Evaluation of Leadership Style and Theories in Context with Contemporary Organization

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Abstract

Leadership principles are the basis on which an effective leadership functions. There are many different leadership principles which different companies adhere to in order to maximize their impact on the success of their business. Usually, people get confused with the term leadership and management. Management is the process of planning, organising, staffing, directing and controlling the activities of an organisation. An individual should be proficient technically while developing a sense of responsibility towards workers and being accountable for the actions taken place. Organizations require robust leadership and management for optimal organizational efficiency. This paper will focus on various facets of leadership and its impact on organization culture.

Key Words: Leadership Style, Management, Organisation Culture, Situational Leadership, Transformational Leadership

Introduction

Leadership is an encapsulation of various connotations which are defined differently by everyone with the same conceptual roots. Influence on others is leadership. Leadership is a process wherein an individual successfully brings about a change in a person by transforming their mindset and altering their reality (Smircich & Morgan, 1982). It may be defined as the ability of inducing the subordinates to work with enthusiasm (Chhabra, 1999). According to the existing literature, there is no particular definition of leadership. Traditional explanations involving leadership build upon leader-follower relationship, the innate dispositional qualities and the behavioural aspects of a leader (Antonakis & Day, 2012).

All configurations of public life, governmental administration, private businesses, and non-profit organisations are linked to the presence and operation of the leadership phenomenon. The value of leadership in fostering change, attaining organisational goals, and overcoming other challenges has been extensively discussed in many literature texts. Leadership, according to Lawal, A.A. (1993), is the practise of inspiring others to work voluntarily and confidently toward a unified organisational objective. Whereas author Ubeku, A.A. (1975) views leadership as the practice of encouraging or persuading individuals to undertake certain tasks in order to attain specific goals. Regardless of the variation in these definitions, all of them emphasis on the influence of a good and responsible leadership in successful functioning of any organisation. Considering leadership is predicated on human relationships, a leader ought to be a part of the team. What counts in the end is the arena in which a leader emerges and the approach in which he or she communicates these competencies. The study aims at analysing the leadership style and practices of an organisational leader, how he or she demonstrates behaviours and traits that constitutes of a responsible leader and evaluating the impact of the leadership practices on the organisation. The analysis will be done by discussing different kinds of leadership theories and
relating them with a case of leadership in a contemporary organisation, i.e., leadership style of N.R. Narayan Murthy, founder of Infosys Ltd. Through the study the importance of leadership theories and their relativity with the contemporary organisations has been determined.

An organisation may have multiple skilled professionals, each with specialised talents and capabilities, but it is only through efficient leadership practices that they can harness individual efforts towards achieving the organisational goals. By inspiring and motivating teams and coordinating personal actions for the advancement of a common goal, leaders help their companies achieve excellence. Even though an organization may have a diverse spectrum of qualified employees, each with their own unique skillsets, they cannot effectively optimise individual performances towards attaining the objectives of the company without effective leadership practices (Patejczyk & Kobos, 2022). Leaders enable their organisations to excel by encouraging and motivating employees and synchronizing individual efforts towards shared goals. Different institutions provide different conditions for a leader's development of their leadership skills. But what really matters is how a leader maintains these conditions and sustain in its immediate surrounding. Which is why responsible leadership practices and leadership style of any leader being pivotal in the company and its employees. (Hughes, 2009)

Effective Leadership

The way in which a leader performs their duties, as well as how managers generally interact with members of the group, is characterised by their leadership behaviour and style. An efficient style of leadership accentuates the corporate environment, the work at hand, and the personal traits of those involved. Effective leadership has been recognized as a crucial component of a business' success. One such corporate leader in India is N.R. Narayana Murthy, the founder of the renowned IT company Infosys. Not only did he establish the successful company Infosys, but he also gave corporate India a leadership style, which is his greatest gift to Indian business.

Born in the year 1946, in the Indian state Karnataka, Nagavara Ramarao Narayana Murthy, obtained a degree in Electrical Engineering from Mysore University and then pursued Computer Science studies at the Indian Institute of Technology (IIT), Kanpur. Along with six of his mates, Narayana Murthy established Infosys Technologies in 1981. When neither of the them had enough money to build their vision in real life, Murthy's wife, then engineer at Tata Industries, donated her savings of Rs. 10,000. But soon from its inception, Infosys took off and showed immense growth in not only domestic market but in the international stock market as well. And since then, under the leadership of Murthy, Infosys flourished. But aside from the success and growth of the firm, Infosys set a good example of exceptionally great working conditions and organization culture. All because of the unique style of leadership observed in Mr. Murthy. He has set a precedent of transformational leadership and shown how positive and friendly leadership practices allows organizations to prosper. (Asia Society, 2023)

Transformational Leadership

The phrase "transforming leadership" first emerged in 1978 and was coined by James MacGregor Burns in his descriptive study of political leaders, whereas it is now widely applied in organisational psychology. In a concept known as "transforming leadership," according to Burns, "leaders and subordinates support each other as they rise to a greater degree of morale and productivity." Thus, in notion that leaders serve as a moral model for right conduct when working for the welfare of the group, organisation, or community, transformative leaders are idolized. The four most frequently researched elements of transformative leadership were later described by Bass and Avolio (1994) as "idealised influence, inspiring motivation, intellectual stimulation, and individualised concern." modern research demonstrates, transformational leadership has a profound impact on people, teams, companies, and nations, inspiring them to perform above expectations. In addition to increasing organizational efficiency, transformational leadership increases follower dedication and satisfaction. The same style of leadership is observed in Narayan Murthy as a CEO and Founder of Infosys.
Narayan Murthy's guiding principles, beliefs and methods set him apart and make him an influence. In the book Leadership @ Infosys, which was for-worded by Narayan Murthy and S. Gopalkrishnan (2010), it is written, “The finest theory backed up around the study of leadership skills and talents is termed “genuine, full range-transformational leadership theory.” According to them, a leader needs to concentrate on three primary areas. Firstly, leaders steer through instances of uncertainty. Secondly, leaders create a ripple effect and make things happen. They use their skills and resources to get the job done. Leaders are revolutionaries, third. They face reality, gather resources to make the seemingly impossible a reality, and, more significantly, they inspire others to do the same. At Infosys, leadership entails inspiring average people to accomplish extraordinary results, which is a remarkably daunting challenge. (Barney & R., 2010) These were the values that were followed and practiced at Infosys.

Apart from transformational leadership qualities, Murthy was also known for his tactics and strategic thinking. He is observed to showcase characteristics of strategic style of leadership. Boal (2004), defined Strategic Leadership as, “Strategic leadership is a set of process-oriented and constructive decisions and actions that, over time, bring the organization's history, present, and future together.” Making critical decisions, communicating with stakeholder, executing human resource management operations, inspiring and encouraging, organizing data, monitoring operational processes, handling social and ethical dilemmas, etc. are some of the basic functions performed by Strategic leader. (Samimi et al., 2022) Strategic leadership combines visionary and management leadership by continuing to allow for both risk-taking and pragmatism. Narayan Murthy possesses these attributes; he is a strategist and always has a clear vision for his IT business.

Since the beginning, Narayana Murthy had his eye on the US market, which was among the most difficult markets in the world at that time. In India at the time, the software market was almost non-existent. He thought that software companies based in India should export goods in of which they have a market edge. A major international management consulting firm, Kurt Salmon Associates (KSA), and Infosys formed a joint venture in 1987, forming the first Indo-American partnership in the US. With such strategy and vision, the business emerged as the first Indian company to debut on the Nasdaq Stock Market in the year 1999. Infosys had a market value of Rs. 11 billion by 2000, and it emerged as one of India's leading software exporters by 2001. (Gupta, n.d.) Narayan Murthy's leadership style is a symphony of Transformational leadership and strategic leadership, making Infosys a growth driven company with a moral construct so strong that it was revered.

Several theoretical notions have been used to characterise leadership in addition to leadership styles. The traits approach, situation concepts, and contingency theories stand out among them.

According to the trait theory approach to leadership, the reason someone becomes the leader of a unit is because they possess particular attributes. The adage "Leaders are born not made" is based on this. (Igbaekemen, 2014) The Trait Theory is a field of leadership study that aimed to define the qualities that make up effective leaders.

When applying this theory to the case of Infosys, we learned the characteristics Mr. Murthy exhibits. He adheres to the philosophy of "Simple living, elevated thinking." Despite having a personal fortune of Rs. 2,500 crores, he maintains a humble way of living. As the cornerstone of teamwork, generosity is, in Narayana Murthy's opinion, an essential leadership virtue. For an enterprise’s success in the future, it is crucial to have the capacity to share the spotlight with one's peers and to move aside to give younger individuals a chance while they are pursuing glory, status, and grandeur. Murthy has consistently emphasised the significance of a value system that fosters an atmosphere wherein individuals can have high goals, self-esteem, and the zeal to take on challenging tasks. Having values is not everything. Leaders must set a precedent for those around them by following suit. At one point even, Murthy's income was decreased while that of his fellow co-founders' was raised by 10%. (Mukharjee, 2012).

**Situational Theory of Leadership**

Another theory that evaluates the leading capabilities of any leader is Situational theory approach. It is a dynamic leadership approach created to unlock human potential
and achieve business goals. Situational leaders modify their leadership philosophies in response to the competence and level of engagement of their workforce. (n.a., 2022) According to a hypothesis developed in the 1980s by Ken Blanchard and Paul Hershey, it is more successful to adjust a leadership style to a team member's potential than to try to force them to fit a predetermined style. Murthy asserts that effective leadership involves making courageous choices in the face of limited information. Leaders who dither do not instil their followers with confidence. Murthy made the difficult decision to leave a Fortune 10 company while they generated 25% of Infosys' revenue. He did so firmly and quietly. Even though he was tormented by it later, as a leader, he did not allow himself to be overcome by panic. With adverse situation, leader is responsible in raising confidence of others and ensure them that they will bounce back. (Mukharjee, 2012).

It was seen throughout his years of leading Infosys, that he had a special, never-before-seen relationship with his staff. Mr. Murthy feels that transparency is essential for trustworthiness. The leader must establish an environment in which each individual feels confident enough to admit mistakes and desire to change. ‘When in doubt, disclose,' is indeed his motto. Infosys sustained losses in the secondary market in 1995. They were exempt from disclosing this data to the public under Indian GAAP (Generally Accepted Accounting Principles). It was nevertheless included in their yearly report. (Rath, 2014) (c.) when Murthy was called back by the board to retake charge of the company in 2013, The reappearance of Narayana Murthy was seen by Infosys employees as a sign of brighter times to come, perhaps with higher salaries and more upbeat morale in the echelons. (Srivastava & Singh, 2016) Infosys was among the first organizations to implement an employee stock option plan (ESOP) in order to increase employee wealth. (n.a., 2002)500 workers have received stock grants through the ESOP by 1997. By 2001, Infosys created more than 213 dollar-millionaires and almost 2000-rupee millionaires. According to analysts, Infosys has one of the greatest incentive programmes in the sector. (Simhan, 2018)

**Conclusion**

There is no right way of running an enterprise, with different situations different approaches are suitable. Playing the leadership role demands a realistic view of life, the real secret that unlocks all the possibilities is to develop a mindset that is open. Open to learning, open to change and tireless hard work. It is not an exaggeration to state that leaders are possibly the most significant forces behind the advancement of humanity. Because of the strength of their ideas and their capacity to inspire and communicate with others, leaders transform the lives of others. The tale of influential leaders is the narrative of development. Whether or not people are born leaders is a perennial debate. Some individuals believe that exceptional leaders are born, not made, while some have the notion that during times of crisis people rise to the occasion and develop leadership attributes of their own. Perhaps the solution rests halfway between characteristics, circumstances, and abilities. Leading with intent entails setting a precedent and being empowered by a searing desire. It was his desire, by virtue of which, Narayan Murthy transformed his vision into reality and gave impetus to the most reputable business in India, which employs top-notch specialists and offers finest technology solutions.

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