

## LEADERSHIP IS NOT A POSITION, IT'S AN ACTION

**Dr. Ch. Srikanth Verma**

*Assist. Professor, Dept of Business Management, P. G Centre, Lal Bahadur College, Warangal, A.P, India.*

**Mr. K.D. Swarna Raj**

*Research Scholar, Dept of Public Administration and HRM, Kakatiya University, Warangal, A.P, India.*

### **Abstract**

*Leadership is the process of social influence in which one person is able to enlist the aid and support of others in the accomplishment of a common task. The industrial economy of any country depends upon the role and performance of corporate leaders, be it sustained growth of national income, balancing of international trade or payments, meeting the foreign exchange requirements. Many people enter the leadership world through a position, but we must understand that just owning a position doesn't make you a leader. Being a leader is about influencing others. Your ability to lead resides in your ability to influence others around you to accomplish organizational objectives. Leadership in action is the act of one or more persons leading themselves or others to affect social change in their communities whether that community is local, national, or global; always keeping in mind that change, no matter how small or great can be done by any person who seeks to lead. The Indians felt that shared values and vision, as well as building the top team, were some of the most important actions of corporate leaders. In this paper an attempt has been made to explain the key concept of action leadership and also to analyze the actions of some leaders of Indian corporate sector.*

**Key Words:** *Leadership, Position, Action.*

### **Introduction**

The industrial economy of any country depends upon the role and performance of corporate leaders, be it sustained growth of national income, balancing of international trade or payments, meeting the foreign exchange requirements. They are the ultimate deliverers, as neither the government nor the administrators can do it. 60 to 70 percent of the best leaders' success is dependent on their action styles and behavioral competencies, apart from their technical skills or market knowledge. So, when seeking new talent or promoting internally for global assignments, it is helpful to get a scientific, research-based perspective on who would potentially succeed better. The Indians felt that shared values and vision, as well as building the top team, were some of the most important actions of corporate leaders. In this paper an attempt has been made to explain the key concept of action leadership and also to present the views of action leaders of Indian corporate sector.

### **Concept of Action Leadership**

Leadership is the process of social influence in which one person is able to enlist the aid and support of others in the accomplishment of a common task. Tim Berners-Lee was the inventor of the World Wide Web and unlike so many of the inventions that have moved the world, this one truly was the work of one man. Thomas Edison got credit for the light bulb, but he had dozens of people in his lab working on it. William Shockley has fathered the transistor, but two of his research scientists actually built it. This in many ways points out the difference between teams that do things and the human tendency to identify one face or one person behind important achievements. So, it is in corporate leadership, companies believe they need superheroes, or saviors, who will lead them out of crises or spearhead growth with their actions. Teams can be a critical differentiator for companies. Waiting for a superhero is dangerous and advocating of the action concept of leadership is more practical. No one can be perfect at everything. Organisations need to go beyond individual leadership actions to look at the action of leadership abilities that can help them collectively meet their strategic imperatives and deal with diverse situations: crisis, transition, growth and stable states.

Action leadership can be conceptualized in terms of three higher order levels. At the lower level, leaders are responsible for the administration of structure and solving everyday problems, focusing on short-term results. At the middle level, leaders are responsible for clarifying the structure imposed

by upper level leaders and translating it into a workable plan. At the upper level, leaders originate structure to pass down the levels, create corporate culture, and manage transactions between the organization and the external environment. As leaders move up through the levels of an organization, the performance standards they will be responsible for and the criteria they are evaluated against will change. Thus, the way leadership should be defined relies upon the context that it is occurring in; similarly, leadership may have a different influence on organizational outcomes based upon the level at which leadership is occurring.

The two most important actions to effective leadership to engage and motivate the employees; Trust and confidence in top leadership was the single most reliable predictor of employee satisfaction in an organization. Secondly; Effective communication by leadership in three critical areas was the key to winning organizational trust and confidence they are, Helping employees understand the company's overall business strategy, Helping employees understand how they contribute to achieving key business objectives and Sharing information with employees on both how the company is doing and how an employee's own division is doing - relative to strategic business objectives. Any leader must be trustworthy and he should have the ability to communicate a vision of where the organization needs to go.

### **Positional Leadership**

Many people enter the leadership world through a position, but we must understand that just owning a position doesn't make you a leader. Being a leader is about influence. Your ability to lead resides in your ability to influence others around you to accomplish organizational objectives. It's true that positions do initially command a certain amount of influence, but this influence is short lived. All a position buys you is time, nothing more, nothing less. This time can either increase your level of influence and lead, or diminish it and fail. One of the most common mistakes of a Leader, both new and tenured, is to fall into the gravitational pull of positional leadership. The term gravitational because as a new leader. Its pull represents the path of least resistance in the absence of training or experience. Many will learn, and escape, but others will remain committed to this methodology, unwilling to resist the pull through the belief that the approach is effective and is not to be challenged. The authors suggest that this approach is fundamentally flawed based on experience and evolution as a leader. So many are committed this mistake, and they took this journey, but they learned and was able to fight the pull. Whether you are positional, work for someone who is positional, or someone to whom a positional person reports to, commit deep thought to this topic. Properly understood, it will lead to your success; disregarded, it could lead struggle and hardship.

### **Leadership is an Action**

Leadership in action is the process of taking two concepts, Leadership and Action, and putting them together in order to create a more positive and beneficial outcome. The Leadership portion looks at ways to develop one's skills as a leader. It then helps the individual seek opportunities to use those skills in an environment that promotes social action. The Action portion looks at ways for the individual to affect change in their local, national, or global community and social environment. Leadership in Action is the act of one or more persons leading themselves or others to affect social change in their communities whether that community is local, national, or global; always keeping in mind that change, no matter how small or great can be done by any person who seeks to lead. No one can declare you as the "leader"; you have to earn it. No position will make you a leader; you have to have followers. People follow people, not positions. They respect people whom they trust. They tag along with people in whom they believe. They follow people who have demonstrated they deserve to be followed. That requires action, which doesn't require any certain "position". You have to take action that inspires people to follow you. A person follows anybody who doesn't do anything; people follow people who do something of significance. You can't just talk about it; you have to do it.

When people see you accomplishing something worthwhile, they will follow. Yes, leadership is action, not position. Anyone can be a leader. You just have to do things that make people want to follow you. As a business leader, it is unquestionable that for every challenge that you face, there is a solution that you seek; for every idea that you generate, inspiring others is your greater objective; and for every new plan that you propose, it is successful implementation that you truly pursue. Being at the forefront of today's knowledge economy, the information that you receive and the knowledge that you acquire must be relevant and applicable to your business and personal goals.

Leadership can be shown through any person in any type of situation. In a classroom discussion, on the playing field, or in public a sign of a leader is evident. A person is born a leader; certain humans know what to do when the time calls for it. Many people in positions can be entitled a leader such as basketball players. These people are not true leaders. True leaders are the belaboring teachers and the intellectual speakers. These are the people who show that leadership is an action, not a position. The intrinsic characteristics of a leader can be categorized into a few main action styles or leadership styles. Directing, participating, delegating, and combined styles are the main forms of actions and leading.

### **Analysis of Action Leadership in the Indian Corporate World**

In this section, views of some corporate leaders of India are presented with a view to ascertain leadership is not a position, but it is an action. When talking about the world's top business leaders, Indians are generally doing well at running both multinational companies outside India, as well as globalizing Indian companies. The Indian leaders believed that their firms' competitive advantage lay in their high-performance culture, customer focus, innovation and entrepreneurship, and low cost. Even when asked how their roles are changing, they overwhelmingly noted that they spend more time these days setting strategy and dealing with customers rather than worrying about shareholders.

Our leaders in India have always focused on their ability to lead change and to develop leaders among their reports. As agents of change, they help define the leadership journey and the visionary goal; and also help measure progress against achieving the vision throughout the change process. Our senior leaders sets direction, align constituencies and motivate individuals within the organization. They help envision success and lead change personally.

**Satya Nadella**, Chief Executive Officer and Member of Board of Director, Microsoft, Since his joining in the company (1992) spearheaded major strategy and technical shifts across the company's portfolio of products and services, most notably the company's move to the cloud and the development of one of the largest cloud infrastructures in the world supporting Bing, Xbox, Office and other services. During his tenure overseeing Microsoft Server and Tools Business, the division outperformed the market and took share from competitors. Satya is a proven leader with hard-core engineering skills, business vision and the ability to bring people together. His vision for how technology will be used and experienced around the world is exactly what Microsoft needs as the company enters its next chapter of expanded product innovation and growth.

**Indra Nooyi** has been CEO of PepsiCo Since 2006 and during her tenure has seen a remarkable amount of change: from a financial meltdown to recovery, huge new scrutiny for her company's products, and a revolution in consumer technology. She also faced criticism over how she was running PepsiCo as she attempted to overcome these hurdles and globalise her company. A big part of her strategy: intense focus on key employees to an extent that some might find extreme. A favourite technique is to open letters to employees' parents.

**Ajay Banga**, Chief Executive of MasterCard, has substantial international experience, having spent much of his career managing Citigroup's overseas credit card and consumer banking business. Before

joining MasterCard, he spent a year overseeing the bank's operations in Asia, splitting time between Manhattan and Hong Kong. Ajay leveraged his leadership skills in connecting with people. Thus, he spent a lot of time doing just walking into offices at the headquarters and saying "I am Ajay. Tell me about yourself." Or "What can I do to help?" or what should I not do". Good start, but not good enough. Then Ajay went out to meet "people outside the big offices", travelling around the world to visit MasterCard's country offices to learn about their obstacles and strengths.

In general, Ajay chooses to be an optimist. In particular, he is convinced that the "underlying secular growth is like a tailwind" for MasterCard. As people around the world switch from cash to electronic payments, MasterCard is in the "very rare" position of being able to run before the wind. And if they can manage their business "cleverly," they should again share and growth in the low double digits.

**Deepak S. Parikh** is the man behind making HDFC, a premier housing finance institution in the country. In 2008, he was awarded the Lifetime Achievement Award by Finance Asia for his contribution towards the banking/financial sector in Asia and NDTV also awarded the Business Leader of India for 2008. Under his chairmanship, HDFC has developed a network of 761 branches and 1,977 automated teller machines in 327 cities in India as of March 31, 2008. His action is hard work and shared vision with the employee; that has enabled scores of Indian middle class people owning their houses or apartments through affordable loans. India is extremely poor when it comes to ownership of housing property. Our housing and land policies are distorted. Urban land ceiling acts, which should have been repealed, still exist. Of course, there are places like Noida, Gurgaon and Ghaziabad, which have developed very well. But look at Mumbai. The housing situation in Mumbai is really miserable. HDFC has given only 8 lakh loans. Housing is the number one priority for Indians in urban areas. At present, HDFC has a balance sheet of Rs 28,000 crore. From a single-product company that focused on housing finance for the middle class, we now have HDFC Bank, a life insurance joint-venture with Standard Life, a general insurance outfit with Chubb, a mutual fund again with Standard Life, a brokerage venture with Chase, a credit information bureau with Dun & Bradstreet and even a business process outsourcing venture with Tata Consultancy Services.

**Anu Aga** former chairperson of Thermax India, an energy and environment management firm, pointed to the many obstacles Indian companies have to deal with, such as "roads in terrible conditions" and "ports in terrible conditions." Family ownership stakes sometimes helped leaders have a more long-term approach to strategy. In addition, they noted that being entrepreneurial was important in order to get large companies to act nimbly and take advantage of the changing marketplace.

**P.G. Raghuraman** is the lead executive for Accenture's Delivery Centres for BPO in India. He is responsible for setting up and growing the BPO operations of Accenture across a wide range of service offerings for global clients. He was part of the leadership team that created the capability to grow the India BPO team from about 400 people to over 10,000 in four years. Raghuraman has been the driving force behind the successful launch of the Accenture Delivery Centre for BPO in Chennai. His actions; as agents of change and the visionary goal; and also the measure progress against achieving the vision throughout the change process.

The leaders below display amazing leadership combined with a healthy return on investment. It was last year that **R. S. Sharma** stepped into the shoes of Subir Raha as Chairman & MD of ONGC. Plenty of experts doubted his competence over the years but then his action has silenced critics from time to time and crisis management skills. It is worth mentioning in this regard that he was the very individual who had managed to protect ONGC's huge assets with a comprehensive insurance policy. His experience of 19 healthy years and his tremendous crisis management skills have also come to

surface plenty a time. All in all, this general knows more than just number crunching and that's what he's out to prove.

**Y. C. Deveshwar** he has grabbed global recognition- for both ITC and himself. Just imagine how a company can out of the blue stretch its brand name famous for tobacco to other food products. But that is what ITC has done under the supervision of YC Deveshwar. No one will argue with the fact that this diversification strategy under him has metamorphosised the tobacco company to a flashy conglomerate. YC Deveshwar was adjudged the "Businessperson of the year 2006" award by the "UK Trade and Investment Organization". The best part about YC Deveshwar is that he has also stressed on the critical role of Indian rural economy with the help of number of rural initiatives such as e- Choupal. In my opinion, Deveshwar is the perfect FMCG strategist for urban and rural India.

**Sanjeev Aga** first made his mark in the paints industry in 1973 and at this moment of time, he is the pillar in wireless industry. His actions; is that he is quite logical, analytical, ethical and straightforward. In addition, Sanjeev Aga is also currently on Board of Directors of Aditya Birla Management Corporation Limited. He is a brilliant leader and committed to the industry.

**Roopa Kudva**, Managing Director and Chief Executive Officer of CRISIL, India's leading rating, research risk and policy advisory company; is a widely respected expert in the financial markets. She has led the CRISIL ratings business to its present position of dominance in India and played a pivotal part in the development of CRISIL's diversified businesses. She has an action is stresses on offering innovative and high quality services to customers. All in all, one can safely say that she will only get better with every passing day.

**Naina Lal Kidwai** is the first Indian woman to graduate from the Harvard Business School. In addition, the action of she is also one of the first buccaneer banker's who would put those male pirates to shame. Country Head of HSBC Group Companies in India, her pioneering leadership has helped HSBC India record the highest growth in net profit. She was awarded the highest civilian honour in India, Padma Shri this year for her exemplary work in the field of Trade and Industry. Kidwai has many laurels, including being named in the '50 Women to Watch' report issued by the Wall Street Journal last year.

## Conclusion

In today's complex business landscape, effective leadership is the vital key for attracting and retaining talent, spurring innovation and risk taking, preparing managers to better navigate change and growth, forging partnerships and collaborations, building generation and diversity divide, and changing conflict into creative dialogue. Once the leaders discover and realize the competencies inside them, they will know how to become effective and engage the full potential of their human resources. Practicality rather than theory enables a leader to quickly adapt and expand the way he leads others in producing the desired results.

People simply work harder and better for those they trust and admire. Leaders can gain the trust of employees by taking initiative for implementation of plans and new processes. A quintessential trait of an effective leader is to have an unwavering commitment to a worthy set of ideas and a strong resolve to implement them. A leader's success and effectiveness lies in the alignment of "what is said", "what is done", and "what he is". A leader who successfully walks the talk is capable of building trust among the followers, which dramatically enhances their ability to lead, to create loyalty, and to attract and retain talent.

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