

REVIEW OF MANAGEMENT STYLES - INTERNATIONAL AND INDIAN PERSPECTIVE

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Abstract

The term management style can be understood simply as a way to manage an organization and its people. It is the philosophy or set of principles by which managers can capitalize on the abilities of their people. The historical overview of literature on management style reveals that the concept is not new however there has been a change in the styles of managing people. The management style is a function of situation and must be made flexible in order to achieve organizational goals. The theories on management styles have evolved around the globe and researchers have always emphasized that though there are several management styles but no one can be taken as the yardstick for the organizational growth. It is style of managing the organization which determines the future, whether it will be successful or a failure. An attempt is made in this study to create a chronology of evolution of different management theories along with its criticism in India and around the globe.

Keywords – Management styles, Leadership.

Introduction

The term management style can be understood simply as a way to manage an organization and its people. It is the philosophy or set of principles by which managers can capitalize on the abilities of their people. However, Khandwalla (1995) has defined management style as the distinctive way in which an organization makes decisions and discharges various functions, including goal setting, formulation and implementation of strategy, all basic management activities, corporate image building, and dealing with key stakeholders. Depending on an organization's operating conditions, styles can vary and can be different. Various research scholars and social scientists have defined management style in their own ways. A variety of formal styles of management have been described since the 1950s. Likert (1967) defined four styles varying on a continuum from authoritarian to participative. Burns and Stalker (1961) emphasized that there can be organic and mechanistic styles of management. As per the opinion of Mintzberg (1973) management style can be the entrepreneurial, the planning and the adaptive type

The last System 4 Management is the 'participative leadership' style. Managers in this system trust their subordinates. They always ask the opinions of their subordinates. They encourage participation of employees at all levels in decision-making and encourage both upward and downward communication. Participation of employees in areas like the setting of objectives and accomplishment of goals is financially rewarded. Likert, further emphasized that those managers who adopt the system 4 approach are successful and achieve organizational effectiveness.

The managerial grid proposed by Blake and Mouton (1964), is also a popular approach for defining management styles. They proposed that managerial behaviour is a function of two variables namely concern for people and concern for production. This managerial grid can help managers to identify their leadership style. The level of concern for people (employees) is shown on the vertical axis and the level of concern for production on the horizontal axis of the grid. Each axis has a scale ranging from 1 to 9, with the higher numbers indicating greater concern for the specified variable. Leadership style 1, 1 is called as impoverished management and it has a low concern for people and low concern for tasks or production. Leadership style 1,9 is called 'country club management.' This type of management keeps high concern for people but low concern for production. Here managers try to create a work environment in which everyone is relaxed, friendly, and happy. However, no one is bothered about accomplishment of organizational goals.

As per the opinion of Tannenbaum and Schmidt (1973) leadership style can be of various types and can depend upon the degree of authority used by a manager and degree of freedom enjoyed by a subordinate in relationship to his superior. Hence, management style can be depicted on a continuum moving from authoritarian leadership behavior at one end to free-rein behavior at the other end. They further emphasized that management style adopted by the managers may depend upon three factors. These factors are 1) Forces in the manager which include his value system, his confidence in subordinates, his leadership inclination and his feeling of security in an uncertain situation 2) Forces in subordinates which include their need for independence, readiness to take responsibility for decision making, tolerance for ambiguity, understanding organizational goals, interest in the problem, knowledge and experience to deal with the problems and learning to share in decision making and 3) Situational forces or factors that is group effectiveness, organization type and time pressure. Continuing their effort to decide criteria to choose leadership style, these research scholars developed another continuum which was based on the assumption that organizations do not exist in vacuum but affected by the changes occurring in society. They further argued that a successful manager always keep himself aware of these forces. He understands himself, his subordinates, organization and social environment in which he operates and behaves according to the situation.

Reddin (1970) proposed a three-dimensional grid which is also called as 3-D management. Three dimensional axes represent task-orientation, relationship orientation and effectiveness. Hence the combination of these three dimensions can lead to eight types of management styles namely which were broadly classified into effective and ineffective management style. These styles are- deserter, missionary, autocrat, compromiser which can

be referred to as ineffective management styles while effective management styles include - bureaucrat, developer, benevolent autocrat and executive.

B.F. Skinner the father of Behavior Modification emphasized that positive reinforcement should be used to manage people. Positive reinforcement occurs when a positive stimulus is presented in response to a behavior which increases the likelihood of that behavior in the future. The use of positive reinforcement can be used by managers to motivate and attain desired behaviors from subordinates. Goleman (2002) introduced six leadership styles to manage people. As per the opinion of Goleman, good leaders are effective because they create resonance. Effective leaders are sensitive to other people's feeling and can move them in a positive emotional direction. They speak authentically about their own values, direction and priorities and understand the emotions of people.

In their study on management style Burns and Stalker (1961) and (Khandwalla, 1977) concluded that management styles can vary significantly not only between industries, but also within each industry. This variation in management styles can be due to firm characteristics, such as organization type, business purpose, size, external environment and corporate culture. Hence, it is impossible to manage all organizations in the same way.

Based on his observations of eleven countries of different political and economic systems, Davidmann (1995) found that styles of management may depend upon the nature of management. In a smaller or medium size company, it is possible for the owner or the chief executive to force their own personal style of management on the rest of the organization but in bigger organizations it may not be possible. In recent years, advances in the field of information technology and communication have made profound effects on the management style in an organization. The new devices and systems (e.g. cellular telephones and the Internet) can lead to the adoption of a particular style. From a more market-oriented point of view, Dolan et al. (2002) argued that in an increasingly global, complex, and professionally demanding world, which is constantly changing and oriented toward quality and customer satisfaction, a new model is needed.

In this era of globalization both managers and employees has their own cultural framework. Therefore, leaders require specific skills to manage a culturally diverse workforce. Managers of a multinational company need to understand their own culture and culture of their staff and behave accordingly. At organizational level, organizational culture is determined by the top management team. However, leadership style of managers can be influenced by the value, norms and religion of their subordinates. Managing a diverse workforce has proven to be a key success factor for the effectiveness of an organization but managers need to adopt an appropriate and effective style for managing the employees.

1.2 Historical Views on Management Styles

The historical overview of literature on management style reveals that the concept is not new however there has been a change in the styles of managing people. Sanskrit literature identifies ten leadership styles defining characteristics different types of leaders. As per the opinion of Aristocratic thinkers leadership style depends on one's genes. Monarchy takes an extreme view of the same idea, in this system of management all political powers were passed

down to an individual (usually hereditary) known as a monarch or single ruler. On the contrary, more democratically-inclined theorists have pointed to examples of meritocratic leaders, such as the Napoleonic marshals where the leadership authorities were given to the most talent individuals. In the paternalistic strain of thought, hierarchic pattern of a family based on patriarchy was followed. Feminist thinking, on the other hand, may object to such models as patriarchal and supported matriarchies. A matriarchy is a society in which females have the central roles of leadership and moral authority. It is also sometimes called a gynocratic or a gyno-centric society.

In the 19th century, anarchist thought changed the whole concept of leadership into question. Anarchism is a political philosophy which promotes a stateless society, or anarchy. It stressed upon diminishing the authority in human relations. Leninism on the other hand demanded a group of disciplined cadres to act for a socialist revolution, bringing into existence the dictatorship style of leadership. Other historical views of leadership have addressed the contrasts between secular and religious leadership. The doctrine of Caesaro-papism is the idea of combining the power of secular government with the spiritual authority of the Church. In other words, it is the connection of the Church with government and the extreme form of caesaropapism the head of state, is also the supreme head of the church

The search for the characteristics or styles of leaders has been ongoing for centuries and decades. History's greatest philosophical writings from Plato's *Republic* to Plutarch's *Lives* tried to distinguish the qualities of an individual and a leader. This search for the answer for the question laid foundation of trait theory, which is based on the notion that leadership is rooted in characteristics of the leader. For decades, this trait-based perspective dominated empirical and theoretical work in leadership .In the late 1940s and early 1950s a series of qualitative reviews of these studies encouraged researchers to take a drastically different view of the driving forces behind leadership and suggested that persons who are leaders in one situation may not necessarily be leaders in other situations. Hence, leadership can no longer be characterized as an enduring individual trait but may depend on the situation also.

During the 1980s statistical advances allowed researchers to conduct meta-analyses, which equipped them with various methods to analyze and summarize the findings from a wide array of studies. Through this analysis it was concluded that individuals can emerge as leaders in a variety of situations. It was also identified that there is a significant relationship between leadership and individual traits such as intelligence, adjustment, extraversion, conscientiousness , openness to experience and self-efficacy. Thus Trait Theory gained a lot of popularity but later it was identified that theory focused on a small set of individual attributes such as Big Five personality traits and neglected the cognitive abilities, motives, values, social skills, expertise, and problem-solving skills of individuals.

Some theorists tried to synthesize the trait and situational approaches of leadership. with the research of Lewin et al. (1939), three types of management styles were identified, namely, the authoritarian style, which is appropriate in crisis but cannot win the "hearts and minds" of their followers in the day-to-day management; the democratic style is appropriate in situations that require consent building and the laissez faire style which provide the freedom to followers to take their own decisions and leaders do not "take charge". Four contingency

leadership theories Fiedler contingency model, Vroom-Yetton decision model, the path-goal theory, and the Hersey-Blanchard situational theory further supported situational theories. The Fiedler contingency model proposed two types of leader: those who tend to accomplish the task by developing good-relationships with the group (relationship-oriented), and those whose primary concern is carrying out the task itself (task-oriented). Victor Vroom (2002) in collaboration with Yetton (1973) and Jago (1988) developed a taxonomy that defined various approaches to management of people in different situations.

Functional leadership theory proposed by Hackman & Walton (1986) and McGrath (1962) is particularly useful for addressing specific leader behaviors expected to contribute to organizational effectiveness. This theory suggests that the leader's main job is to take care of group effectiveness and cohesion. Kozlowski et al. (1996), Zaccaro et al. (2001), Hackman and Walton (1986), Hackman & Wageman (2005), Morgeson (2005), Klein, Zeigert, Knight, and Xiao (2006) observed five broad functions of a leader that can promote organization's effectiveness. These functions include: (1) environmental monitoring, (2) organizing subordinate activities, (3) teaching and coaching subordinates, (4) motivating others, and (5) intervening actively in the group's work. Eric Berne gave a new direction to the concept of leadership style by analyzing the relations between a group and its leadership in terms of Transactional Analysis.

As per the opinion of Burns (1978) the transactional leaders are those who have some power to perform certain tasks and reward or punish for the team's performance. It also gives the manager an opportunity to lead the group and has power accomplish a predetermined. The leader also have power to evaluate, correct and train subordinates to improve team performance. The transformational leader on the other hand motivates its team to be effective and efficient. The leader is highly visible and uses chain of command to get the job done.

Culpan and Kucukemiroglu (1993) proposed a separate model for assessing management style which was based on six principal dimensions for comparing management systems. They were: supervisory style, decision-making, communication patterns, control mechanism, interdepartmental relations, and paternalistic orientation. Khandwalla (1995) developed separate model to study management styles. The model was based on ten principal dimensions to measure management styles, namely, conservative, entrepreneurial, professional, bureaucratic, organic, authoritarian, participative, intuitive, familial, and altruistic. Each type of style had key functional feature adopted in different situations. Similarly, various research scholars tried to explain the concept of leadership in their own ways. The efforts of various social scientists led to the advent of various approaches that can be used to measure the management style of the managers.

Management Styles in Indian Organizations

As per the opinion of Prasad (1989), in the first instance, Indian Management is believed to be autocratic where subordinates are closely supervised by their superiors and a limited degree of participation is allowed to the subordinates. However, various studies have been conducted by research scholars to understand real picture of management style in Indian

Scenario. As per the opinion of Myers (1960) most of the Indian managers are authoritarian. Ganguli (1964) also expressed the similar opinion. However, Rangaswamy (1976) through his study on Indian managers stressed that Indian managers are more employees oriented.

Similar opinions were expressed by Elhance and Agarwal (1975) through their study on leadership style. Singh and Das (1977) stated that the management style adopted by the managers is associated with type of the organization, age- group, level of the managers in the organization and their exposure to the management programs. A study by Joseph and Kesavan (1977) of supervisors from public sector and private sector showed that in private sector emphasis is on production since total wages are tied up to the production whereas in public sector orientation of the superior is prevalent.

It is not right to expect a uniform style of management from Indian managers. However, as per the opinion of Prasad (1996) the style of management can vary with the factors whether the organization is family owned, professionally managed Indian organizations, and public sector organizations. In family owned organizations most prevalent style is autocratic style. In these of organizations the sons and grandsons are automatically promoted without considering efficiency and competence of the managers. The Organizations that are owned by Indians or by multinationals have participative or democratic leadership. The participative management style is prevalent in such type of organizations. The third category of organizations that is public sector units, have bureaucratic style more prevalent in their work culture. The entire organizational processes are governed by bureaucratic model.

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