

Topic: Leadership and Management

A person can be a good leader and a good manager or only one of these. Both effective leaders and managers are needed for a business to be successful. A good manager needs to be a good leader and a good leader needs to be a good manager.

Leadership

When a person has the ability to encourage and motivate people to do their work willingly and enthusiastically. A leader **motivates, encourages, inspires** and **guides** others to achieve the goals and vision of the business.

Management

Managers are people in charge of running a business or organization. Management is the science of coordinating activities in order to get the best result. It is the practical task of bringing the factors of production together so that the business operates effectively and efficiently. A manager focusses on the task that has to be done.

Levels of Management

Top management: The smallest group of management. Gives vision and direction to the business. They make **strategic decisions** and **set long-term goals**. The head of the team is called the General Manger, Chief Executive Officer (**CEO**) or Managing Director (**MD**).

Middle management: They are the link between top and lower management. They are normally managers of different departments e.g. financial manager, marketing manager, human resource manager, purchasing manager and a production manager. They make **tactical decisions** and set **medium term goals**.

Lower management: They are also called **supervisors**. They carry out top and middle management decisions in their section of the department. They delegate work to employees. They make **operational decisions**. They **implement short-term goals** (operational plans dealing with day to day activities.)

Differences between leaders and managers

LEADER	MANAGEMENT
A leader sets a new direction or vision	A manager controls people and resources according to the vision.
A leader has a long-term view.	A manager has a short-term view.
A leader develops goals/plans.	A manager implements the goals/plans.
A leader focuses on people.	A manager focuses on systems and structures.
A leader inspires people.	A manager monitors people.

Management tasks

Planning: It is the process of setting goals and then developing a plan of action to achieve the goals as efficiently as possible.

Organising: Once the manager has developed a plan, he has to organise the necessary resources, such as people, money, raw materials, equipment and information, so that the plan can be implemented in the best way to achieve the company's objectives.

Leading: It is motivating people to work towards achieving the company's goals.

Control: The manager must ensure that people are performing their duties correctly and following the plan. The manager is concerned with evaluating performances and maintaining standards. Things that should be controlled is **time, quality and cost**.

LEADERSHIP and MANAGEMENT STYLES

Leadership style is the way a leader/manager behaves when performing leadership tasks.

▪ **Autocratic / boss – centered / authoritarian leadership style**

The leader tells employees what he wants done and how he wants it done.

He doesn't allow for any negotiations.

It is a top-down one way communication in the form of orders and instructions.

These leaders are task-orientated leaders.

These leaders are not concerned about the opinion of others.

These leaders will handle conflict situations by telling subordinates what they should do.

New, creative or cost reducing ideas may never be considered.

Followers may feel that they are not valued, resulting in high absenteeism and high employee turnover.

When to use an autocratic style (Application)

It is used in a crisis, e.g. disaster relief management.

Whenever time is short and speed is important.

When the leader is the only expert and the workers are inexperienced or not properly trained.

It is used when dealing with employees who are not cooperative in the workplace.

Autocratic can be used when implementing business policies or government legislation.

▪ **Democratic / participative / consultative / consensus leadership style**

The leader involves one or more employees in the decision making process

The leader maintains the final decision making authority and responsibility

It is a bottom-up communication

Employee orientated leaders

The leader assumes that people are more committed to actions where they have been involved in the decision making process

The leader will handle conflict by involving subordinates in finding the best solution

When to use a democratic style (Application)

This leadership style is useful when the leader and the subordinates need to contribute towards decision-making.

It may be used when making decisions that affect the whole business.

It cannot be used for urgent or quick decision-making.

It can only be applied if subordinates have the necessary knowledge or information to contribute towards decisions.

It can be applied when the leader knows the problem, but does not have all the information to make a final decision.

▪ **Laissez – faire / free reign / subordinate centred leadership style**

The leader allows employees to make decisions.

The leader is still responsible for the decisions that are made.

It is only suitable when employees are highly experienced.

The leader gives very little direction to subordinates.

The leader will handle conflict by allowing subordinates to find their own solutions to problems.

When to use a laissez – faire style (Application)

When the leader empowers employees by delegating tasks

It works well when employees are experienced, highly qualified and knowledgeable to analyse situations and to come up with solutions.

Characteristics of a good manager

- Set the example of the exact behaviour and enthusiasm they expect from their staff.
- They must be approachable and people must feel that they can go and talk to them.
- They must create an atmosphere where people want to work hard and are proud of what they are doing.
- They must know when to have a more autocratic or democratic approach in different situations.
- They must know how every part of the organisation works.
- They must have good technical knowledge of the industry.
- They must have sound administrative abilities and business know-how.

MANAGEMENT – ACTIVITY

1. Give a definition of management. (2)
2. Name **FOUR** characteristics of a good manager. (4)
3. Name the **THREE** levels of management and indicate the type of decision made by each level of management. (6)
4. Name the **FOUR** management tasks. (4)
5. Give the correct word(s) for the following descriptions.
 - 5.1 It is when a person has the ability to encourage and motivate people to do their work willingly and enthusiastically.
 - 5.2 The people in charge of running a business or organisation.
 - 5.3 The management style where the manager tells employees what he wants done and how he wants it done.
 - 5.4 The management style where the manager involves one or more employees in the decision making process.
 - 5.5 The management style where the manager allows employees to make the decisions.
 - 5.6 It is the process of setting goals and then developing a plan of action to achieve the goals as efficiently as possible.
 - 5.7 To get the necessary resources, such as people, money, raw materials, equipment and information, so that the plan can be implemented in the best way to achieve the company's objectives.
 - 5.8 It is motivating people to work towards achieving the company's goals.
 - 5.9 The manager is concerned with evaluating performance and maintaining standards.
 - 5.10 These managers make strategic decisions.
 - 5.11 These managers make operational decisions.
 - 5.12 These managers make tactical decisions. (12)
6. Tabulate **THREE** differences between leadership and management. (6)
7. Read the scenario below and answer the questions that follow.

MANAGERS MAKE A DIFFERENCE

Robbie started as an inexperienced worker in a well-organised accounting firm in Nelspruit. The way in which his manager approached him changed his life for the better. The manager discussed Robbie's vision and adjusted his goals in such a way that Robbie felt part of the team. He was motivated to register for a course in Accounting. He not only gave Robbie some responsibilities and showed him some challenges in his career path, but he also directed him in developing new skills.

- 7.1 Identify the management style that Robbie's manager used. (1)
- 7.2 Describe this management style of Robbie's manager in your own words. (2)
- 7.3 Describe any **TWO** situations where the management style mentioned in 7.1 can be used. (2)