‘There could be a difference between leaders and managers’ by David I. Bertocci says that “Leadership, in contrast, is about vision, big picture views, and dealing with change. a part of the explanation leadership has become so important in recent years is that the business has become more global, more competitive and more volatile.”[1]

Management could be a set of principles which relate to the assorted functions like planning, organizing, staffing, directing, coordinating, controlling etc. which are helpful in achieving organizational goals. The book ‘Leadership in organizations ‘There could be a difference between leaders and managers’ by David I. Bertocci says that “Good management brings calmness and stability to a business and tries to eliminate what sometimes will be chaotic circumstances that threaten their very existence. Good management brings a couple of degree of order and consistency to the quality and profitability of products or services.”[1] While some organizations and corporations are led by leaders, others are led by managers, the most important difference between the two is that Leadership woks on the idea of the larger scenario while Management is about the steadiness in a corporation.

Roles of managers and leaders:Figure 1: the difference between leadership andmanagement [2]



In Figure 1 the foremost noticeable difference between a manager and a leader is that mangers just follow their seniors, where they follow what power they're given while leaders develop power over time and receive unlimited respect. Leaders show their followers the way to do something while managers just tell you what's to be done. Organizations/ businesses are initially made with the intension to present people opportunities in sectors they're good at yet over time, the standard of providing such services is what they begin to lack. The article by Abbas Umar Ibrahim and Cross Ogohi Daniel “The role of a leader in a corporation is to assist identify worthless goal, help devise appropriate strategies to realize such goals and supply direction and motivation for the group so set goals is attained. The leader must recognize the value system that operates during a type of work group and situation. They have to hear questions yet as provide answers. He must comprehend the issue of being a subordinate so on understand the fear.” [3]

As the title of the paper suggests, ‘Impact of leadership in business management’; I'll be analyzing on how leaders should be like and with what best leadership quality. We will be looking at the different leadership styles. Later in a table analyzing what type of skills this person



should hold for the accurate running of that leadership style and then we will be looking at the impact of such leadership styles on the business and the employee.

The 5 leadership styles that can be used: [3]

1. **Authoritarian Leadership** – “Authoritarian leadership, also referred to as autocratic leadership, could be a management style during which an individual has total decision-making power and absolute control over his subordinates.” [4]
2. **Participative Leadership** - “Participative leadership may be a kind of leadership during which all members of the organization work together to create decisions. Participative leadership is additionally referred to as democratic leadership”[5]
3. **Delegative Leadership** – “A delegative leadership style focuses on delegating initiative to team members. this will be a successful strategy if team members are competent, take responsibility and like engaging in individual work.”[3]
4. **Transactional Leadership**– “This may be a style used between leaders and their followers, where leaders provide rewards, punishments and exchange other things to urge the duty done.”[3]
5. **Transformational Leadership**– In this style the leaders inspires their followers with a vision and encourage them to achieve it.

Table 1 Leadership Skill set analysis.

Skills	Authoritarian	Participative	Delegative	Transactional	Transactional
1. Genuine			✓		
2. Purposeful	✓				
3. Grounded		✓	✓		✓
4. Connected		✓		✓	
5. Supportive		✓	✓	✓	
6. Resilient		✓			
7. Curious		✓			
8. Engaged	✓		✓	✓	
9. Optimistic		✓			✓
10. Innovative			✓	✓	
11. Interactive	✓	✓			
12. Decision maker	✓			✓	
13. Organized	✓	✓			

Table 2 Impact of various leadership styles

Impact	Authoritarian	Participative	Delegative	Transactional	Transactional
--------	---------------	---------------	------------	---------------	---------------



Motivation		Increased	Increased	Increased	Needed consistently
Job Satisfaction		Increased			
Productivity	Increased	High level	Increased	Increased	Increased
Mistakes	Reduced			Reduced	
Time taken	Reduced			Dependent on the system	
Group collaboration	Reduced	Increased			
Participation rate		Increases	Increases	Increased	
Employee turnover rate	Increases				Lowered
Relationships	Reduced	Great	Good	Amazing	
Morals		Valued		Not valued	High
Vision					High value
Creativity	Killed	Encourages	Increases	Minimized	
Innovation	Killed		Increases	Minimized	
Positive vibe			Is created		
Decisions	Made by leaders	Poor and time consuming.	Faster		
Communication		Fails		Consistent	
security		Issues rise			
Chain of command	emphasized		Not properly appointed		
Other			Causes difficulty in adapting to change.	Leaders create easy to follow systems. Employees chose reward system.	Inspires his/her followers.

CONCLUSION

After analyzing all the facts and figures, the best leadership style to be used in a business could be Participative with a mixture of Authoritarian style; as there are less mistakes made, and decisions are made by leaders making it less time consuming. Plus there is also an emphasized chain of command, thus increasing the efficiency. In this business the employer must employ grounded, connected, supportive, resilient, good decision maker, engaged, purposeful, and organized leader(s) for each of their team.

ACKNOWLEDGEMENT

I would like to thank all my teachers for presenting me with this opportunity and providing all the support I needed. I would also like to thank my family for supporting me with their endless love. I would also like to present my gratitude towards my wonderful school/ university for



guiding me in the right direction and encouraging me to do what I love the most; whatever it may be.

REFERENCES

1. D. I. Bertocci, Leadership in organizations. There is a difference between leaders and managers, Lanham, Maryland: University Press of America, 2009.
2. N. Generation, "Next Generation," 2018. [Online]. Available: <https://www.nextgeneration.ie/blog/2018/03/the-difference-between-leadership-and-management?source=google.com>.
3. "The 5 leadership styles you can use," November 2021. [Online]. Available: <https://www.imd.org/imd-reflections/reflection-page/leadership-styles/>.
4. F. Sales, "SearchCIO," [Online]. Available: <https://www.techtarget.com/searchcio/definition/authoritarian-leadership#:~:text=Authoritarian%20leadership%2C%20also%20known%20as,absolute%20control%20over%20his%20subordinates..>
5. I. E. Team, "indeed," 23 February 2021. [Online]. Available: <https://www.indeed.com/career-advice/career-development/participative-leadership#:~:text=Participative%20leadership%20is%20a%20style,Discuss%20as%20a%20group..>
6. A. U. I. a. C. O. Daniel, "Impact of leadership on organisational performance," *JOURNAL BINET*, vol. 06, no. 02, 367-374, 2019.