



Indian perspective of management style in an organization: A comprehensive review

Ritika Gupta¹ and Rakshit Khajuria²

¹The Management School, Kathua Campus, University of Jammu and ²Department of Computer Science, UIET, University of Jammu.

Abstract

This paper provides a comprehensive review of the Indian perspective of management style in an organization. Management style is crucial to organizational success, and understanding how it differs across cultures is essential. In India, management styles have been shaped by the country's history, traditions, and values. This review examines the literature on Indian management styles and discusses their key features, including bureaucratic leadership, paternalistic leadership, charismatic leadership, and a focus on building personal relationships. The paper also explores how these management styles have evolved over time and their current challenges. The study concludes by offering insights into the potential for Indian management styles to be adapted to suit the needs of the globalized business environment and the implications of this for future research and practice. This review provides valuable insights for organizations operating in or seeking to enter the Indian market, as well as for researchers and practitioners interested in cross-cultural management.

Keywords: Indian management style, personal relationship, cross cultural management etc.

1. Introduction

Management style refers to the philosophy or principles by which managers can optimize the abilities of their people and manage an organization. Management styles can vary depending on an organization's operating conditions. Scholars and social scientists have offered different definitions of management style. Since the 1950s, several formal management styles have been described. For instance, Likert [1] proposed four styles that range from authoritarian to participative. Burns and Stalker [2] distinguished between organic and mechanistic management styles. Mintzberg [3] categorized management styles into entrepreneurial, planning, and adaptive types. Ralph Waldo Emerson famously expressed the ideal qualities of a leader by stating, "our chief want is someone who will inspire us to be what we know we could be." Throughout history, exemplary leaders in both organizational and political contexts have recognized the importance of providing inspiration and guidance towards achieving ambitious goals. A skilled leader is able to inspire and lead effortlessly, modeling the desired qualities of leadership and encouraging their followers to do the same. It is worth noting that a leader's character, actions, and beliefs have a pervasive influence on the organization or community they lead. In light of this, it is worth considering whether a nation's culture and heritage should play a role in shaping the leadership styles of its people. However, more information is needed about the management styles employed in India. The Indian context is unique due to its cultural, social, and economic diversity and therefore requires specific attention to understanding its management practices. This literature review provides an overview of the existing literature on the management styles in Indian organizations.

The management style in Indian organizations has long been characterized as autocratic, with limited participation allowed for subordinates and close supervision by superiors. However, empirical studies that present a more nuanced picture have challenged this traditional view. While there is no clear-cut direction in managerial behavior, reflecting a lack of conviction and values, a review of various studies reveals various findings, sometimes even contradictory. It is unlikely to expect a uniform leadership style, as factors such as the forces in superiors, subordinates, and situations determine managerial styles. As a result, Indian work organizations can be classified into three parts, each with distinctive features and different leadership styles. Further research is needed to better understand the complexities of Indian management and to identify ways to improve leadership practices in organizations.

India is exhibiting signs of growth and transition towards a more liberalized economy, bolstered by a sizable, educated, and dedicated workforce. However, India's progress is hindered by various challenges that present obstacles to business operations within the country. Challenges such as corrupt officials, inadequate infrastructure, and regulatory restrictions may curtail business prospects. Despite the urgent requirement for investment in all sectors of the Indian economy, historically, the government's approach to foreign investment has been below par in terms of openness.

2. Approaches on management style

India has a diverse and complex business environment that requires a range of management styles to be effective. Here are some of the different types of management styles commonly practiced in India:

(i). Autocratic management style

Autocratic management style, also known as authoritarian management style, is a leadership approach in which the manager or leader makes all the decisions, without consulting or involving employees [9,10]. In an autocratic management style, the manager has complete control over the decision-making process, and employees are expected to follow orders without questioning them. The manager sets the goals, policies, and procedures, and expects employees to carry them out as directed. The autocratic management style is based on a hierarchical structure and a clear chain of command, where the manager's authority is unquestioned. This style can be effective in certain situations, such as in emergency situations or when quick decisions need to be made, but it can also lead to low employee morale, high turnover rates, and decreased productivity if employees feel undervalued and uninvolved in the decision-making process. This style is often used in traditional Indian businesses where hierarchy and respect for authority are highly valued.

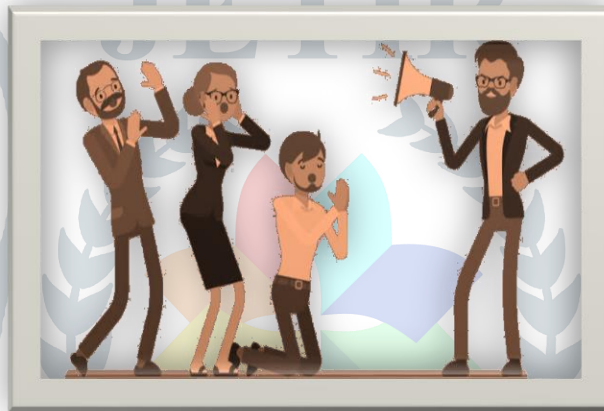


Figure: 1 Autocratic management style.

The illustration in Figure 1 demonstrates a managerial style characterized by the centralization of decision-making authority, whereby the leader assumes full control and directs subordinates on what actions to take. This approach is presumed to enhance the team's efficiency, resulting in increased productivity within a shorter timeframe.

(ii). Bureaucratic management style

A bureaucratic management style is a leadership approach that emphasizes strict adherence to rules, policies, and procedures [11,12]. It is based on a hierarchical structure, with clear lines of authority and a well-defined chain of command. Bureaucratic managers rely on standardized processes and procedures to ensure consistency and predictability in organizational performance. They often use formal communication channels, such as memos and reports, and expect employees to follow strict task completion guidelines. The bureaucratic management style is often associated with organizations that operate in highly regulated environments, such as government agencies or large corporations. It is also commonly used in industries where safety and risk management are critical, such as aviation, healthcare, and nuclear power. While a bureaucratic management style can help ensure efficiency and consistency, it can lead to inflexibility, slow decision-making, and a lack of innovation. It can also create a hierarchical and rigid organizational culture that may need to be more responsive to changing circumstances or customer needs.

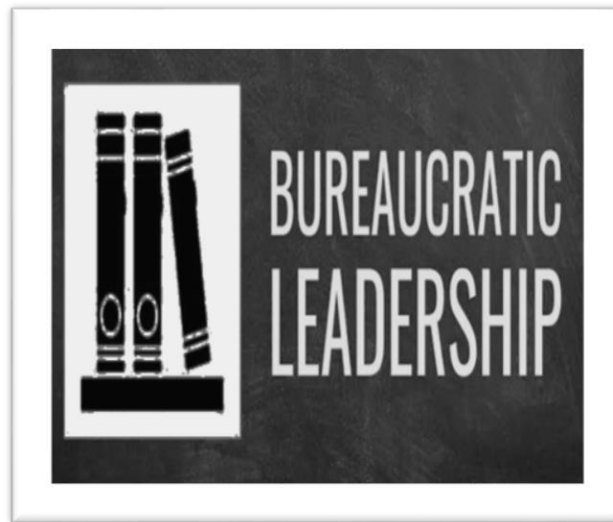


Figure: 2 Bureaucratic management style.

The illustration in Figure 2 demonstrates that the managers adhere strictly to established protocols and regulations in the execution of tasks. This approach portrays the manager as more of a regulatory enforcer, rather than an inspirational leader.

(iii). Transformational management style

Gumusluoglu and Ilsev [4] explain that the transformational leadership theory, introduced by Burns [2] in 1978, has received significant research attention. The theory comprises four key elements as charismatic role modeling, individualized consideration, inspirational motivation, and intellectual stimulation [4]. The first element involves the use of charisma by leaders to cultivate high regard, reverence, and allegiance while emphasizing a shared mission. The second element, individualized consideration, consists of developing personalized relationships between leaders and followers, catering to individual differences, needs, skills, and desires. The third element, inspirational motivation, involves clear communication of the vision for the future, demonstrating how goals can be achieved, and instilling followers' zeal to achieve goals. The fourth element, intellectual stimulation, involves leaders broadening and raising followers' welfare while motivating them to be highly innovative [5-7]. A transformational management style is a leadership approach in which the manager inspires and motivates employees to achieve common goals. This style focuses on developing employees' skills and talents and empowering them to take on leadership roles. Transformational managers seek to create a workplace culture of collaboration and teamwork where employees feel valued, engaged, and supported.

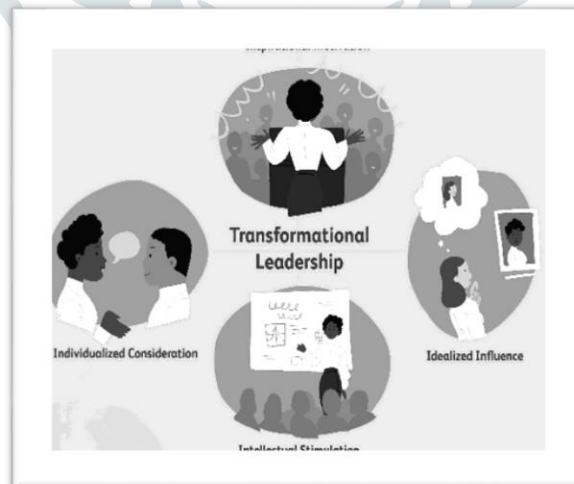


Figure: 3 Transformational management style.

The illustration in Figure 3 demonstrates that the managers establish an innovative vision that inspires and motivates team members. In addition, they foster the professional and personal growth of their subordinates.

(iv). Transactional management style

This style focuses on setting clear goals and objectives and providing incentives or rewards for achieving them. This style is often used in Indian businesses to motivate employees to achieve specific targets. According to Bass and Avolio, while transformational and

transactional leadership styles are complementary, they have some notable differences. The former style is also known as managerial leadership, in which the leader uses rewards and punishments to ensure conformity and respect from the staff, motivating followers through the exchange. For instance, a follower may be encouraged to complete a task to obtain rewards or preferences [5,8]. In contrast, transformational leaders prioritize relationships to foster organizational commitment and collectivism. They seek to understand followers' needs and motivate them towards predetermined goals, exhibiting flexibility in decision-making and making changes as necessary to help followers achieve desired outcomes.



Figure: 4 Transactional management style.

The illustration in Figure 4 demonstrates that the managers employ a system of incentives and penalties to motivate their team members. Close supervision and control of the team's activities are also apparent. Employee rewards are contingent on successful task completion and associated outcomes.

(v). Charismatic management style

Charismatic management style is a leadership style in which the leader uses their charm, persuasion, and charisma to inspire and motivate followers towards achieving a shared vision or goal [13]. Charismatic leaders often possess strong communication and interpersonal skills and can articulate their vision compellingly and persuasively. They are also known for creating a sense of enthusiasm and commitment among their followers and their willingness to take risks and make bold decisions. However, charismatic leaders may also be prone to making decisions based on their beliefs and biases rather than considering objective evidence or input from others. This management style is often associated with transformational leadership, as both emphasize the importance of vision, inspiration, and motivation in achieving organizational goals [14].



Figure: 5 Charismatic management style.

The illustration in Figure 5 demonstrates that the charismatic leaders have an inherent ability to attract and inspire individuals towards a common goal. Such leaders have a magnetic effect on their followers, drawing out their best qualities and enabling them to achieve exceptional outcomes.

(vi). Paternalistic management style

A paternalistic management style is a leadership style in which the leader takes a fatherly or parental approach to manage their employees [15]. The leader assumes responsibility for their employees' welfare and well-being, often making decisions and providing guidance and direction. In this style, the leader expects loyalty and obedience from their employees in return for their protection and care. The paternalistic manager is often seen as a mentor, guide, or friend by their employees. While this style can create a positive and supportive work environment, it may also lead to a lack of employee autonomy and hinder creativity and innovation. The employees may also depend on the leader for guidance and decision-making, resulting in a lack of initiative and self-reliance. This management style is common in many traditional and hierarchical cultures, and it can be effective in certain situations where employees may require a higher level of support and guidance.

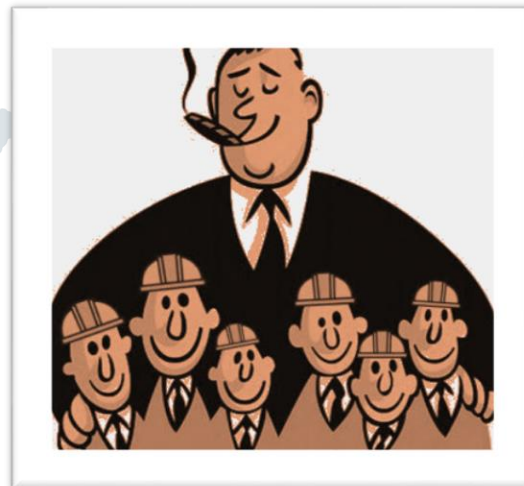


Figure: 6 Paternalistic management style.

The illustration in Figure 6 demonstrates that the managers adopt a familial approach towards employees, assuming the role of a parental figure. While they listen to the opinions and feedback of all team members, the manager retains the final decision-making authority.

(vii). Laissez-faire management style

The laissez-faire management style, also known as free-lein leadership, is one in which the leader gives their employees a high degree of autonomy and decision-making power [16]. In this style, the leader provides minimal guidance or supervision, and the employees are left to their own devices to complete tasks and make decisions. While this management style can foster creativity and innovation, it may need more direction and guidance. Employees may feel supported or confident in their responsibilities and goals, which can lead to frustration and decreased productivity. This style is often used in environments where employees have high expertise or are self-motivated. It can be effective when the employees have the knowledge and skills to work independently, and the leader's role is to provide support and resources when needed. However, it may not be suitable when employees require more structure and guidance.



Figure: 7 Laissez-faire management style.

The illustration in Figure 7 demonstrates that the manager assumes the responsibility of providing the necessary resources, while simultaneously transferring decision-making authority to the team members. This approach entails a significant reduction in the level of guidance offered by the manager to their subordinates.

Conclusions

In conclusion, the management style adopted by an organization plays a crucial role in its success. In the Indian context, organizations have historically favored a hierarchical and bureaucratic management style due to cultural and societal influences. However, with the advent of globalization and the changing dynamics of the workforce, there has been a shift towards more participatory and inclusive management styles, such as transformational leadership. Organizations in India must adapt to changing trends and adopt management styles that cater to their employees and the organization's needs. A flexible and adaptable approach to management can help organizations navigate the rapidly evolving business landscape and achieve long-term success.

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