

Unit 4: Staffing

Introduction

Staffing is the traditional management function of attraction and selection of the best people and putting them on job where their talents and skills can be best utilized, and retention of these people through incentives, job training and job enrichment programs, in order to achieve both individual and organizational objectives. This emphasizes managing human and not material or financial resources.

Staffing is the function of human relationship in the organizational structure with competent staff. Staffing is that part of the management function which is concerned with people at work and with their relationship within the organization.

Meaning

Staffing is the process of hiring eligible candidates in the organization or company for specific positions. In management, the meaning of staffing is an operation of recruiting the employees by evaluating their skills, knowledge and then offering them specific job roles accordingly.

Definition of Staffing

According to Koontz and O'Donnell, "The management functions of staffing involve managing the organization structure through proper and effective selection appraisal and development of personnel to fill the roles designed into the structure".

According to Harold Koontz, "The managerial function of staffing is defined as filling positions in the organizational structure through identifying workforce requirements, inventorying the people available, recruitment, selection, placement, promotion, appraisal, compensation and training of needed people"

According to Theo Haimann, "Staffing pertains to recruitment, selection, development and compensation of subordinates."

Features of Staffing:

1. It is a universal function. It is the responsibility of every manager.
2. It is a continuous function performed by every manager to ensure successful functioning of his department and to develop his successors. Since staffing is a continuous function, it will be effective in realizing its goals.
3. It is a dynamic and never-ending process. With changes in the size and environment of the organization, changes take place in personnel.

4. Human resources expects and deserves dignity. So, the success of the staffing function lies in involving every individual in the organization in the task of achieving organizational goals.
5. It is a difficult function with problems of social, philosophical and psychological nature.
6. Staffing is a management function.
7. It is an integral part of management process.
8. Staffing is the pervasive function of management.
9. Staffing is concerned with the optimum utilization of human resources.

Importance of Staffing:

1. Staffing function help in discovering of qualified and obtaining competent personnel for various jobs in the organization.
2. Since the right person is recruited for the right jobs, it leads for maximum productivity and higher performance.
3. It promotes optimum utilization of human resources.
4. It increases job satisfaction and morale of the workers through adequate remuneration for each job.
5. Since the staffing helps to ensure maximum utilization of human resources exist the labor costs per unit or production will be reduced.
6. It ensures the continuity and growth of the organization, through development managers.
7. It help, business activities are not disrupted at any time due to shortage of competent workers or excess of workers. Because it forecasts the correct staff requirements for the present and for the long-term.
8. It leads to efficient functioning of the organization due to systematic programs for the selection, training and appraisal of employees are required by proper staffing function.
9. The use of latest technology can be achieved by the right person, selected in the organization.
10. Employees now recognize the dignity of labor, **there** is awareness of the role of performing the staffing function well; management can show the significance it attaches to the human resource development.

Staffing Process

Once the goals are laid down and a suitable organization structure is developed, the next function in the process of management is staffing. Though the term 'human resource management' is frequently used for the managerial function of staffing- staffing is just a part of the HRM process and plays an important role.

This involves the set of activities aimed at attracting and selecting individuals for suitable positions in a way that will enable the organization to achieve its goals. The staffing process is a systematic attempt to implement the human resource plan by recruiting, evaluating and selecting qualified candidates for the job positions in the organization. Thus, like planning and organization, staffing is also an important function of management.

The process of staffing consists of the following stages:

Process 1. Manpower Planning:

This is the first step in the process of staffing. It is concerned with determining the number and types of staff required for the organization. It may be regarded as the quantitative and qualitative measurement of labor force required in an organization. It is concerned with creating and evaluating the manpower inventory and to develop required talents among the employees selected for promotion advancement.

Process 2. Recruitment:

It is a positive process of searching for prospective employees and stimulating them to apply for the jobs in the organization. The scientific recruitment leads to greater productivity, better wages, higher morale, reduction in labour turnover and better reputation on the concern.

Process 3. Selection:

It is the process of eliminating those who appear unpromising. The purpose of this process is to determine whether a candidate is suitable for employment in the organization or not. The main aim of this process is to choose right candidate for the right position in the organization.

Process 4. Placement:

It means putting the person on the job for which he is selected. It includes the introduction of the employee to the job.

Process 5. Training:

After selection of an employee, the most important function of the personnel programme is to impart training to the new comer. With the rapid technological changes, the need for training employees is being increasingly recognized so as to keep the employees in touch with the new developments. Thus, every concern must have a systematic training programme.

Process 6. Development:

A sound staffing policy calls for the introduction of a system of planned promotion in every organization. If employees are not having suitable opportunities for their development and promotion, they get frustrated.

Process 7. Promotion:

It implies upgrading of an employee to a higher post involving increase in rank, prestige or status and responsibilities. Generally, increase in pay accompanies promotion but it is not essential ingredient and there can be a dry promotion also.

Process 8. Transfer:

It implies movement of an employee from one job to another without any increase in pay, status or responsibilities. Usually transfer takes place between the jobs having approximately the same salaries.

Process 9. Appraisal:

It reveals as to how efficiently a sub-ordinate is performing his job and also to know his aptitude and other qualities necessary for performing the job assigned to him. The main aim of this performance appraisal is to improve the efficiency of a concern by mobilizing the best efforts from individuals employed in it.

Process 10. Determination of Remuneration:

Fixation of remuneration is a difficult and complex because there are no definite or exact means to determine the correct wages, job evaluation is the only systematic technique to determine the worth of the job.

SELECTION PROCESS

Selecting a suitable candidate can be the biggest challenge for any organization. The success of an organization largely depends on its staff. Selection of the right candidate builds the foundation of any organization's success and helps in reducing turnovers.

Though there is no fool proof selection procedure that will ensure low turnover and high profits, the following steps generally make up the selection process-



a) Initial Screening

This is generally the starting point of any employee selection process. Initial Screening eliminates unqualified applicants and helps save time. Applications received from various sources are scrutinized and irrelevant ones are discarded.

b) Preliminary Interview

It is used to eliminate those candidates who do not meet the minimum eligibility criteria laid down by the organization. The skills, academic and family background, competencies and interests of the candidate are examined during preliminary interview. Preliminary interviews are less formalized and planned than the final interviews. The candidates are given a brief up about the company and the job profile; and it is also examined how much the candidate knows about the company. Preliminary interviews are also called screening interviews.

c) Filling Application Form

A candidate who passes the preliminary interview and is found to be eligible for the job is asked to fill in a formal application form. Such a form is designed in a way that it records the personal as well professional details of the candidates such as age, qualifications, reason for leaving previous job, experience, etc.

d) Personal Interview

Most employers believe that the personal interview is very important. It helps them in obtaining more information about the prospective employee. It also helps them in interacting with the candidate and judging his communication abilities, his ease of handling pressure etc. In some Companies, the selection process comprises only of the Interview.

e) References check

Most application forms include a section that requires prospective candidates to put down names of a few references. References can be classified into - former employer, former customers, business references, reputable persons. Such references are contacted to get feedback on the person in question including his behavior, skills, conduct etc.

f) Background Verification

A background check is a review of a person's commercial, criminal and (occasionally) financial records. Employers often perform background checks on employers or candidates for employment to confirm information given in a job application, verify a person's identity, or ensure that the individual does not have a history of criminal activity, etc., that could be an issue upon employment.

g) Final Interview

Final interview is a process in which a potential employee is evaluated by an employer for prospective employment in their organization. During this process, the employer hopes to determine whether or not the applicant is suitable for the job. Different types of tests are conducted to evaluate the capabilities of an applicant, his behavior, special qualities etc. Separate tests are conducted for various types of jobs.

h) Physical Examination

If all goes well, then at this stage, a physical examination is conducted to make sure that the candidate has sound health and does not suffer from any serious ailment.

I) Job Offer

A candidate who clears all the steps is finally considered right for a particular job and is presented with the job offer. An applicant can be dropped at any given stage if considered unfit for the job.

RECRUITMENT PROCESS

Recruitment is the process of finding and attempting to attract job candidates who are capable of effectively filling job vacancies. The recruitment process consists of the following steps



a) Identification of vacancy:

The recruitment process begins with the human resource department receiving requisitions for recruitment from any department of the company. These contain:

- Posts to be filled
- Number of persons
- Duties to be performed
- Qualifications required

b) Preparation of job description and job specification:

A job description is a list of the general tasks, or functions, and responsibilities of a position. It may often include to whom the position reports, specifications such as the qualifications or skills needed by the person in the job, or a salary range. A job specification describes the knowledge, skills, education, experience, and abilities you believe are essential to performing a particular job.

c) Selection of sources:

Every organization has the option of choosing the candidates for its recruitment processes from two kinds of sources: internal and external sources. The sources within the organization itself (like transfer of employees from one department to other, promotions) to fill a position are known as the internal sources of recruitment. Recruitment candidates from all the other sources (like outsourcing agencies etc.) are known as the external sources of the recruitment.

d) Advertising the vacancy:

After choosing the appropriate sources, the vacancy is communicated to the candidates by means of a suitable media such as television, radio, newspaper, internet, direct mail etc.

e) Managing the response:

After receiving an adequate number of responses from job seekers, the sieving process of the resumes begins. This is a very essential step of the recruitment selection process, because selecting the correct resumes that match the job profile, is very important. Naturally, it has to be done rather competently by a person who understands all the responsibilities associated with the designation in its entirety. Candidates with the given skill set are then chosen and further called for interview. Also, the applications of candidates that do not match the present nature of the position but may be considered for future requirements are filed separately and preserved.

The recruitment process is immediately followed by the selection process.

JOB ANALYSIS

Job Analysis is the process of describing and recording aspects of jobs and specifying the skills and other requirements necessary to perform the job.

The outputs of job analysis are:

- 1) Job description
- 2) Job specification

1] Job Description

A job description (JD) is a written statement of what the job holder does, how it is done, under what conditions it is done and why it is done. It describes what the job is all about, throwing light on job content, environment and conditions of employment. It is descriptive in nature and defines the purpose and scope of a job. The main purpose of writing a job description is to differentiate the job from other jobs and state its outer limits.

Contents

A job description usually covers the following information:

- **Job title:** Talks about the job title, code number and the department where it is done.
- **Job summary:** A brief write-up about what the job is all about.
- **Job activities:** A description of the tasks done, facilities used, extent of supervisory help, etc.
- **Working conditions:** The physical environment of job in terms of heat, light, noise and other hazards.

- **Social environment:** Size of work group and interpersonal interactions required to do the job.

Job Specification

Job specification summarizes the human characteristics needed for satisfactory job completion. It tries to describe the key qualifications someone needs to perform the job successfully. It spells out the important attributes of a person in terms of education, experience, skills, knowledge and abilities (SKAs) to perform a particular job. The job specification is a logical outgrowth of a job description. For each job description, it is desirable to have a job specification. This helps the organization to find what kinds of persons are needed to take up specific jobs.

Contents

A job specification usually covers the following information:

- Education
- Experience
- Skill, Knowledge, Abilities
- Work Orientation Factors
- Age

Motivation

Introduction

The biggest challenge faced by the organizations is to get the work done by their employees. This entirely depends on the motivation levels of the employees. Their motivation is a result of their needs and organizational expectations. If the employees are adequately motivated, the organization will be able to meet its objectives.

The term 'motivation' is derived from a Latin word "**movere**" which means to move. A motive is an inner state that encourages, activates or moves and that directs behavior towards goals. Thus, motivation is psychological force within an individual that sets him in motion for the achievement of certain goals or satisfaction of certain needs.

Motives are somewhere a reflection of human needs. E.g., A factory worker knows if he will complete his work on time, he will be rewarded with a bonus or some kind of financial incentive which can be spent. Thus, here we can understand that needs are physiological and psychological drives. On the other hand, drives for which an individual has money and wants to spend become wants. The factors which are utilized for satisfying or motivating people are called incentives.

Definition

Several authors have defined motivation in different ways.

According to Robert Dublin, “Motivation is the complex set of forces starting and keeping a person at work in an organization.”

According to Stanley Vance, “Motivation represents an unsatisfied need which creates a state of tension or disequilibrium, causing the individual to march in a goal-directed pattern, towards restoring a state of equilibrium by satisfying the need.”

According to Koontz and O'Donnell, “Motivation is a general term applied to various classes of drives, desires, needs, wishes and similar forces that induce an individual or a group to work.”

Significance of Motivation

(a) Basic significance.

(b) Other points of significance

(a) Basic significance

Motivation is the soul of managerial process. Just as, when the soul is taken away from the body of a living being, the living being is rendered 'dead'; likewise, if motivation is removed from the managerial process; the managerial process becomes meaningless and futile-incapable of providing any fruitful results whatsoever.

In fact, there is a sort of positive correlation between motivation and performance by individuals. The higher is the motivation, the higher would be the performance; the lower is the motivation, the lesser would be the performance; and finally, when there is no motivation, there would reasonably be no performance, on the part of individuals.

(b) Other points of significance

Deriving from the basic significance of motivation, some of the specific points of significance it could be stated as under:

Best attainment of common objectives

Motivated employees put in their best efforts towards the attainment of common objectives of the enterprise. As such, motivation not only facilitates the attainment of objectives; it also leads to their best realization - in terms of time spent and efforts involved.

Best utilization of resources

Human factor-being the only active factor of production - is responsible for the best or the worst utilization of resources of the organization. Motivated employees make the best utilization of all resource's materials, machines, technology, and other physical work facilities; leading to cost minimization and profit maximization.

Industrial peace

Motivation, in a sense, implies, taking care of the needs of individuals, by the management. This leads to the development of excellent and friendly human relations between management and the work force. As such, industrial peace is ensured.

Stability of work force

Motivation, directly and indirectly, results in the stability of work force; necessitating only the minimum inevitable labor-turnover. In a way, it is only frustrated employees who are dissatisfied with management, and who think in terms of leaving the organization-seeking better employment avenues outside. Needless to say, that a motivated and stable work -force, is perhaps, the best asset -an organization can boast of.

Morale and job-satisfaction

A persistent state of high motivation goes a long way in building up the morale (i.e., a favorable attitude towards work) of employees. Employees with high morale become dedicated to the organization; and benefit the organization substantially. Not only this, such employees derive a lot of job-satisfaction - having performed their jobs in the best manner; which makes them happy, in their personal lives also.

Co-ordination facilitated

Motivation facilitates achieving co-ordination. In fact, motivated employees develop a better understanding of one another; by appreciating their mutual problems and resolving their differences in an amicable manner. Since the root cause of lack of co-ordination is mutual differences in approach as to the attainment of common objectives; motivation helps in achieving co-ordination, in the aforesaid manner.

Reduced need for supervision

Motivated employees, in a way, are somewhat 'self-starters'. There is a reduced need of supervision over them; in so far, their speed of performance is concerned. This reduced need for supervision requires a lesser number of managers-leading to a reduction in the managerial cost. It also helps widen span of control (or span of management), in the ultimate analysis.

Minimum resistance to change

Motivated employees better appreciate organization viewpoint as to the introduction of organizational changes. Their resistance to organizational changes is the minimum, except when, such changes affect their interests extremely.

Types of Motivation

The two main types of motivation are frequently described as being either extrinsic or intrinsic.

1. Intrinsic Motivation

Intrinsic motivation refers to motivation that is driven by an interest or enjoyment in the task itself and exists within the rather than relying on any external pressure.

Intrinsic motivation is when you engage in a behavior because you find it rewarding. You are performing an activity for its own sake rather than from the desire for some external reward. The behavior itself is its own reward

Examples Intrinsic Motivation

- Participating in a sport because you find the activity enjoyable
- Cleaning your room because you like tidying up
- Solving a word puzzle because you find the challenge fun and exciting
- Studying a subject, you find fascinating

2. Extrinsic motivation

Extrinsic motivation comes from outside of the individual. Common extrinsic motivations are rewards like money and grades, coercion and threat of punishment. Competition is in general extrinsic because it encourages the performer to win and beat others, not to enjoy the intrinsic rewards of the activity. Extrinsic motivation is when we are motivated to perform a behavior or engage in an activity because we want to earn a reward or avoid punishment.¹ You will engage in behavior not because you enjoy it or because you find it satisfying, but because you expect to get something in return or avoid something unpleasant.

Examples of Extrinsic Motivation

- Participating in a sport to win awards
- Cleaning your room to avoid being reprimanded by your parents
- Competing in a contest to win a scholarship
- Studying because you want to get a good grade

Maslow's Need Hierarchy Theory

The original hierarchy of needs five-stage model includes:

Abraham Maslow (1943, 1954) stated that people are motivated to achieve certain needs and that some needs take precedence over others. Our most basic need is for physical survival, and this will be the first thing that motivates our behavior. Once that level is fulfilled, the next level up is what motivates us, and so on.)

Assumption

Maslow's theory is based on the following assumptions.

1. People's need influences their behavior.
2. Needs of the individuals can be arranged in a hierarchical order.
3. An individual can move to a higher level need only when the lower level need in the hierarchy is satisfied.
4. Once a need is satisfied, an individual can be motivated only through the next higher-level need.
5. Generally, the need follows the hierarchy, i.e., starting from the physiological needs.

Maslow posited that human needs are arranged in a hierarchy.



Maslow's hierarchy of needs

1. **Physiological needs** - these are biological requirements for human survival, e.g., air, food, drink, shelter, clothing, warmth, sex, sleep. If these needs are not satisfied, the human body cannot function optimally. Maslow considered

physiological needs the most important as all the other needs become secondary until these needs are met.

2. **Safety needs** - once an individual's physiological needs are satisfied, the needs for security and safety become salient. People want to experience order, predictability and control in their lives. These needs can be fulfilled by the family and society (e.g., police, schools, business and medical care).

For example, emotional security, financial security (e.g. employment, social welfare), law and order, freedom from fear, social stability, property, health and wellbeing (e.g. safety against accidents and injury).

2. **Love and belongingness need** - after physiological and safety needs have been fulfilled, the third level of human needs is social and involves feelings of belongingness refers to a human emotional need for interpersonal relationships, affiliating, connectedness, and being part of a group. Examples of belongingness needs include friendship, intimacy, trust, and acceptance, receiving and giving affection, and love.

4. **Esteem needs**- are the fourth level in Maslow's hierarchy and include self-worth, accomplishment and respect. Maslow classified esteem needs into two categories: (i) esteem for oneself (dignity, achievement, mastery, independence) and (ii) the desire for reputation or respect from others (e.g., status, prestige).

Maslow indicated that the need for respect or reputation is most important for children and adolescents and precedes real self-esteem or dignity.

5. **Self-actualization** needs are the highest level in Maslow's hierarchy, and refer to the realization of a person's potential, self-fulfillment, seeking personal growth and peak experiences. Maslow (1943) describes this level as the desire to accomplish everything that one can, to become the most that one can be.

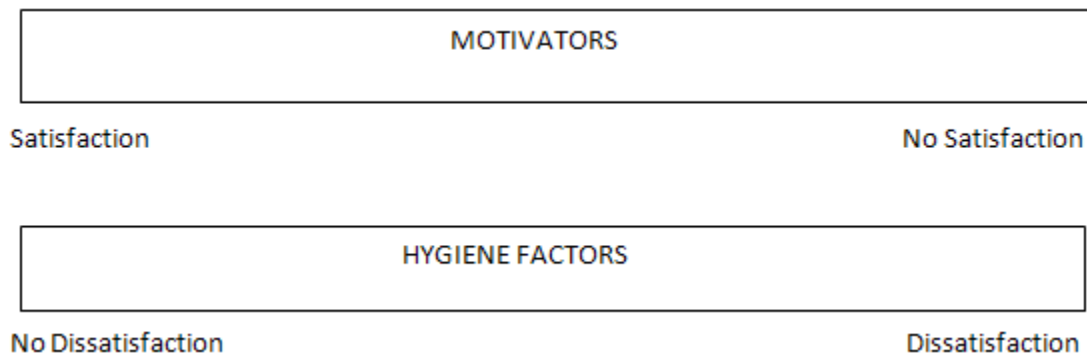
Individuals may perceive or focus on this need very specifically. For example, one individual may have a strong desire to become an ideal parent. In another, the desire may be expressed economically, academically or athletically. For others, it may be expressed creatively, in paintings, pictures, or inventions.

Criticism of the theory

1. Maslow's hierarchy of needs is not permanent. It changes according to the situation.
2. There is different need of different human
3. The need is not mutually exclusive, they are interdependent and overlapping
4. There is no classification about the perception, expectation and experience of an individual that are responsible for his behavior at work many a time.
5. There is subjectivity of satisfaction of ego and self-actualization needs.
6. Human wants/needs can never be satisfied.
7. Some people may be deprived of their lower-level needs but may still strive for self-actualization needs.

Herzberg's Two-Factor Theory of Motivation

In 1959, Frederick Herzberg, a behavioral scientist proposed a two-factor theory or the motivator-hygiene theory. According to Herzberg, there are some job factors that result in satisfaction while there are other job factors that prevent dissatisfaction. According to Herzberg, the opposite of "Satisfaction" is "No satisfaction" and the opposite of "Dissatisfaction" is "No Dissatisfaction".



Herzberg classified these job factors into two categories-

1. **Hygiene factors**- Hygiene factors are those job factors which are essential for existence of motivation at workplace. These do not lead to positive satisfaction for long-term. But if these factors are absent/if these factors are non-existent at workplace, then they lead to dissatisfaction.

In other words, hygiene factors are those factors which when adequate/reasonable in a job, pacify the employees and do not make them dissatisfied. These factors are extrinsic to work.

Hygiene factors are also called as dissatisfiers or maintenance factors as they are required to avoid dissatisfaction. These factors describe the job environment/scenario. The hygiene factors symbolized the physiological needs which the individuals wanted and expected to be fulfilled. Hygiene factors include:

- **Pay:** The pay or salary structure should be appropriate and reasonable. It must be equal and competitive to those in the same industry in the same domain.
- **Company Policies and administrative policies:** The company policies should not be too rigid. They should be fair and clear. It should include flexible working hours, dress code, breaks, vacation, etc.
- **Fringe benefits:** The employees should be offered health care plans (Mediclaime), benefits for the family members, employee help programs, etc.
- **Physical Working conditions:** The working conditions should be safe, clean and hygienic. The work equipment's should be updated and well-maintained.
- **Status:** The employees' status within the organization should be familiar and retained.
- **Interpersonal relations:** The relationship of the employees with his peers, superiors and subordinates should be appropriate and acceptable. There should be no conflict or humiliation element present.
- **Job Security:** The organization must provide job security to the employees.

2. **Motivational factors-** According to Herzberg, the hygiene factors cannot be regarded as motivators. The motivational factors yield positive satisfaction. These factors are inherent to work. These factors motivate the employees for a superior performance.

These factors are called satisfiers. These are factors involved in performing the job. Employees find these factors intrinsically rewarding. The motivators symbolized the psychological needs that were perceived as an additional benefit. Motivational factors include:

- **Recognition:** The employees should be praised and recognized for their accomplishments by the managers.
- **Sense of achievement:** The employees must have a sense of achievement. This depends on the job. There must be a fruit of some sort in the job.
- **Growth and promotional opportunities:** There must be growth and advancement opportunities in an organization to motivate the employees to perform well.
- **Responsibility:** The employees must hold themselves responsible for the work. The managers should give them ownership of the work. They should minimize control but retain accountability.
- **Meaningfulness of the work:** The work itself should be meaningful, interesting and challenging for the employee to perform and to get motivated.

Limitations of Two-Factor Theory

The two-factor theory is not free from limitations:

1. The two-factor theory overlooks situational variables.
2. Herzberg assumed a correlation between satisfaction and productivity. But the research conducted by Herzberg stressed upon satisfaction and ignored productivity.
3. The theory's reliability is uncertain. Analysis has to be made by the raters. The raters may spoil the findings by analyzing same response in different manner.
4. No comprehensive measure of satisfaction was used. An employee may find his job acceptable despite the fact that he may hate/object part of his job.
5. The two-factor theory is not free from bias as it is based on the natural reaction of employees when they are enquired the sources of satisfaction and dissatisfaction at work. They will blame dissatisfaction on the external factors such as salary structure, company policies and peer relationship. Also, the employees will give credit to themselves for the satisfaction factor at work.
6. The theory ignores blue-collar workers.

Despite these limitations, Herzberg's Two-Factor theory is acceptable broadly.

Implications of Two-Factor Theory

The Two-Factor theory implies that the managers must stress upon guaranteeing the adequacy of the hygiene factors to avoid employee dissatisfaction. Also, the managers must make sure that the work is stimulating and rewarding so that the employees are motivated to work and perform harder and better.

This theory emphasizes upon job-enrichment so as to motivate the employees. The job must utilize the employee's skills and competencies to the maximum. Focusing on the motivational factors can improve work-quality

leadership

Management is a process of directing the efforts of individuals in order to get specific results. In order that the manager can direct, co-ordinate and motivate employees, it is necessary for him to display organizational and administrative skills, administrative tactics, planning and executive talent, personal initiatives and dynamism. These qualities are referred to as functions of leadership.

Definition

According to Koontz and O'Donnell, "Leadership is an ability of the manager to induce subordinates to work with confidence and zeal."

According to Peter Drucker, “Leadership is not making friends and influencing people. It is the lifting of man's vision to higher sights, the raising of man's performance to higher standards, the building of man's personality beyond his normal limitations.”

Features of Leadership

- **Influence the behavior of others:** Leadership is an ability of an individual to influence the behavior of other employees in the organization to achieve a common purpose or goal so that they are willingly co-operating with each other for the fulfillment of the same.
- **Inter-personal process:** It is an interpersonal process between the leader and the followers. The relationship between the leader and the followers decides how efficiently and effectively the targets of the organization would be met.
- **Attainment of common organizational goals:** The purpose of leadership is to guide the people in an organization to work towards the attainment of common organizational goals. The leader brings the people and their efforts together to achieve common goals.
- **Continuous process:** Leadership is a continuous process. A leader has to guide his employees every time and also monitor them in order to make sure that their efforts are going in the same direction and that they are not deviating from their goals.
- **Group process:** It is a group process that involves two or more people together interacting with each other. A leader cannot lead without the followers.
- **Dependent on the situation:** It is situation bound as it all depends upon tackling the situations present. Thus, there is no single best style of leadership.



Importance of Leadership:

- **Initiating Action:** Leadership starts from the very beginning, even before the work actually starts. A leader is a person who communicates the policies and plans to the subordinates to start the work.
- **Providing Motivation:** A leader motivates the employees by giving them financial and non-financial incentives and gets the work done efficiently. Motivation is the driving force in an individual's life.
- **Providing guidance:** A leader not only supervises the employees but also guides them in their work. He instructs the subordinates on how to perform their work effectively so that their efforts don't get wasted.
- **Creating confidence:** A leader acknowledges the efforts of the employees, explains to them their role clearly and guides them to achieve their goals. He also resolves the complaints and problems of the employees, thereby building confidence in them regarding the organization.
- **Building work environment:** A good leader should maintain personal contacts with the employees and should hear their problems and solve them. He always listens to the point of view of the employees and in case of disagreement persuades them to agree with him by giving suitable clarifications. In case of conflicts, he handles them carefully and does not allow it to adversely affect the entity. A positive and efficient work environment helps in stable growth of the organization.
- **Co-ordination:** A leader reconciles the personal interests of the employees with the organizational goals and achieves co-ordination in the entity.
- **Creating Successors:** A leader trains his subordinates in such a manner that they can succeed him in future easily in his absence. He creates more leaders.
- **Induces change:** A leader persuades, clarifies and inspires employees to accept any change in the organization without much resistance and discontentment. He makes sure that employees don't feel insecure about the changes.

Often, the success of an organization is attributed to its leaders. But, one must not forget that it's the followers who make a leader successful by accepting his leadership. Thus, leaders and followers collectively play a key role to make leadership successful.

QUALITIES OF LEADERSHIP

A leader should possess some leadership qualities in order to provide effective leadership. The qualities which are necessary for an industrial leader may be summarized as follows:

(1) Self-confidence

(2) Courage

- (3) Intellectual Capacity:**
- (5) Strategic Expertise:**
- (6) Sense of Judgement:**
- (7) Communication Skill**
- (8) Ability to Inspire:**
- (9) An Instinct to take Lead and Initiative**
- (10) Sense of Responsibility**

Autocratic Leadership Style

Autocratic or authoritarian leadership refers to the leadership or management style in which leaders have complete control over decision making! In such a leadership style, leaders rarely take input from others. An autocratic leader likes to take control over the direction of their team based on their knowledge and personal instincts. Typically, this leadership style works best in high-risk situations where there's no scope for committing errors. Companies might prefer hiring autocratic leaders for a team where team members have limited skills or training. Often, this leadership style is highly effective in small organizations because there're few people in a position to make decisions, and such leaders might be a natural fit. Alternatively, large companies have different layers of management and leadership, making it challenging for an autocratic leader to work efficiently.

Some common characteristics of autocratic leadership are:

- Dealing with the consequences of not meeting workplace expectations
- Clear performance expectations from employees
- Highly structured work environment
- Clear differentiation between leaders and team members
- Defined rules and regulations for employees.

Autocratic leadership pros and cons

While an autocratic leader is typically dependable, confident, decisive, responsible, and motivated, this leadership style has various advantages and disadvantages. Some autocratic leadership pros and cons are:

Pros of autocratic leadership

Here're some benefits of autocratic leadership:

Ensures faster decision making: In autocratic leadership, there're fewer levels of administration and hierarchy that you inform before implementing the decision. As only the leader makes decisions, the management may or may not provide feedback. This ensures: faster decision making, especially in high-stress situations that demand an immediate resolution.

Enhances workplace communication: Communication in the workplace is sharing information from one person to another. When there are too many levels of communication, accurate information becomes a challenging process. Autocratic leadership encourages one-way communication and ensures information reaches the right audience. As the leader clearly defines goals, expectations, and other information to employees, it helps in simplifying and enhancing workplace communication. An autocratic leader often sends direct information to the employees, ensuring accuracy in information.

Improves productivity: As autocratic leaders move information quickly throughout an organization, they can influence more efficient project completion. An autocratic leader delivers communication and decision on time, ensuring employees receive every information required to complete the project on time. Also, such a leader increases workplace productivity by guiding employees on what to do and how to accomplish their goals on time. This process has a powerful impact on the employee's performance and typically results in the consistent delivery of projects.

Reduces employee stress: Although autocratic leaders set workplace rules, regulations, and guidelines, they play an essential role in eradicating the stress level of employees. These leaders take full responsibility for their work and reduce the workload and pressure from the employees. Under an autocratic leader, employees are primarily responsible for following instructions and meeting work deadlines. This system reduces employee stress levels so they can remain productive and motivated in the workplace.

Provides results from inexperienced teams: When autocratic leaders handle inexperienced teams, they can get the job done by providing specific instructions. Employees can benefit from the competency offered by the leaders and replicate productivity by using the leader's knowledge. Autocratic leaders give their employees understandable (directions to follow and sometimes intervene to complete certain tasks themselves.

Provides clarity on structures and roles: Autocratic leaders are adept at setting clear workplace goals to help team members understand what they're responsible for completing. This gives team members a clear expectation of the job description, reducing confusion about workplace responsibilities.

Improves crisis management: As autocratic leaders make most of the decisions in the workplace, they know how to react to and handle crises and stressful situations. Leaders showing such confidence typically helps boost team morale

Generates positive workplace results: When leaders make intelligent workplace decisions, they can generate positive results and enhance the company's bottom line. This kind of leadership style can therefore help them achieve company goals efficiently.

Cons of autocratic leadership

Although autocratic leadership offers many benefits, it has some drawbacks as well. Some cons of autocratic leadership include:

Results in micromanagement: An autocratic leader typically supervises small details of the work their team members are performing, resulting in micromanagement. When leaders micromanage tasks and watch every team's action, it becomes challenging for the staff members to perform their job duties. In such a work culture, employees provide a report on every small task they accomplish. When this happens productivity levels might decline rather than increase.

Creates dependency on the skills of the leader: As autocratic leadership follows a structure; it becomes difficult for many employees to adjust to the work

environment. The culture and performance of the organization or team depend upon the values and ethics of the leader. which can cause a poor work culture When an inexperienced leader becomes an autocratic leader, the outcome might not be favorable. For example, if the leader makes a wrong decision, there's no one to hold them accountable.

Discourages culture of feedback: Another disadvantage of autocratic leadership is that it might discourage feedback from team members, An autocratic leader might not take a lot of feedback, as they want to speed up the decision-making process. A workplace that lacks a feedback culture can lead to less creativity and innovation, which an autocratic leader would have to consider.

Creates a lack of trust: Leaders can form strong working relationships with team members only when the team trusts the leaders. If an autocratic leader believes team (members aren't performing as per expectations, creating a culture of trust becomes challenging. Such a culture may not create a sustainable workplace, reducing overall productivity.

Creates a high-pressure working environment: Autocratic leaders make most of the decisions on behalf of their team, which might make them feel stressed, overwhelmed, and pressured. If a leader is unwell or unable to make confident decisions, it can affect the rest of the team, as no team members hold the decision-making power. Though such a work environment can lower team members' stress levels, it creates a high- pressure situation for leaders.

Lacks creativity: It can sometimes be challenging for a single person to develop creative ideas, compared to people who work as a team. Restricting ideas leads to predictable work patterns that don't foster a culture of creativity in the workplace. Often, a lack of creativity and innovation can result in slower business growth.

Lowers employee morale: Another disadvantage of exercising autocratic leadership is that it can reduce employee morale. This is because autocratic leaders rarely value or seek input from others. An autocratic leader often takes credit for the work the team completed collectively. This may leave their team members disheartened because they don't receive adequate recognition.

Works only for a limited work culture: An autocratic leadership works only in a particular work environment. Companies that follow a strict hierarchy and structure can easily adapt to this leadership style. Small companies can thrive on

the authoritarian leadership style because it involves managing and working with fewer employees. Types of autocratic leadership

Here're some common types of autocratic leadership you might encounter in your workplace:

Directing autocratic leadership: In this leadership style, leaders explicitly tell employees what to do, how to do it, and when to perform a task. It also includes close monitoring of people executing the tasks.

Permissive autocratic leadership: In this leadership style, leaders make the final decision but allow employees to choose how to complete assigned work to some extent. They might allow some workplace creativity to complete workplace goals.

Paternalistic autocratic leadership: Though the leaders make all the decisions, they help upkeep the well-being of employees. Such leaders might allow creativity and input from team members.

Democratic Leadership: Definition

Democratic leadership in an organization involves the redistribution of power and authority between employees and managers to provide employee involvement in decision making.

Democratic leadership, also known as participative leadership or shared leadership, is a leadership style in which members of the group participate in the decision-making process.

With a democratic leadership style, everyone is given the opportunity to participate, ideas are exchanged freely, and discussion is encouraged. While this process tends to focus on group equality and the free flow of ideas, the democratic leader is still there to offer guidance and control.

Characteristics of Democratic Leadership

Some of the primary characteristics of democratic leadership include:²

- **Collaboration:** Group members are encouraged to share ideas and opinions, even though the leader retains the final say over decisions.
- **Engagement:** Members of the group feel more engaged in the process.
- **Creativity:** Creativity is encouraged and rewarded.

Pros of the democratic leadership style

The most common advantages of democratic leadership are:

1. **Job satisfaction and commitment**

When employees feel included in the decision-making process, they often feel more valued by their employer. This sense of importance can lead to higher productivity and loyalty to the company, which, in turn, can lower job turnover for the company.

2. Greater innovation

Open discussion encourages creativity and innovation. The more people share new ideas, the more existing processes can be improved and updated. This creates higher levels of productivity and insightful inputs because each team member is encouraged to use their strengths to benefit everyone. It encourages more opportunities to think “outside of the box” instead of relying on traditional methods of completing tasks or solving problems. It also allows employees to develop a plan that helps them be able to evaluate their own performance.

3. Multiple solutions generated

When the decision-making process requires collaboration and multiple opinions, the discussion covers more possible solutions. The group can analyse more aspects of a particular project and find solutions that better address the organization's needs. The democratic leadership style empowers leaders to work with their team, based on consensus, to create open lines of communication that acknowledge the problems being faced. By allowing everyone to work on a solution using their own education and experience, innovation is encouraged, making it possible to address complex and critical concerns.

4. Less absenteeism

Employees who find more satisfaction in their jobs are more likely to be absent from work. When employees feel valued, they are more likely to commit to deadlines and even overtime, to complete projects and help their team and company succeed.

5. Team cohesion

Involving people in the decision-making process can help reinforce the company's vision. Everybody is a part of the group's decision and understands the motivations behind this decision. They know they are working towards a common goal. It promotes greater cohesion within the group.

6. Trust between group members

When employees and management have equal decision-making power and access to the same information, it increases the feeling of trust among them. Each group member knows the motives behind their leader's decision and doesn't need to question them.

7. It increases team knowledge.

Diverse opinions and ideas are important for the creative process. They are also important for the team's overall knowledge base. Different people on any given

team are experts at something. One person may be a writer. Another may be a graphic designer. By giving each person a chance to contribute their personal expertise to the conversation, it gives everyone an opportunity to expand their knowledge base. That, in turn, creates more competence within the decision-making process.

8. It encourages stronger commitment levels.

When workers feel like their contributions are taken seriously and are important, then stronger commitment levels appear because there is more ownership to the task that is required. If people are given the chance to be creative, then they invest themselves into the outcomes that can be achieved.

Cons of the democratic leadership style

Democratic leadership can also present some potential disadvantages:

1. Decision-making slows down

It might be more challenging to make fast decisions when the decision-making process requires the input of everybody. The time needed to organize meetings and discussions can be detrimental to business when it necessitates quick decisions or involves deadlines.

2. It does not guarantee the best possible solution.

Diversified opinions and feedback make it likely that the best possible solution will be found, but that is not a guarantee. The majority decision that a team reaches may not be the best decision. There are times when compromise is not valuable. In the democratic leadership style, the best idea does not always win.

3. Leaders can feel overwhelmed

Leaders can find it this style of leadership takes more time and effort when a team consensus is needed. This extra work may contribute to missed deadlines and potential leader burnout.

4. Performance may falter

Some employees are less able to perform under democratic leadership because they don't like making decisions. They might also have the impression that they work harder than the leader.

5. It encourages no one to take responsibility for failure.

When the team fails for some reason under this leadership style, there tends to be a lot of blame that is passed around. Taking responsibility for failure should lie with the leadership, but it is often passed along to the person who offered the idea that failed and those who supported the idea. Should this occur, the morale of the individuals being blamed becomes even lower and negative responses become more common.

6. It requires a certain skill or educational level.

For ideas or feedback to be beneficial using the democratic style of leadership, there must be a certain level of confidence found within the team. Employees that do not have the needed skills or education are going to be less likely to offer creative solutions or meaningful feedback during each discussion. If the entire team fits into this category, then this leadership style will be ineffective

Benevolent leadership

It is an effective leadership style that represents an obligation and positive action to one's followers in the organization that encourages them to reciprocate and comply with leader request. Benevolent leadership refers to a behavior that involves long-term concerns for followers' performance in the workplace and personal well-being in life. That is, benevolent leadership has a positive influence on follower attitudes and behavior, such as fostering loyalty and hard work, trust, improved performance, and innovative behavior.

The benefits of benevolent leadership

1. The benevolent leader is appreciated

For leaders who don't care much about power and prefer to be appreciated by being of service to others, this is the main advantage. The benevolent leader will experience sharing personal aspects with his subordinates. **He isn't feared.** People trust him.

2. Employees love their job

people who resign actually leave their manager. It happens less to benevolent managers. Without surprise, people enjoy being treated as human beings in their workplace. They like that how they feel and what they aspire to aren't inconveniences but something to be considered when making decisions.

3. Employees feel safer

A benevolent leader will generally adopt a growth mindset and focus much more on the lessons learned after a failure than the failure itself. This leaves more room for learning and continuous improvement. **The benevolent leader creates a psychologically safe environment for his employees.**

The benevolent leader knows to show and leverage his imperfect and vulnerable human side. He makes mistakes too and isn't afraid to talk about it openly. What's good for leaders is good for others as well, so he leads by example.

4. The benevolent leader can create ambassadors for the organization

5. Employees volunteer to do their work

The disadvantages of benevolent leadership

1. Making difficult decisions seems... more difficult
2. It is difficult to keep everyone happy at once
3. Benevolent leaders sometimes need to support decisions that contradict their values
4. The benevolent leader can be perceived as “weak”

Free-rein leadership

Free-rein leadership, also called Laissez-Faire, is a type of leadership style in which leaders are hands-off and **allow group members to make the decisions. Managers set objectives and employees are free to do whatever is appropriate** to accomplish those objectives doing so gives employees the freedom to work as they please, and it can work well. Free Rein Leadership is also seen as a way to promote independent, innovative and accountable work. It also encourages creativity by giving employees complete freedom and using the hand-closed system.. The traits managers need in such an organization include warmth, friendliness, and understanding. Free-rein is often the most successful style concerning the organization in which managers supervise doctors, engineers, professors, and other professionals.

The main features of leadership's free rein style

- Very little guidance from leaders
- Complete freedom for followers to make decisions
- Leaders provide the tools and resources needed
- Group members are expected to solve problems on their own
- Trust among staff.
- System of independent decision-making.
- Decentralized authority.
- The self-control of employees.

Advantages of laissez-faire leadership

These are the advantages of laissez-faire leadership:

1. Fostering Personal Growth

Because the laissez-faire style of leadership discourages micro-managing, team members are given the opportunity to be hands-on about their goals. This motivates them to deliver optimal performance and enhances their own growth and development as leaders and team players. This leadership style creates an environment that facilitates growth and development. It allows for faster decision-making. Since there is no micromanagement, employees under laissez-faire leadership have the autonomy to make their own decisions. They can make quick decisions without waiting weeks for an approval process.

2. Strengthening Decision-Making

A highly-structured work environment has established processes; it doesn't always offer the chance for innovative decision-making. In a laissez-faire work structure, team members have the autonomy to reach a goal or fix an issue in the best possible way, even if it doesn't adhere to traditional methods of problem-solving. Laissez-faire leadership allows teams to work optimally, and not just by the book.

3. Speeding Up Decision-Making

Time is of the essence even while making the right decisions. As team members in a laissez-faire work environment do not necessarily have to wait for a go-ahead from their leader, they can make speedy decisions and execute them swiftly.

4. Giving Importance to Expertise

This is an important dimension of laissez-faire leadership meaning. Laissez-faire leaders recognize their employees' expertise and defer to them when it comes to making decisions. This is another reason why laissez-faire leadership is also known as free rein leadership; for the most part, the experts are treated as the leaders.

5. Encouraging Creativity

Certain businesses thrive under laissez-faire leadership as it offers a great degree of freedom to creative people. Giving importance to innovation can be crucial to an organization's success, especially in the case of startups. For instance, it can lead to the creation of novel products or services that attract a sizable client base. It must be remembered that the laissez-faire leadership style works best when team members have years of expertise as well as the ability to work without supervision. As these employees are highly-skilled and can function efficiently as

autonomous individuals, they possess the ability to accomplish goals without needing constant direction from a leader.

The absence of these qualities in a laissez-faire work environment can lead to several problems. In such situations, the laissez-faire leadership style does not work.

6. Employees are highly motivated by laissez-faire leadership: They aren't motivated by specific expectations or instructions; instead, they are motivated by their thoughts and ideas. They know they have autonomy over their part of the project and feel excited about showing what they can do. Laissez-faire means that subordinates are accountable for their work. This is a great way to ensure that they do the best they can—ultimately, they are on the line for their project, so they want to do the best job possible.

Disadvantages Of Laissez-Faire Leadership

Disadvantages Of Laissez-Faire Leadership are:

1. Poorly-Defined Roles Within A Team

Problems arise when team members aren't able to thrive without a leader showing them the way. In such situations, the laissez-faire style of leadership will fail as team members are unclear about their duties or how to go about their tasks.

2. Absence of Accountability

Laissez-faire leadership demands integrity from the leader; it's their job to take responsibility for the failures of their team. Unfortunately, laissez-faire leaders can sometimes use the hands-off approach as a means to evade accountability, thereby putting the onus entirely on their employees. Such an approach can be detrimental to the department or the organization as a whole.

3. Perceived Lack of Interest in The Team

An excellent example of laissez-faire leadership is showing an interest in what one's team is doing. For the hands-off approach to work, leaders must still monitor their team closely from afar. In this way, they can gauge when it's necessary to intervene. If leaders aren't interested in the progress of their employees, the team will be in disarray. This will jeopardize the business's ability to reach its goals.

4. Poor Time Management

It's imperative for laissez-faire leaders to outline clear milestones for their team, and to employ people equipped to meet challenges. An inexperienced or unskilled team left to their own devices will be unable to formulate a coherent plan of action for accomplishing the leader's goals. They'll end up wasting time arguing or trying to decipher what the leader wants from them. Such faulty time management will

result in missed deadlines and unmet goals, neither of which bodes well for an organization.

5. Friction Among Team Members

Even when all members of a team are in control of their own work, a situation may still arise where no one knows who'll take the final decision. Such uncertainty can create a hostile work environment even among experts, leading to power struggles within a seemingly autonomous team.

Leadership, whether hands-off or hands-on, is a tremendous responsibility. Harappa's Leading Self course is designed to help ambitious professionals get on the path to becoming the best possible version of themselves.

6.Lack of role clarity: In some situations, the laissez-faire style leads to poorly defined roles within the group.⁷ Since team members receive little to no guidance, they might not be sure about their position within the group and what they are supposed to be doing with their time.

7.Poor involvement with the group: Laissez-faire leaders are often seen as uninvolved and withdrawn, leading to a lack of cohesiveness within the group. Since the leader seems unconcerned with what is happening, followers sometimes pick up on this and express less care and concern for the project.

8. Passivity: At its worst, laissez-faire leadership represents passivity or outright avoidance of authentic leadership. In such cases, these leaders do nothing to motivate followers, don't recognize the efforts of team members, and make no attempts at involvement with the group.

Transactional leadership

Transactional leadership is a managerial style that relies on attaining goals through structure, supervision and a system of rewards and punishments. This results-oriented approach works well with self-motivated employees.

Transactional leadership doesn't focus on changing or improving the organization as a whole, but instead, aims to hit short-term goals while establishing unity and conformity with the company. The rewards or punishments are, therefore, referred to as the "transaction."

By understanding transactional leadership, you can create a goal-based system if you're a manager, or choose whether or not you want to be a part of a company based on transactional leadership if you're a new employee.

Characteristics of transactional leadership

Since transactional leadership relies on a structured approach to achieving goals, it has its own set of specific characteristics. Here are some of the common characteristics of transactional leadership:

1. **Hierarchical:** Corporate structure and culture are high on the list of importance in transactional leadership. Everything goes through a proper channel and process. For example, if you have an idea to boost sales, you may be required to tell your manager who then reports it to upper management. Bypassing this process is often seen as insubordination.
2. **Micromanaging:** In transactional leadership, the day-to-day operations of the business are rigid. All decisions are final from the transactional manager, but the responsibility of goal achievement also lies squarely on their shoulders. As a result, transactional leaders tend to micromanage employees to make sure everything runs like clockwork.
3. **Passive:** Transactional leadership doesn't aim to change any of the processes of the company. They want everything to stay exactly as it is within the business, which may seem passive or laissez-faire.
4. **Practical:** Practicality and pragmatism are two of the staples of transactional leadership. They'll make level-headed decisions based on constraints and available information. This rarely leads to thinking outside the box.
5. **Motivation by self-interest:** Both the employee and the transactional leader have something to gain by hitting their quotas or achieving personal goals. Therefore, teamwork is often underappreciated or nonexistent. Instead, transactional leadership aims to find the best employees to hit their goals and rise into upper management.

6. **Reactionary:** Due to the importance of the status quo within the business, transactional leaders are rarely proactive. Instead, they are reactionaries, only making changes within the department or organization when their hand is forced

Advantages of transactional leadership

Although the firm structure of transactional leadership may seem unappealing to some, it has some advantages over other types of managerial styles. Here are some of the top advantages of transactional leadership in the workplace.

1. Goal achievement

Transactional leadership facilitates the achievement of goals. Most often, companies with transactional leadership have short-term goals in mind, so the results of this type of leadership can be seen right away.

2. Motivation

Achieving short-term goals can boost motivation quickly. And a rewards system instantly encourages employees to meet quotas and deadlines and work at their full potential.

3. Clearly defined structure and roles

In an organization with transactional leadership, every facet of a department is clearly defined from top to bottom. As an employee, you know your specific role and what's expected of you at all times. This removes the ambiguity of similar positions within the company, while also eliminating the duplication or overlap of work between coworkers.

4. Effectiveness

This type of leadership is highly effective in well-established businesses or young organizations because it favors universal processes and structure. In addition, this direct approach can identify problem areas in existing processes or employees who may not be the right fit to achieve the company's short-term goals.

5. A measuring stick for success

In some companies, success is not easily defined. Transactional leadership sets out simple, clear goals and guidelines. To this effect, either employees hit the goals laid out for them or they don't. This measuring stick for success can help the company fine-tune its processes or increase the rewards and punishments for employees.

Disadvantages of transactional leadership

Like any management system, transactional leadership comes with its share of disadvantages. While these disadvantages may not appear in all businesses that employ transactional leadership, they're important for both employees and managers to recognize.

1. Focus on short-term goals

Short-term goals are always good to have in any business, but they should be balanced with long-term goals. Without long-term goals or tools like objectives and key results, a company can struggle when met with adversity. Emphasis solely on short-term goals can also result in a lack of preparation or vision for the future, particularly in changes in market demand or consumer preferences.

2. Limited innovation and creativity

The rigid structure of transactional leadership gives employees a specific role. As an employee, you're expected to complete the required work and little else. Rarely, will a manager ask for your opinion or input on how to improve the procedures and processes of the business. As a result, businesses that practice transactional leadership are often lacking in innovation and creativity.

3. Low morale

While certain employees thrive in a transactional leadership model, others are impacted negatively. Employees may suffer from low morale and/or only perform enough to avoid being fired. This ineffectiveness can manifest itself in the growth of the company, as it may only meet, but not exceed, its expectations.

4. Costly mistakes

Transactional leadership has a passive style of leadership, so transactional leaders seldom provide feedback to employees unless they fail to meet their expectations or quotas. Unfortunately, an employee may have been doing their job incorrectly for weeks, months or quarters without proper oversight. Correcting these mistakes can often prove costly for the organization.

5. Lack of motivation

Not every employee is motivated by rewards. In some managerial or leadership styles, these people may find more satisfaction by reaching a common goal with teamwork or learning a new skill. If you're an employee that puts a premium on emotional and social factors and values, transactional leadership doesn't often motivate you.

6. Turmoil among subordinates

Transactional leadership can often turn subordinates against each other. Instead of working as a team, individuals may steal leads or sales from other employees to meet their quotas, creating turmoil throughout the office.

7. Over-reliance on the leader

Even if the transactional leader is knowledgeable and experienced in the industry, an over-reliance on them can cause problems. At some point, some of these managers may begin to listen only to their own voice, simply because they don't have to answer to any of their subordinates. This can lead to a lack of motivation in the manager themselves or a condescending attitude toward employees.

Transformational leadership

Transformational leadership occurs when leaders perform their roles so effectively that they gain the trust, respect, appreciation and loyalty of the people who follow them. This, in turn, changes (transforms) people's behaviors. It's completely different from the transactional style of leadership that is the fallback position for most business organizations.

Some examples of transformational leadership include:

- Aligning the identity and interests of the company with those of your employees
- Determining shared goals and objectives

- Identifying areas for change and creating a corresponding vision
- Challenging followers to take ownership
- Giving employees autonomy over their roles and responsibilities among others

Advantages

1. It Keeps the Company Open, Honest and Ethical

Honesty and integrity are core values for transformational leaders; they are ethically-driven with a tight focus on values, authenticity and transparency. Unlike transactional leaders, who tend to focus on completing a task without

2. It Reduces Turnover Costs

High turnover costs are time-consuming, frustrating and costly. They can also result in a loss of productivity amongst current employees, as well as create a long-lasting cultural impact. Transformational leadership has the potential to reverse this trend by making employees feel more engaged and included in the organization.

3. It Encourages Change

For a business to evolve, it must be willing to adapt, improve and expand over time, and adopting a transformational leadership style is ideal for bringing others on board when introducing a vision.

Through their passion, they can sell the changes, improvements or expansions needed, while they are also good at recognising gaps or issues in the process of a vision, enabling them to make adjustments accordingly.

Indeed, by embracing change yourself, you encourage others to want to make those changes, too. When properly implemented, this process allows all members of the organisation to adopt a new vision and constantly aspire towards achieving their potential.

4. It's an Effective Form of Leadership

It's no coincidence that those companies mentioned earlier – Google, Apple and Netflix – are among the most successful in the world; after all, countless studies have found that transformational leadership is one of the most effective management styles. Through strong communication and collaboration, transformational leaders inspire their staff, putting challenging goals in place that promote creativity and increase morale.

Disadvantages

1. There is Too Much Focus on the Bigger Picture

Often, transformational leaders tend to overlook details, preferring instead to focus on the bigger picture. There can also be a tendency to avoid administrative work, meaning that certain protocols or processes can be missed (such as saving receipts from purchases for accounting purposes).

Therefore, this type of leadership requires high levels of support from more organized and detail-oriented team members in order to maintain a transactional focus.

2. It Can be Risky and Disruptive

Transformational leaders use their charisma to serve as role models for their employees and the organisation at large. They utilise their energy to demonstrate how to achieve goals and accomplish tasks, and they aren't afraid to take risks. However, if you go too far with your risk-taking, then your actions can become detrimental to the team and the organisation. Frequent change can also become disruptive and is, therefore, more likely to produce adverse outcomes if it happens regularly.

3. It Puts Increased Pressure on Team Members

One advantage of transactional leadership is that it places all semblance of pressure and accountability on the leader. Transformational leadership, however, distributes accountability across the group. While this gives staff autonomy over their roles and responsibilities, some individuals might find this working style too taxing, leaving them feeling overwhelmed or even in some cases, exploited.

4. It Can Lead to Employee Burnout

In a similar vein to the above point, too much weight on your employees' shoulders can cause long-term personnel issues. If high levels of sustained productivity are needed to achieve a particular vision, or there are ambitious deadlines in place, then this can quickly lead to employee burnout.

5. Continual Communication is Needed

A transformational leadership style can only be successful if you maintain open lines of communication with team members to transfer the vision of a task. For this to happen, close, regular communication must be maintained, as well as constant feedback and team meetings to keep enthusiasm levels high. Not only is this exhausting for team leaders, but if employees sense that communication isn't happening, or begin to feel out of the loop, then they may lose interest in their tasks - and therefore their commitment to the vision.

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Transformational leadership is a leadership style in which leaders

encourage, inspire and motivate employees to innovate, and create change that will help grow and shape the future success of the company.

The concept of transformational leadership was first proposed by James V Downton in 1973 and was further developed by Bernard Bass in 1985.

With the transactional style of leadership, the leader motivates people to work harder by offering rewards (promotions, bonuses, paid vacation) for good behavior, and punishments (demotions, improvement programs) for poor behavior. The motivation to work hard comes from outside the employee.

Hallmarks of Transformational Leadership:

- ❖ Is a model of integrity and fairness.
- ❖ Sets clear goals.
- ❖ Has high expectations.
- ❖ Encourages others.
- ❖ Provides support and recognition.
- ❖ Stirs the emotions of people.
- ❖ Gets people to look beyond their self-interest.
- ❖ Inspires people to reach for the improbable.

According to Bass, these are the hallmarks of a transformational leader that sets them apart from other leadership styles.

The Advantages and Disadvantages of Transformational Leadership

As mentioned, this particular method has its pros and cons, as outlined below:

Advantages

It Keeps the Company Open, Honest and Ethical

Honesty and integrity are core values for transformational leaders; they are ethically-driven with a tight focus on values, authenticity and transparency. Unlike transactional leaders, who tend to focus on completing a task without seeing *why* its essential, transformational leaders remain focused on doing the right thing in the right way.

By employing this management style, you are encouraging employees to remain focused on the task at hand, while always acting in the best interests of the company and its wider communities.

It Reduces Turnover Costs

High turnover costs are time-consuming, frustrating and costly. They can also result in a loss of productivity amongst current employees, as well as create a long-lasting cultural impact. Transformational leadership has the potential to reverse this trend by making employees feel more engaged and included in the organization.

Transformational leaders are often charismatic figures, too, which makes people feel valued and respected – a key driver of morale and retention in any workplace.

It Encourages Change

For a business to evolve, it must be willing to adapt, improve and expand over time, and adopting a transformational leadership style is ideal for bringing others on board when introducing a vision.

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Often, transformational leaders tend to overlook details, preferring instead to focus on the bigger picture. There can also be a tendency to avoid administrative work, meaning that certain protocols or processes can be missed (such as saving receipts from purchases for accounting purposes). Therefore, this type of leadership requires high levels of support from more organized and detail-oriented team members in order to maintain a transactional focus.

It Can be Risky and Disruptive

Transformational leaders use their charisma to serve as role models for their employees and the organisation at large. They utilise their energy to demonstrate how to achieve goals and accomplish tasks, and they aren't afraid to take risks.

However, if you go too far with your risk-taking, then your actions can become detrimental to the team and the organisation. Frequent change can also become disruptive and is, therefore, more likely to produce adverse outcomes if it happens regularly.

It Puts Increased Pressure on Team Members

One advantage of transactional leadership is that it places all semblance of pressure and accountability on the leader. Transformational leadership, however, distributes accountability across the group. While this gives staff autonomy over their roles and responsibilities, some individuals might find this working style too taxing, leaving them feeling overwhelmed or even in some cases, exploited.

It Can Lead to Employee Burnout

In a similar vein to the above point, too much weight on your employees' shoulders can cause long-term personnel issues. If high levels of sustained productivity are needed to achieve a particular vision, or there are ambitious deadlines in place, then this can quickly lead to employee burnout.

Continual Communication is Needed

A transformational leadership style can only be successful if you maintain open lines of communication with team members to transfer the vision of a task.

For this to happen, close, regular communication must be maintained, as well as constant feedback and team meetings to keep enthusiasm levels high. Not only is this exhausting for team leaders, but if employees' sense that communication isn't happening, or begin to feel out of the loop, then they may lose interest in their tasks - and therefore their commitment to the vision.

Difference between TRANSACTIONAL LEADERSHIP and TRANSFORMATIONAL LEADERSHIP

asis of difference	ransactional Leadership	ransformational leadership
eaning	leadership style that employs rewards and punishments approach or motivating followers transactional leadership.	leadership style in which the leader employs charisma and enthusiasm to inspire followers is transformational leadership.
oncept	leader lays emphasis on his position	leader lays emphasis on the values,

	and power and uses chain of command to achieve organizational goals.	leals, morals and needs of the followers to achieve organizational goals.
nature	is reactive in nature.	is proactive in nature.
objectives	prioritizes on the self-interest of the individuals.	prioritizes the overall development of the group.
style	is referred to as a selling style 'As employees are to be directed or told how things are to be done.	is referred to as 'selling style' as employees are free to perform using their creativity and innovative ideas.
focus	focuses more on planning and its execution.	focuses more on creativity and innovations.
suitability	is more suitable for small and settled environment.	is suitable for large, complex and dynamic environment.
approach	aims at developing the existing organizational culture.	aims at changing the existing organizational culture.
leadership style	makes use of bureaucratic leadership style.	makes use of charismatic leadership style.

Communication

Meaning

The English word 'communication' is derived from the Latin communis, which means common sense. The word communication means sharing the same ideas. In other words, the transmission and interaction of facts, ideas, opinions, feelings or attitudes. Communication is the essence of management. The basic function of management (planning, planning, staffing, supervision and management) cannot be done effectively without effective communication.

Communication is a two-way process which involves transferring of information or messages from one person or group to another. This process goes on and includes a minimum of one sender and receiver to pass on the messages. These messages can either be any ideas, imagination, emotions, or thoughts.

Communication is a Latin word which means “to share”. There are different modes of communication available today. These include emails, chats, WhatsApp, skype (conference calls), etc. Effective communication makes people’s work easier and smooth.

Oral communication

Oral communication is the exchange of information and ideas through spoken word. It can be directly in person in a face-to-face interaction or through an electronic device such as a phone, video platform or radio. The most effective way for businesses to transmit information verbally is through oral communication, such as a staff meeting, webinar and workshop.

The 5 elements of oral communication

1. **Sender:** The sender is the person who initiates communication to the receiver.
2. **Medium:** The medium is the format in which the message is being sent. For example, a voicemail, a face-to-face conversation or a PowerPoint presentation.
3. **Channel:** The channel is the platform on which the message is delivered. For example, a podcast, a telephone or a meeting.
4. **Receiver:** The receiver listens and decodes the message sent by the sender. The receiver then generates feedback for the sender in response to the message.
5. **Feedback:** This final stage is the reaction of the receiver, such as oral or written communication. No response from the receiver is also a type of feedback. This completes the entire oral communication cycle.

Types of oral communication

- **One-on-one conversations:** Conversation between two friends, employees or with one’s manager. This could be personal, professional or just sharing motivational quotes between each other.
- **Meetings:** Decision-making meetings and information-sharing meetings, often applicable to business meetings.
- **Group discussions:** Book club gathering, small group project.
- **Speeches:** Political debate, motivational speech.
- **Presentations:** Teaching students in a classroom, instructional presentation or elevator pitch.
- **Electronic:** Talking over the phone, listening to a show on the radio.

Advantages of oral communication

1. **Time-saving:** Where rapid action is necessary, in that case, it is the best way to send a message orally. On the other handwritten communication takes a long time to reach the sender. But oral communication through telephone calls or conversations with subordinates makes savings time which is so important in the business world.
2. **Reduction of cost:** Oral communication doesn't require any expenditure on the collection and maintenance of pens, papers, typewriters, or computers or any other materials as are needed for written communication. So, it is time and money savings.
3. **Easiness:** It is an easy means of communication because it needs little preparation for transmitting a message. Like written communication, it does not require any pen, pencil, and other writing equipment.
4. **Effective for illiterate persons:** Illiterate people cannot read but they can hear and understand any information or message. So, this is the most appropriate means of communication for illiterate people.
5. **Quick feedback:** Another primary advantage is that it provides quick feedback in the form of oral messages or information. Thus, sender or speaker can take further decisions. Let's see the advantages of feedback.
6. **Maintaining secrecy:** In oral communication, the speaker and listener can maintain secrecy because there may not be any additional person involved. It is the willingness of the speaker and listener to keep their communication out of reach from others.
7. **Reliability:** It is true that employees feel more secure when they communicate through oral communication. Oral communication can provide immediate feedback and clarification.
8. **Coordination:** An Organization to attain its goal requires full coordination of all departments or divisions. Such coordination is possible through oral communication because it can quickly instruct advice or motivate the employees as required by the situation.
9. **Motivation:** In oral communication, superiors and subordinates can sit face to face and exchange their views directly; such an arrangement motivates and inspires the employees to work with great care.
10. **Avoidance of slowcoach:** The speaker should not be formal when he sends a message in oral communication. So, he can talk to anybody at any time without any formalities required for written communication.
11. **Flexibility:** Oral communication enjoys the benefits of flexibility. Any communication if written cannot be changed quickly and if the message is already sent then it is out of the control of the sender.

12. **Special application:** In the case of the seminar, conversation, meeting, group discussion, assemblies, and telephonic conversation, the appeal of these kinds of communication bears significant appeal.

Disadvantages of Oral Communication

1. **No record:** Most of the time oral communication uses for informal communication. In oral communication, messages are not preserved and hence they are not found in the record book. These messages cannot be retrieved in the future.
2. **Misunderstanding:** Due to the limitations of human memory, oral messages cannot be kept in mind in full context. Because of inattentiveness in hearing oral messages, communication will be barred.
3. **Distorted meaning:** As oral messages are not filed; their meanings may easily be distorted. Such distortion may lead to a rumor which will move faster than wind.
4. **Lack of accuracy:** There is every possibility of an inaccurate message to reach the destination. It may be because of noise or the receiver forgetting part or whole message.
5. **Limited use:** If oral messages are lengthy then they are not suitable for transmission because of the probability of missing some important; messages.
6. **Confused speech:** If a receiver of the message has a hearing problem, then the purpose of oral communication becomes difficult to be achieved. The partial hearing will obviously produce partial communication. As a result, there will be confusion among all parties involved in the communication.
7. **No legal validity:** Do oral messages have any legal validity? As oral messages are not kept in record, so it can be denied easily by the speaker if the situation goes against him.
8. **Leakage of secret information:** When a speaker speaks he may not be careful about the speech. So, secret information can be leaked out.
9. **More importance is given to presenting the speech:** In oral communication, a speaker always tries to be a good speaker. So, naturally, the communicator gives more importance to presenting the messages with style. As a result, important messages can be ignored.
10. **Less effective:** Usually, an oral message carries less weight than written messages. In certain cases, like programs, policies, and instructions, oral communication is less effective.
11. **Not easy to fix responsibility:** In oral communication, if any mistake occurs, then it is very difficult to make someone responsible for the mistake as there is no evidence for such communication.

Written Communication

Written communication is the process of exchanging messages (information, thoughts or concepts) between a sender and receiver(s) by making use of the written word. Effective written communication is important for businesses as it helps to bring everybody on the same page regarding overall goals and objectives. In this day and age, everybody is expected to navigate emails, bulletins, reports, circulars and office memos

Advantages and disadvantages of written communication

Advantages of written communication or importance of written communication and disadvantages of written communication. There are some advantages of written communication. They are discussed below:

Advantages of written communication:

- **Easy to preserve:** The documents of **written communication** are easy to preserve. Oral and non-verbal communication cannot be preserved. If it is needed, important information can be collected from the preserved documents.
- **Easy presentation of complex matter:** Written communication is the best way to represent any complex matter easily and attractively.
- **Permanent record:** The documents of written communication act as a permanent record. When it is needed, important information can be easily collected from the preserved documents.
- **Prevention of wastage of time and money:** Written communication prevents the waste of money and time. Without meeting with each other the communicator and communicate can exchange their views.
- **Accurate presentation:** Through the documents of the written communication top executive can present the information more accurately and clearly. As it is a legal document everybody takes much care does draft it.
- **Use as a reference:** If it is needed, written communication can be used as future reference.
- **Delegation of authority:** Written communication can help the authority to delegate the power and authority to the subordinate. It is quite impossible to delegate power without a written document.
- **Longevity:** Written document can be preserved for a long time easily. That is why; all the important issues of an organization should be back and white.
- **Effective communication:** Written communication helps to make communication effective. It is more dependable and effective than those of other forms of communication. Maintaining image: Written communication helps to

maintain the images of both the person and the organization. It also protects the images of the company or organization.

- **Proper information:** It is a proper and complete communication system. There is no opportunity to include any unnecessary information in a written document.
- **Less distortion possibility:** In this communication system information is recorded permanently. So, there is less possibility of distortion and alteration of the information.
- **No opportunity to misinterpret:** there is any opportunity to misinterpret the information or messages of written communication.
- **Controlling tool:** Written communication can help to control the organizational activity. The written document may be used as a tool for controlling.
- **Easy to verify:** The information and messages that are preserved can be verified easily. If there arises any misunderstanding any party can easily verify the information.
- **Others:** Clear understanding, Legal document, Acceptability, Reduction of risk, Creating confidence, Easy circulation, Wide access or coverage etc.

Disadvantages of written communication

The limitations and disadvantages of written communication are given below:

- **Expensive:** Written communication is comparatively expensive. For this communication paper, pen, ink, typewriter, computer and a large number of employees are needed.
- **Time consuming:** Written communication takes time to communicate with others. It is a time-consuming media. It costs the valuable time of both the writer and the reader.
- **Red-Taoism:** Red-Taoism is one of the most disadvantages of written communication. It means to take time for approval of a project.
- **Useless for illiterate person:** It messages receiver is illiterate, written communication is quite impossible. This is major disadvantage written communication.
- **Difficult to maintain secrecy:** It is an unexpected medium to keep business secrecy. Secrecy is not always possible to maintain through written communication. Because here needs to discuss everything in black and white.
- **Lack of flexibility:** Since writing documents cannot be changed easily at any time. Lack of flexibility is one of the most important limitations of written communication.
- **Delay in response:** It takes much time to get a response from the message receiver; prompt response is not possible in case of written communication that is possible in oral communication.

- **Delay in decision making:** Written communication takes much time to communicate with all the parties concerned. So the decision maker cannot take decisions quickly.
- **Cost in record keeping:** It is very difficult and expensive to keep all the records in written communication.
- **Complex words:** Sometimes the writer uses complex words in writing a message. It becomes difficult to meaning out to the reader. So the objectives of the communication may lose.
- **Lack of direct relation:** If there is no direct relation between the writer and the reader, writer communication cannot help to establish a direct relation between them.
- **Other:** Prompt feedback is impossible, Slowness, Bureaucratic attitude, Understanding problem between boos and subordinates, lack in quick clarification and correction, formality problem, lack of personal intimacy, etc.

Differences between Oral Communication and Written Communication

asis of Difference	Oral Communication	Written Communication
Meaning	Exchange of ideas, information and message through spoken words is termed as Oral Communication.	Interchange of message, opinions and information in written or printed form is termed as Written Communication.
Media	Face-to-face communication or telephone is used as a medium in oral messages.	Letter, memo, bulletin, newspaper or report is used as a medium in written communication.
Transmission of Message	Transmission of message through oral communication is instant.	Transmission of message through written communication is slow.
Feedback	Since transmission of message through oral communication is instant, feedback is also instant.	Since transmission of message through written communication is slow, feedback takes time.

Approach	Oral communication is more informal. Therefore, it is not used for official communication.	Written communication is formal. Therefore, it is preferred for official communication.
Educational Background	Oral communication does not require any educational background, as it can be established between two literate persons.	Written communication requires both the sender and receiver of message to be educated to read and write.
Relationship	Oral communication establishes direct relationship between the sender and receiver of the message.	Written communication establishes relationship between the sender and receiver of the message.
Record	There is no record of oral communication and has no legal standing.	Written communication is recorded and has legal standing.
Flexibility	Oral communication is more flexible. It can be easily changed and adjusted.	Written communication is less flexible. Hence, it takes time to bring any changes in the contents.
Cost factor	It is less expensive because it does not require medium except oral word.	It is costly because pen, paper, ink, printing materials etc., are required to get the message ready.
Time factor	The process of oral communication is quick.	The process of written communication is time consuming.
Reliability	Oral communication is less reliable due to lack of	Written communication is

	cord.	more liable as it can be reserved as arecord.
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Formal Communication

Formal communication refers to the flow of official information through proper, predefined channels and routes. The flow of information is controlled and needs deliberate effort to be properly communicated. Formal communication follows a hierarchical structure and chain of command. The structure is typically top down, from leaders in various departments and senior staff in the organization, which funnel down to lower-level employees. Employees are bound to follow formal communication channels while performing their duties.

Formal communication is considered effective as it is a timely and systematic flow of communication.

Characteristics of Formal Communication:

- **Rules and norms:** Strict guidelines and regulations are to be followed using formal communication channels.
- **Routine activity:** Formal communication is used by different levels of an organization to handle day-to-day activities.
- **Work-focused:** Formal communication only focuses on objectives, business activities and work done by employees.
- **Chain of command:** In a formal communication structure, the sender and receiver of information are officially pre-decided.
- **May be oral or written:** It is a communication type which can be written or oral (telephonic, electronic, etc).

Advantages of Formal Communication:

Formal communication is a critical part of business communication. In this section, we will look at points that emphasize the importance of formal communication in a business.

The advantages of formal communication are as follows:

1) Systematic communication: Formal communication relies on following the organization's structure and chain of command to convey information. This helps in a seamless flow of information from one level to another. The levels of communication are:

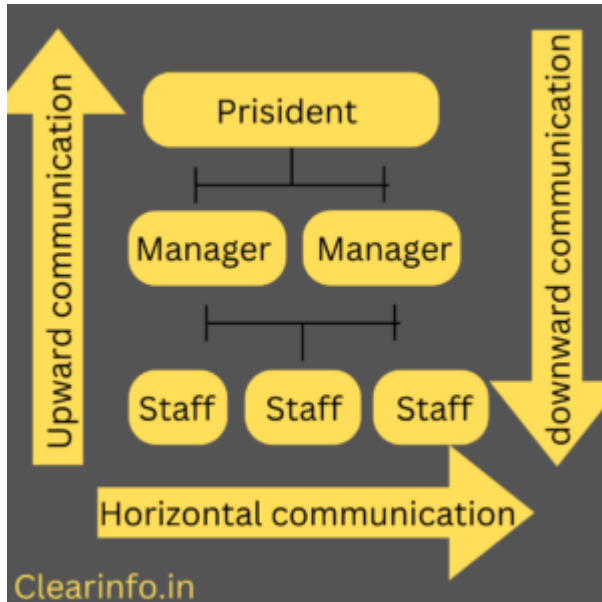


Illustration of different levels of communication used within an organization.

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- **Upward Communication:** Information flows from subordinates to superiors.
- **Downward Communication:** Information flows from superiors to subordinates.
- **Horizontal Communication:** Information flow between members on the same level in an organization.
- **Crosswise Communication:** Information flow between different levels of an organization with no direct reporting relationship. Also known as diagonal communication.

2) Better coordination and control: Having formal communication channels in a company **ensures effective control** over business operations. Information is relayed using the **guidelines set by the organization**. The **roles of various company members** are **clearly defined** and the chain of information flow is set to avoid any **confusion**.

3) Helps in maintaining permanent records: There are two main types of communication channels used in communication – **verbal** communication and **written** communication. Written communication forms such as letters, reports, memos, etc. are all filed and kept permanently as records. **Verbal** communication **can be recorded** as well in the form of voice memos.

4) Better discipline among employees: Having a formal channel of communication in a company boosts discipline as it eliminates **conveying** of **unnecessary information**. **Reports** are **overlooked by managers** to ensure

only relevant data is passed between different levels of the organizational structure.

5) Emphasis on work: One of the prime metrics of formal communication is that all **employees in a company have predefined roles and tasks allotted to them**. A formal communication system in an organization promotes focusing more on work and **less on interpersonal relationships** during business hours.

6) Stability to the company: A key objective of formal communication is to help a company in maintaining a stable position. It eliminates chaos as the chain of command is clearly defined. All activities are **documented and reported to the concerned authority**. **This gives the company a solid organizational structure**.

Disadvantages of Formal Communication

- 1. Rigid communicative process:** The roles of employees in a company are predefined. They must only do what they are asked and follow strict guidelines. This eliminates the scope for creative thinking and unconventional approaches which could benefit the business.
- 2. Ignores human relationships:** A formal communication model only focuses on work and information related to work. Only formal and impersonal language is used in formal communication. This demerit of informal communication ignores the human element in business.
- 3. Causes delays in decision-making:** The flow of information in a formal structure has to follow an established framework. This can cause wastage of time and cause delays in decision-making as information must pass through various levels of an organization.
- 4. Formal communication is costly:** This type of business communication relies on formal means of conveying information. This can be costly for a business as setting up channels of formal communication between different levels of a company is expensive.
This is the biggest limitation of informal communication as it includes expenses such as – paper and stationery supplies, providing employees with mobile phones and computers, etc.

5. Inapplicable in emergency situations: In case of any accidents and mishappenings, formal communication is unnecessary as it is time-consuming. This prohibits the free flow of information. During a crisis, it is critical that information should be conveyed quickly and concisely.

Informal communication

Informal communication refers to the communication that flows without following the formal defined path. An informal communication system is also known as grapevine. Under informal communication, a piece of information flows in all directions without paying any heed to the level or authority.

The informal communications are based on the personal or informal relations such as friends, peers, family, club members, etc. and thus is free from the organizational conventional rules and other formalities. In the business context, the informal communication is called as a “grapevine” as it is difficult to define the beginning and end of the communication.

Characteristics of Informal Communication

The features of informal communication are listed as follows:

- 1) **Multiple Directions:** Informal communication can flow in any direction. It can be vertical and horizontal communication, upward and downward, etc.
- 2) **No records:** Informal communication is mostly done in oral form. Therefore, it is difficult to have documented proof of it. This makes it difficult to trace the source of information.
- 3) **Spontaneous:** Informal communication is not planned or routine in nature. It can happen anywhere and at any time.
- 4) **Free from formalities:** Informal communication does not conform to prescribed rules and organized formats. The sender can convey their ideas and message in a free-flowing and casual manner.
- 5) **Personal bonding:** Informal communication channels boost teamwork, network building, and increased enthusiasm among the employees in a company.

Advantages of Informal Communication

Successful managers realize the importance of informal communication in a business. It is one of the most effective types of business communication. The purpose of informal communication is to convey information in a casual and laid-back manner.

The merits of informal communication are:

1) Interpersonal Relationships:

Informal communication creates an environment of personal bonding between employees. This type of communication system between workers helps in stronger coordination for tasks, motivation, and reducing boredom in routine tasks.

Superiors and subordinates can develop healthier working relationships by communicating through conversations about non-work related topics to add human elements to a business environment.

2) Speed:

Due to the absence of channel barriers prevalent in formal communication channels, messages can travel very fast in informal communication. With social media systems and instant messaging technology available, it is possible to deliver information to the receiver in any geographical location at a fast speed.

3) Flexible form of communication:

Informal communication networks do not require employees to follow formalities. This eliminates communication from being rigid. An employee can directly communicate with a subordinate or superior using different channels in the communication process such as written communication and verbal communication.

4) Getting recommendations:

Informal communication provides a great platform for providing recommendations. For maximum efficiency in growing a business, it is vital for colleagues, superiors, and subordinates to brainstorm together. Together they can generate new ideas, suggest solutions for problems, develop new strategies, etc.

5) Increased job satisfaction:

An organization with a solid informal communication system thrives as it allows its employees to feel engaged. It increases motivation, and enthusiasm and boosts job satisfaction by creating a work environment that is inclusive, friendly, and non-robotic.

6) Satisfies social needs:

Human interactions rely heavily on informal communication. A work environment that encourages employees to freely express their ideas and viewpoints leads to higher levels of coordination, teamwork, and efficiency in work output.

Disadvantages of Informal Communication

Informal communication is an effective form of communication for any business. However, there are some demerits associated with it.

The limitations of informal communication are as follows:

1) Misinterpretation:

Due to a lack of official processes and rules, the message in informal communication can be distorted. The original message can be misinterpreted and this can give rise to misunderstandings and arguments between or among employees and managers.

2) Lack of accountability:

There are no records maintained in informal communication. This makes it difficult to trace the original source of information. Individuals can also deny conveying harmful and false information and deny accountability.

3) Informational leaks:

Confidential information can be leaked through informal channels of communication. This causes instability in the organization. The integrity of any business relies on having trust in its employees. Information leaks can even cause the business great monetary losses.

4) Spread of rumors:

Rumors spread predominantly through informal channels of communication. It is difficult to trace the source of rumors and false information due to a lack of control over communication channels. This is also harmful to the organization.

5) Unreliable:

A lot of times information received from informal channels can be unreliable. It has to be verified and confirmed first before taking it into consideration. This process can be time-consuming and require a lot of effort to get accurate information.

6) Errors in carrying out tasks:

Employees are more likely to commit errors at work if they rely too heavily on informal communication. As no formal rules and processes are followed, it is possible for employees to misinterpret job duties and tasks.

Differences between Formal and Informal Communication

asis of Difference	ormal Communication	Informal Communication
Meaning	refers to the official communication which strictly follows the chain of command or scalar chain.	includes unofficial communication between people who share a casual rapport with each other.
Source	originates from a specific source.	has no specific source.
Grapevine	is an official mode of communication; hence, it does not use grapevine.	freely uses grapevine.
Impact	generally has positive impact on receivers.	if not handled properly, informal communication can have negative impact.
Media	uses both oral and written media.	uses only oral communication.
Responsibility	is the responsibility of the sender.	no one takes the responsibility for informal communication.
Focus	mainly focuses on the organization and its objectives.	mainly focuses on the needs of individuals to share their experience.
Hierarchy	strictly follows the formal hierarchy of management.	is more haphazard and does not follow any specific path.
Facts / rumors	emphasizes the use of facts and data-based information.	uses rumors and half-baked truths.

Barriers to communication

- 1) **Physical Barriers** :In an organization, physical barriers may take the form

of big working spaces, clearly defined regions, closed office doors, barrier screens, and distinct places for workers of different various status. According to research, proximity is one of the most crucial elements in creating harmonious teams

- 2) **Semantic or Language Barrier:** The semantic barrier in communication is the misinterpretation and interpretation of meaning that obstructs effective communication. It could appear as language, a sign, or a symbol. Disparities in dialect, cultural differences, body language, word choice, pronunciation discrepancies, and spelling errors are the main sources of semantic barriers.
- 3) **Organizational Barrier:** Effective communication is hampered by tall organisational structures with numerous executive levels, especially in large businesses. Messages frequently suffer when they are transmitted over the many lines of communications, both down and up. when they get at their destination, they have a little altered meaning due to "transmission losses."
- 4) **Status Barriers:** In every organization, those in positions of authority have an advantage over those in lower positions. Therefore, the designation and status are higher the higher the positional level. As a result, those in positions of authority at higher levels find it difficult to communicate with those in lower positions, while those in lower positions are wary of approaching those in higher positions.
- 5) **Emotional Barriers:** One of the chief barriers to open and free communications is the emotional barrier. A few of the emotional interferences include hostility, anger, resentfulness and fear. Generally, people are pre-occupied with their own thoughts, and therefore do not receive messages properly or may fail to interpret the message properly.
- 6) **Filtering Process:** The process of filtering separates signals that are relevant from those that are not, accepting the latter and rejecting the former. The gates known as filters allow for the registration of just desired communications. Humans have a general propensity to ignore messages. which they might not gain from or through which they don't usually lose anything.
- 7) **Physical Distractions:** When communicating face-to-face, physical distractions like phone interruptions or walk-in visitors directly obstruct communication. Similar to technological obstacles, bad internet access or network quality when talking over the phone make conversation difficult. Other elements include loud noise, harsh weather, etc.
- 8) **System Faults:** Communication system issues within an organisation are referred to as system faults. Uncertainty in the chain of command, an ineffective or inappropriate information system, a lack of monitoring, and

inadequate organisation planning are some instances of system flaws. Lack of training and a lack of clarity in tasks and responsibilities might make staff members unclear about their responsibilities.

Overcoming Barriers to Communication

1) **Use Simple and Meaningful Language:** To overcome a language barrier, the communicator should use straightforward, uncomplicated phrases. the use of ambiguous. Avoid using words and jargon. Second, gestures contribute significantly to communication. A competent communicator should pay special attention to these gestures.

2) **Periodic Meetings between Employer and Employees:** Regular meetings between the Employer or Management and the Employees are necessary to encourage a positive interaction between them.

3) **Feedback and Upward Communication:** In an organization, communication should be two-way. Feedback on employees' performance ought to be given. Additionally, they should be allowed to voice their complaints and issues and should be urged to offer recommendations.

4) **Create Atmosphere of Confidence:** In order to create an atmosphere of trust and confidence, management must live up to its words and promises. Policies of the business should be sufficiently communicated to the employees because they prefer to be governed by policies, rules and procedures rather than haphazard and arbitrary managerial actions

5) **Use Compact Ideas:** Ideas should be well planned and should be clearly identified for facilitating proper communication. Meaningless and irrelevant words should be eliminated while communicating. This will prevent ambiguity and the message will be interpreted by the receiver in the right perspective. This makes communication free from distortions.

6) **Develop Writing Skill:** Precisely, written messages can help to avoid semantic and perception barriers. They also serve as records for the future reference. Written communication removes misunderstanding and misrepresentation. However, written communication should be brief and to the point so that it achieves the desired purpose.

7) **Listen Carefully:** Communication is hampered by human tendency to listen inattentively. There is a difference between listening and hearing. Listening means hearing with proper understanding and in right perspective. Careful listening requires that the receiver steps into the shoes of the sender and tries to look at things from his point of view.

8) **Clarify Objectives of Communication:** Both the sender and the receiver should be aware of the objectives of communication. Clarity of communication objectives time but also improves the efficiency of communication leads to wastage of time and spoils organizational relations.

9) **Social approach:** In order to get over status barrier, practices such as open-door policy, participation in games, leisure time activities, informal chats, social functions etc., should be encouraged in the organization.

10) **Other measures:**

- ☒ Noise control
- ☒ Simple organizational structure
- ☒ Proper channel

NOTE: AS YOUR SYLLABUS IS REVISED, NO IMPORTANT QUESTIONS WILL BE GIVEN, YOU HAVE TO READ EACH AND EVERY CONCEPTS OF ALL THE CHAPTERS.