

Topic 4

Leadership, Management & Supervision

Session Objectives

- Define leadership, management and supervision and the distinction between these terms
- Explain the nature of management:
 - scientific/classical theories of management
Fayol, Taylor
 - the human relations school – Mayo
 - the functions of a manager – Mintzberg, Drucker



Session Objectives

- Explain the areas of managerial authority and responsibility
- Explain the qualities, situational, functional and contingency approaches to leadership with reference to the theories of Adair, Fiedler, Bennis, Kotter and Heifetz



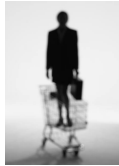
Session Objectives

- Explain leadership styles and contexts: using the models of Ashridge, and Blake and Mouton



What is Leadership?

- It is an interpersonal influence directed towards the achievement of goal or goals through a conscious activity.
- It involves:
 - Leading people
 - Influencing people
 - Commanding people
 - Guiding people



Sources of Power or Influence

- Authority
- Control over rewards
- Control over punishment
- Appealing personal characteristics
- Expertise

French & Raven's Classic Typology

- There are five bases of power:
 - Coercive or Forced against will
 - Reward or Play for pay
 - Legitimate
 - Referent or Personal charisma
 - Expert



Types of Leaders

- Leader by the position achieved
- Leader by personality, charisma
- Leader by moral example
- Leader by power held
- Intellectual leader
- Leader because of ability to accomplish things

The Nature of Leadership

- Is not the same as management
- Is a complex concept
- Attributes can be developed via experience, training and analysis
- Effectiveness depends primarily on fit between leader, followers and situations
- Is substitutes for in various settings and situations

Role of Managers

- Plan, organise, direct, control resources to achieve objectives.
- Follow formal policies, rules & procedural regulations of their employing organisation
- Handle and physically direct resources
- Tell people what to do and how to do it

Are Managers Leaders?

- Managers have 'subordinates'
 - Enable others to understand information, instructions or ideas
 - Seek order and control
- Leaders have followers
 - Envision, influence, inspire.
 - Tolerate, promote creativity and imagination
 - Bring order from chaos
 - Influence people towards objectives and desire to achieve
 - Gain voluntary commitment over compliance
 - Win hearts and minds


Difference in Role of Managers and Leaders – Bennis

Managers	Leaders
<ul style="list-style-type: none"> ▪ Administer and copy ▪ Maintain ▪ Focus on systems & structure ▪ Rely on control ▪ Short-range view - bottom line ▪ Ask how and when ▪ Accept the status quo ▪ Classic good soldier ▪ Do things right 	<ul style="list-style-type: none"> ▪ Innovation and originality ▪ Develop ▪ Focus on people ▪ Inspire trust ▪ Long-range view - the horizon ▪ Ask what and why ▪ Challenge the status quo ▪ Own person ▪ Do the right things

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Leadership Traits

- **Intelligence**
 - More intelligent than non-leaders
 - Scholarship
 - Knowledge
 - Being able to get things done



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Leadership Traits

- **Personality**
 - Verbal facility
 - Honesty
 - Initiative
 - Aggressive
 - Self-confident

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Leadership Traits

- **Personality**
 - Ambitious
 - Originality
 - Sociability
 - Adaptability

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Types of Leadership Style

- Autocratic
- Democratic
- Laissez faire
- Paternalistic



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Theories of Management

- **Classical Theories of Management**
 - Fayol Administrative Theory Of Management
 - F.W Taylor Scientific Management Theory
- **Human Relations School**
 - Mayo Theory

Theories of Management

- **Modern Writers**
 - Behaviouralism
 - Contingency Approach
 - Systems Approach

Fayol Administrative Theory of Management

- It is the work of Henri Fayol (1841-1925)
- The primary focus of the theory is on management (functions of administration)
- The theory revolves around:
 - General and Industrial Management
 - Principles and Elements of Management - how managers should accomplish their managerial duties

Five Elements of Management

- Planning
- Organizing
- Command
- Coordination
- Control

Fourteen Principles of Management

- Division of work
- Authority and Responsibility
- Discipline
- Unity of Command
- Unity of Direction
- Subordination of Individual Interest to General Interest

Fourteen Principles of Management

- Remuneration of Personnel
- Centralization
- Scalar Chain
- Order

Fourteen Principles of Management

- Equity
- Stability of Tenure of Personnel
- Initiative
- Esprit de corps

F.W Taylor Scientific Management Theory

- Principle 1
 - Scientifically study each part of a task and develop the best method for performing the task
- Principle 2
 - Carefully select workers and train them to perform the task by using the scientifically developed method

F.W Taylor Scientific Management Theory

- **Principle 3**
 - Cooperate fully with workers to ensure that they use the proper method
- **Principle 4**
 - Divide work and responsibility so that management is responsible for planning work methods using scientific principles and workers are responsible for executing the work accordingly

Contributions of Scientific Management Theory

- Faster finished products
- Efficiency techniques applied to non-industrial organisations
- Employers are encouraged to pay the more productive workers at a higher rate

Limitations of Scientific Theory

- Led to dramatic increases in production and higher pay for some
- Trade unions opposed Scientific Management Theory
- Put workers under to perform in unrealistic time expectations
- Led to decades of distrust between labour and management

Human Relations School- Mayo's Hawthorne Studies

- Behaviour of employees depends on social and organizational circumstances of work
- Main determinants of output of a group are:
 - Leadership style
 - Group cohesion
 - Job satisfaction

Human Relations School- Mayo's Hawthorne Studies

- Variety in the range of task improves performance of employees
- Internal standards set by a working group influence employee attitudes and perspectives much more than standards set by management

Usefulness of Human Relations Approach

- Recognises the role of interpersonal relations in determining workplace behaviour
- Demonstrates that pay factor that motivates workers

Drawback of the Human Relation Approach

- Overestimates commitment, motivation and desire to participate in decision making of many employees

Modern Approaches

- Behaviouralism
- Contingency approach
- Systems Approach



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Behavioural Approach

- Highlights:
 - personal adjustment of the individual within the work organisation
 - effects of group relationships
 - effects of leadership styles

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Contingency Approach

Contingency View
Appropriate managerial action depends on situation

Universal Management Principles

Situation A Situation B Situation C

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Systems Approach

<u>Resources</u>	<u>Abilities</u>	<u>Outcomes</u>
• Human	• Planning	• Products
• Materials	• Organising	• Services
• Equipment	• Leading	• Profit & Losses
• Finance	• Control	• Employee Growth & Satisfaction
• Information	• Technology	

Inputs → **Transformation Processes** → **Outputs**

Feedback from Environment

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Work of Managers: Peter Drucker

- Set objectives
- Organise
- Motivate & communicate
- Develop people
- Establish yardsticks

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Skills Required by a Manager: Mintzberg

- Interpersonal
 - **Figurehead:** Symbolic role, perform social, inspirational, legal and ceremonial duties
 - **Leader:** Relate with subordinates, allocate tasks, hire, train motivate staff
 - **Liaison:** Develop a network of contacts outside the chain of command

Skills Required by a Manager: Mintzberg

- Informational
 - **Monitor:** Collect and sort out information
 - **Disseminator:** Spread information
 - **Spokesperson:** Transmit information to external groups. Performs a public relations role

Skills Required by a Manager: Mintzberg

- Decisional
 - **Entrepreneur:** Identify problems and opportunities for improvement
 - **Disturbance handler:** Respond to pressures not within the control of the departments
 - **Resource allocator:** Allocate resources to competing bidders
 - **Negotiator:** Facilitate negotiating with others

Managerial Authority and Responsibility

- According to Fayol authority is the relationship between the participants in an organisation
- Responsibility is the obligation of a person to complete a mission
- In every position authority and responsibility should correspond

Bases of Authority

- Line authority
Manager → Subordinate
- Staff Authority
Manager / department → Manager / department
- Functional Authority
Hybrid of line and staff authority

Accountability

- It is a process by which a subordinate reports the outcome of an assigned task or mission and accepts the consequences, good or bad
- Ultimate accountability can never be delegated, even though authority and responsibility may be

Theories of Leadership

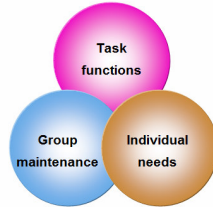
- Trait theories
- The action-centred approach
- Contingency approach
- Fiedler's contingency theory
- Transformational leadership
- Bennis

Trait theories

Intelligence	Personality	Abilities
Judgment	Adaptability	Ability to enlist cooperation
Decisiveness	Alertness	cooperativeness
knowledge	Creativity	Popularity & prestige
Fluency of speech	Personal integrity	Sociability (interpersonal skills)
	Self-confidence	Social participation
	Independence	Tact, diplomacy

Action-Centred Approach

- This approach was given by Adair.
- Suggests that the leader has to strive to achieve three major goals while at the same time maintaining a position as an effective leader.



Action-Centred Approach

- **Task functions include:**
 - Achieving the objectives of the work group
 - Defining group tasks
 - Planning the work
 - Allocation of resources
 - Organisation of duties & responsibilities

Action-Centred Approach

- **Group functions include:**
 - Maintaining morale & building team spirit
 - The cohesiveness of the group as a working unit
 - Setting standards & maintaining discipline
 - Systems of communication within the group
 - Training the group
 - Appointment of sub-leaders

Action-Centred Approach

- **Individual functions include:**
 - Meeting the needs of the individual members of the group
 - Attending to personal problems
 - Giving praise & status
 - Reconciling conflicts between group needs & needs of the individual
 - Training individuals

Contingency Approach

- This is also called situational theory.
- As per this approach leadership is flexible
- The leadership style may depend on:
 - Type of staff
 - History of the business
 - Culture of the business
 - Quality of the relationships
 - Nature of the changes needed
 - Accepted norms within the institution

The Fiedler Contingency Theory

- 3 contingency dimensions or variables affect the leadership style
 - Leader-member relations
 - Task structure
 - Position power

Leader-Member Relations

- Spend more-or less informal time (lunch, leisure activities) with your subordinates.
- Request for particular people to work
- Volunteer to direct difficult or troublesome subordinates
- Suggest to carry out transfers of particular subordinates into or out of your unit
- Raise morale by obtaining positive outcomes (special bonuses, time off, attractive jobs) for subordinates

Task Structure

- If you wish to work with *less-structured* tasks:
 - Ask your boss whenever possible to give you new or unusual problems & let you figure out how to get them done.
 - Bring the problems & tasks to your group members & invite them to work with you on the planning & decision-making phases of the tasks

Task Structure

- If you wish to work with more highly-structured tasks:
 - Ask your superior to give you whenever possible tasks that are more structured or to give you more detailed instructions
 - Break the job down into smaller subtasks that can be more highly structured

Position Power

- To raise your position power
 - Show your subordinates who's boss by exercising fully the powers that the organization provides.]
 - Make sure that info to your group gets channeled through you.
- To lower your position power
 - Call on members of your group to participate in planning and decision-making functions
 - Let your assistants exercise relatively more power

The Fiedler Contingency Theory

- There are two styles of leaders:
 - Psychologically distant managers (PDMs)
 - Maintain distance from subordinates
 - Are withdrawn and reserved
 - Prefer formal communication
 - Judge subordinates on the basis of performance and are primarily task oriented
 - Psychologically close managers (PCMs)
 - Do not seek to formalize roles and relationships
 - Prefer informal contacts
 - More concerned with human relationships at work to ensure tasks are carried out

Transformational leadership-Bennis

- Transformational leadership is a process of engendering higher levels of motivation & commitment among followers.
- It requires:
 - Long term strategic planning
 - Clear objectives
 - Clear vision
 - Leading by example – walk the walk
 - Efficiency of systems and processes

Transformational leadership- Bennis

- Bennis identifies 5 avenues of change:
 - Dissent and conflict
 - Trust and truth
 - Cliques and cabals
 - External events
 - Culture or paradigm shift

Components of Transformational Leadership

- Idealised influence
- Inspirational motivation
- Intellectual stimulation
- Individualised consideration

Guidelines for Transformational Leadership

- Articulate a clear & appealing vision
- Explain how the vision can be attained
- Act confident & optimistic
- Express confidence in followers
- Provide opportunities for early success
- Celebrate success
- Use dramatic symbolic actions to emphasise key values
- Lead by example
- Empower people to achieve the vision

Transactional Leaders vs. Transformational Leaders

- **Transactional leaders**
 - Guide or motivate their followers in the direction of established goals by clarifying role and task requirement.
- **Transformational leaders**
 - Provide individual consideration and intellectual stimulation and possess charisma.

Managing Change-Kotter

- Participation and involvement
- Education and communication
- Facilitation and support
- Manipulation and co-optation
- Negotiation and agreement

Heifetz Theory

- Leaders provide direction but do not necessarily have all answers:
- Leader's choices to resolve a situation
 - **Technical change:** Use current knowledge to resolve an issue
 - **Adaptive change:** Make a shift in values, attitudes, expectations etc.

The Managerial Grid Developed by Blake and Mouton

- Robert Blake and Jane Mouton observed two basic dimensions of leadership:
 - Concern for production or task performance
 - Concern for people

The Managerial Grid Developed by Blake and Mouton

- **1.1 Impoverished Management:** Manager shows minimum concern for people as well as production.
- **1.9 Country Club Management:** Manager is attentive to needs of the people. The environment is too friendly and is not conducive to productivity
- **5.5 Middle of the Road Management:** The manager can balance the task and also motivate people to achieve task completion.
- **9.1 Task Management or Authority-Obedience:** The manager's only concern is performance of the task.
- **9.9 Team Management:** The manager produces team leadership

Benefits of Blake and Mouton Grid

- Identifies areas of management faults and can be used as basis of training
- The grid can be used as an appraisal and management tool
- Enables managers to determine how they are viewed by their subordinates.

Drawbacks of Blake and Mouton Grid

- Assumes only two dimensions of leadership
- Team management may not be a practical possibility

Ashridge Leadership Styles

- Autocratic
- Persuasive
- Participative
- Democratic

Autocratic

- This style is used when the leader **tells** her employees what she wants done and how she wants it done, without getting the advice of her followers.
- *Strengths:*
 - Quick decisions
 - Most effective when all the information to solve the problem is available and employees are well motivated.
- *Weaknesses*
 - Leads to one-way communication
 - May result in bossing people around
 - Reduces employee commitment

Persuasive

- This style has the manager selling his ideas or plans to his people. The manager still takes all the decisions but motivates his employees to accept the decisions.
- **Strengths:**
 - Team members understand the decisions better
 - More commitment can be expected from team members
- **Weaknesses:**
 - One-way communication
 - Does not encourage initiative
 - Team members may be disinclined to carry out the decision

Participative

- The manager consults the team and considers their views. However he still retains the final say.
- **Strengths:**
 - Encourages motivation
 - Increased acceptability of the decision
 - Quality of decision may be better
 - Upward communication is facilitated
- **Weaknesses:**
 - Decisions take longer
 - Team members may not be capable enough to improve the quality of decisions

Democratic

- The leader and team make the decision together. There is a consensus in decision
- **Strengths:**
 - Provides high level of motivation and commitment
 - Gives more power to team members to take initiative
- **Weaknesses:**
 - May reduce the authority of the manager
 - Decisions take longer
 - Quality of decisions may be affected

Sample Exam Question

- Which of the following are common roles of managers as classified by Mintzberg?
 - A. Controlling, planning and directing
 - B. Interpersonal, informational and decisional
 - C. Entrepreneurial, decisional and logistical
 - D. Figurehead, monitor and spokesperson

Answer

- The three categories of roles specified by Mintzberg are:
 - Interpersonal
 - Informational
 - Decisional

Sample Exam Question

- Perry Smith, the CEO of ABC plc, allows least contribution of subordinates to decision-making. What leadership style is he exercising?
 - A. Paternalistic
 - B. Laissez faire
 - C. Autocratic
 - D. Assertive

Answer

- C
- Perry Smith is an autocratic leader who makes decisions without referring to anyone.