

COLBOURNE COLLEGE

ASSIGNMENT COVER PAGE

UNIT 1: DEVELOPING STRATEGIC MANAGEMENT AND LEADERSHIP SKILLS

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UNIT 12 BTEC ASSIGNMENT FRONT SHEET –L7 HND

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LEARNERS DECLARATION: I Certify that the work submitted for this assignment is my own and research sources are fully acknowledged.

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INTRODUCTION

When the issue of leadership arises, there are many perspectives that are explored and many critics voice their opinions or discontent. Proponents such as Nakayama (2013) postulated that great leaders are born with the inherent gift or ability to lead while opponents such as Riggio (2009) theorized that leaders are “made” meaning that the skills can be developed and honed over time. For individuals entering an organization, it is evident that leaders are necessary. Certain situations call for different strategies being utilized which can help to create a well-rounded individual as a leader.

It is the duty and responsibility of prospective leaders to ask these questions certain fundamental questions and have a forensic analysis done to determine “where the company is right now” This question is in reference to the situation analysis of the company. This is used to ascertain the current standing of the organization in terms of its financial, operational or management position. Secondly the question must be asked as to where I as a leader wants the company to be. Being a leader eliminates self from the bigger picture. It is not what the leader wants for his/herself but rather what he or she wants for the organization. At this point the leader must construct the organization’s objectives which should be SMART (Specific, Measureable, Attainable, Realistic and Timely). At this point many might say this is where true leaders are manifested. The leader must now ask his/herself, how will I get this organization there? There is always the big “How”. This question requires strategies. What measures will I as leader put in place in order to ensure that I am meeting my objectives? As with every issue faced, there are always multiple alternatives. Initiative or in the plain Jamaican vernacular “gut feelings” now take effect and the decision has to be made as to which presented alternative best meet the objectives. Control measures will ultimately thereafter be put in place to facilitate surety to accomplish the set goals. An organization’s strategic position is the core of its existence and success in the industry in which it operates. Even though there are leadership styles which are used more than others by an individual, situations will arise which require that other leadership styles are used, this is situational leadership. It requires being able to lead in any situation (Lusier, 2011). In order for an organization to be successful in its industry, growth must represent itself. This unit develops the management and leadership skills which are currently often utilized in organizations globally. Its sole aim is to identify gaps in the current management contingent, strategize and execute plans for both the short-term and long-term development of gaps identified.

AC 1.1 EXPLAIN THE LINK BETWEEN STRATEGIC MANAGEMENT AND LEADERSHIP

DEFINING MANAGEMENT AND LEADERSHIP

A Manager versus a Leader

Reh (2014) defines a manager as, “the person responsible for planning and directing the work of a group of individuals, monitoring their work, and taking corrective action when necessary,” while Wong (2007) defines a leader as, “a person who influences a group of people towards the achievement of a goal”. Many persons often think the two words are synonymous as they believe that once a person is a manager it automatically means that he or she is also a leader. This is, however, a misleading concept as they are not the same and can be differentiated despite having similar traits. A manager becomes a manager by virtue of his position and therefore relies on the control in order to get employees to do what he or she wants to be done. On the other hand, a leader does not require a management position to become a leader; he or she therefore has no power over the employees, but is respected for who she is and what he or she stands for. Management versus Leadership is simply defined as, “the art of getting things done through people,” while “Strategic Management is all about identification and description of the strategies that managers can carry so as to achieve better performance and a competitive advantage for their organization,” (ManagementStudyGuide.com, 2014). Leadership is defined as, “the ability of a company's management to make sound decisions and inspire others to perform well,” (Tropman, 2001). Management and leadership are both essential in ensuring the successful operations of an organization. However, leadership is a part of the management function, which also involves planning, organizing and controlling, thereby indicating that they are not the same thing.

Identifying the link between Management and Leadership

Despite the differences that may exist between management and leadership, there are similar characteristics that are included in both concepts that are listed below:

1. Managers and Leaders should work cohesively together to achieve the desired objectives, vision and mission of the organization (Hiam, 2003).

2. Managers and Leaders should understand the importance of Planning, and work together to effect strategy formulation and implementation (McGraw and Hill 2007).
3. Strategic managers and leaders must accept change (David, 2011).
4. The ability to lead and motivate people is a critical component of successful Leaders and Managers (Lussier, 2008 cited by Nelson, 2015).
5. Managers and Leaders have to recognize that there is no “I” in “TEAM” and that (Together Each Achieves More). It is therefore imperative that the goals of both the Strategic Managers and Leaders are aligned (Smith, 2015)
6. Managers and Leaders should collaborate on crafting a vision for the organization that helps to shape said organization (Hill and Jones, 2011 cited by Nelson 2015).

In trying to accomplish an organization’s goals and objectives, Strategic Managers and Leaders must first determine the desired objectives to ensure that they are mutually aligned. This will ensure that employees’ results are similarly aligned. In so doing, they must identify what the organization is about, the future direction the business wants to take on and desired approach/plan of action to achieve the set targets. Strategic Management involves the identification and the portrayal of the strategies that managers utilize to achieve the organizational goals while a leader will similarly find it necessary to develop strategies as to how he or she will go about achieving the necessary goals and objectives. Both Strategic Managers and Leaders are required to be acceptable to change since the world is very dynamic and change is continuous. A Strategic Manager would therefore need to re-evaluate the strategies as he or she sees fit as well as being able to implement the new strategies to project the change. A leader is required to be an innovative person as new ideas will continually have to be developed to get new followers as well as being able to generate new ways of inspiring trust (David, 2011). Strategic Managers and Leaders will be interacting with people while performing their duties and should therefore be able to effectively communicate their thoughts and visions to others in a way that is creative and easy to understand. As a Senior Manager, it is my duty to perform management functions on a daily basis as it is part of my job description. Some roles which display such functions include: ensuring that the right persons are recruited and selected for vacancies as they arise, developing strategic and operational plans that are aligned to the organization’s goals and objectives, ensuring a productive and healthy work environment by supervising staff and delegating responsibilities, taking the necessary corrective action(s) when required and also through the provision of leadership, guidance and counselling for staff as well as ensuring that decisions made are in compliance with the relevant legislation and procedures. I also act as a leader as I have to inspire and motivate others in creating a shared focus which ensures that there is a common sense of direction. I have to therefore try to link my strategic management and leadership skills in achieving the organization’s goals and objectives. The link between strategic management and leadership is also made apparent by the other managers as they are inspired to ensure that they clearly understand each term and perform accordingly.

AC 1.2 ANALYSE THE IMPACT OF MANAGEMENT AND LEADERSHIP STYLES ON
STRATEGIC DECISIONS

Nag (2011) postulated that there is no single correct leadership style that should be used at all times, rather, leaders choose to use different styles of leadership which suits the circumstance and helps to best tackle the challenges being faced in the organization. Each leadership style will have its own advantages and disadvantages which thereby makes it imperative to use a style that best suits the situation at hand. Nag gave a brief overview of the eight popular leadership styles: Autocratic, bureaucratic, democratic, laissez-faire, charismatic, transformation, transactional and servant leadership style. These leadership styles are further detailed below:

1. The Autocratic leadership style has one person in charge who has total authority and control over decision making (Sampson, 2010).
2. The Bureaucratic leadership style is said to be leadership based upon fixed official duties under a hierarchy of authority, applying a system of rules for management and decision making (Thomas, 2016).
3. Democratic leadership style is also referred to as the participative style and is the most popular leadership style from the perspective of an employee as they are able to contribute to the decision making process which increases their job satisfaction and further boosts their morale by allowing them to accomplish their goals (Nag, 2011).
4. A laissez-faire leader is one who does not provide direct supervision of employees, this leader gives employees a significant amount freedom and leverage. This style would be ideal in situations where highly experienced and are creative and fails to provide regular feedback to those under his supervision (Williams, 2016).
5. The Charismatic leadership style involves gathering their followers by virtue of their personality and charm and does not involve the use of authority to influence their followers, but rather their body language and persuasive skills (Nag, 2011).
6. The Transformational leadership style involves the use of management to accomplish goals and is highly dependent on high levels of communication from management to meet goals (Muller, 2013).
7. With the Transactional leadership style in place managers receive certain tasks to perform and provide rewards or punishments to team members based on performance results (McMahon, 2012).
8. The Servant leaders achieve results by focusing on the needs of their peers and their bosses and would usually work towards solving their problems and foster personal development. Leaders are recognized and remembered in the long run by their

capacity to care for their followers, their communication skills and their commitment to the cause (James, 2011).

How leadership styles impact strategic decision making

In order to successfully make strategic decisions the right leadership style has to be chosen as otherwise the decision may result in a failure. As such, it is imperative for an organization's managers and leaders to determine which leadership style would be most suitable when making strategic decisions so as to ensure the achievement of organizational goals.

With an Autocratic leadership style in place, employees are not able to challenge the decision made by their manager nor are they able to make suggestions whether or not they would have been beneficial to the welfare of the organization. Employees thereby only benefit from this leadership style if they require close supervision since the leader does the entire decision making. The democratic leadership style on the other hand, allows employees to participate in the decision making process further, allowing the development of trustworthiness between the leader and the employees usually resulting in more effective and efficient outcomes (Nag, 2011). Kors (2011) indicated that the bureaucratic leadership style is based on a rule book as there has to be strict adherence to the rules, policies and procedures and is said to be most effective in situations where routine jobs are performed by employees. This approach will impact decision making significantly if it is that the organization is hoping to better achieve their standards, maintain their quality and increase safety as there will be no errors due to all the rules and regulations to be followed. The Laissez-faire leadership style will be successful if it is used in situations where the employees are skilled and possess enough knowledge to make decisions on their own since guidance is not provided by their leaders (Clinton, 2014).

By using charm as an influence, a charismatic leader would be able to achieve strategic decisions if he or she persuades the employees to carry out the necessary tasks to achieve organizational goals. A transactional leader believes that rewarding or punishing employees will help them to perform well. As such the extrinsically motivated employees will happily work at finding the best solutions to whatever tasks they are assigned in achieving organizational goals. A transformational leader will be required to motivate employees to work by clearly communicating the goals and vision of the organization to them in order for them to perform well. The servant leader is able to make good strategic decisions that will positively impact the employees and in turn, the organization since he or she is actively involved in developing employees' wellbeing.

New Money Automotive Sales & Imports and its parent company (Monarch Financial Services Limited) possess a diverse leadership team comprising of leaders who utilize varying leadership styles to get the job done. However, all the leaders have one ultimate goal in mind which is to

ensure that the organization's strategic goals and objectives are achieved. A majority of the senior managers primarily utilize the Authoritative Leadership Style as they are at the top of the pyramid and are generally required to make decisions without consultation. The sales managers employ a transactional leadership style because they are aware that members of the sales team are extrinsically motivated and since high performance is required, employees will therefore work to improve their performance so as to receive the rewards. The Human Resource Manager on the other hand, represent the employees and as such employ a servant leadership approach where they try to represent the employees and make decisions to benefit them. At the mid management level, a democratic approach is suitable since managers want to give employees a chance to provide their opinions as to how the organizational strategies can be improved in order to have a more competitive edge over other organizations. Not all leadership styles will be successful and as such managers have to continuously analyse the situation at hand before determining which style is believed to be the most suitable and will be most successful.

AC 1.3 EVALUATE HOW LEADERSHIP STYLES CAN BE ADAPTED TO DIFFERENT SITUATIONS

Different types of leadership styles exist in work environments. Advantages and disadvantages exist within each leadership style. The culture and goals of an organization determine which leadership style fits the firm best. Some companies offer several leadership styles within the organization, dependent upon the necessary tasks to complete and departmental needs. When developing leadership skills, a leader should ask his/herself, “What leadership style works best within this organization?” To answer this question, it’s best to understand that there are many styles from which to choose and as part of a leader’s development effort. Leaders should consider exploring different leadership styles. In fact, choosing the right style, at the right time in the right situation is a key element of a leader’s effectiveness. Leaders cannot allow complacency to seep in where they utilize one leadership style continuously for all situations. Some styles overlap (i.e. charisma and transformational); some can be used together (facilitative and team leadership); others are used less frequently (strategic and cross-cultural); and some are polar opposites (autocratic & participative). Typically, the style used in a particular situation is a reflection of the style of the leader, however, (Kennedy, 2013) opined that leadership styles can be adapted based on the situation which the leader is facing at the moment. There will be situations which will require leaders to make decisions that may not be guided by his/her traditional leadership style. This kind of leadership flexibility was explored by (Klenke, 1996 who researched into the works of Fielder (1967) in examining the Situational Leadership Theory, this theory concluded that there is no one way of managing or leading. Each assigned leader of a particular organization will utilize different patterns of leadership which they see fit in growing the organization. From this, it can be concluded that leaders who are able to adapt to different situations and utilize different leadership styles will ultimately be able to make progression when compared to others who believe that a single leadership style is sufficient.

Kennedy (2013) theorized that leadership and change collectively can be identified with the transformational leadership style. Transformational leaders influence their followers by promoting change in thinking, attitude, outlook and behaviour. These types of leaders believe that changing an individual’s way of thinking can change the person’s outlook in general. The transformational leader is one who is very critical by nature in building the company or organization he or she is assigned to. It is important that as a transformational leader you are able to analyse where the company is at the moment of given leadership and how as a leader you are able to change what that company is doing which in turn build the company as a brand. It is

normative that this type of leader adheres to company standards, abide by the stipulated principles, and carry out tasks and duties as mandated by the organization and its corporate culture. As for the scenario above it is imperative that a transformational leader be put in place to bring about change within the organization. A second alternative is that the current leader adopts the qualities of a transformational leader and start with the man in the mirror. If change should come to the organization, it must start at the head first, as the common saying goes, “lead by example.” As the leader of an organization, you must always be cognizant that your employees are looking up to you. They emulate what the leader brings to the table and exude the same level of effort being publicized by the leader.

Through extensive research the following 5 Leadership Styles were identified as being the most often utilized.

Laissez-faire

A laissez-faire leader lacks direct supervision of employees and fails to provide regular feedback to those under his supervision. Highly experienced and trained employees requiring little supervision fall under the laissez-faire leadership style. However, not all employees possess those characteristics. This leadership style hinders the production of employees needing supervision. The laissez-faire style produces no leadership or supervision efforts from managers, which can lead to poor production, lack of control and increasing costs.

Autocratic

The autocratic leadership style allows managers to make decisions alone without the input of others. Managers possess total authority and impose their will on employees. No one challenges the decisions of autocratic leaders. Countries such as Cuba and North Korea operate under the autocratic leadership style. This leadership style benefits employees who require close supervision. Creative employees who thrive in group functions detest this leadership style.

Participative

Often called the democratic leadership style, participative leadership values the input of team members and peers, but the responsibility of making the final decision rests with the participative leader. Participative leadership boosts employee morale because employees make contributions to the decision-making process. It causes them to feel as if their opinions matter. When a company needs to make changes within the organization, the participative leadership style helps employees accept changes easily because they play a role in the process. This style meets challenges when companies need to make a decision in a short period.

Transactional

Managers using the transactional leadership style receive certain tasks to perform and provide rewards or punishments to team members based on performance results. Managers and team members set predetermined goals together, and employees agree to follow the direction and

leadership of the manager to accomplish those goals. The manager possesses power to review results and train or correct employees when team members fail to meet goals. Employees receive rewards, such as bonuses, when they accomplish goals.

Transformational

The transformational leadership style depends on high levels of communication from management to meet goals. Leaders motivate employees and enhance productivity and efficiency through communication and high visibility. This style of leadership requires the involvement of management to meet goals. Leaders focus on the big picture within an organization and delegate smaller tasks to the team to accomplish goals.

Persons, however, are not limited to these leadership styles as there are many more from which to choose from when developing leadership qualities.

A great coach is definitely a leader who also possesses a unique gifts ability to teach and train. They groom people to improve both knowledge and skill.

AC 2.1 REVIEW THE IMPACT THAT SELECTED THEORIES OF MANAGEMENT AND LEADERSHIP HAVE ON ORGANIZATIONAL STRATEGY

It can be said that different theories of Leadership and Management impact on the strategy that different Organizations use to achieve their goals in today's competitive business environment. Management theories are implemented to help increase organizational productivity and service quality. Not many managers use only one theory or concept when implementing strategies in the workplace. They commonly use a combination of a number of theories, depending on the workplace, purpose and workforce (Hawthorne, 2016). The Behavioural Theory of Leadership evaluated what successful leaders did, developed different classes of actions, and identified broad patterns that indicated different leadership styles. Behavioural theory also incorporates B.F. Skinner's theory of behaviour modification, which takes into account the effect of reward and punishment on changing behaviour. An example of this theory in action is a manager or leader who motivates desired behaviour by scolding employees who arrive late to meetings and showing appreciation when they are early or on time (Boundless.com, 2015). The behavioural theory also brought about the different Leadership styles: Autocratic approach, Democratic approach, Laissez-faire approach (prenhall.com, 2016).

Situational theory of leadership is based on the belief that the amount of leadership a supervisor should put out will vary from situation to situation. Some situations require extensive amounts of leadership; other situations require much less. Hawthorne (2016) opined that Contingency Theory asserts that managers make decisions based on the situation at hand rather than a "one size fits all" method. A manager takes appropriate action based on aspects that are most applicable to the current situation. Managers in an organization may want to utilize a leadership approach that includes participation from workers, while a leader in another company may want to use an autocratic approach.

According to (changingminds.org, 2016) the Transactional Leader works through creating clear structures whereby it is clear what is required of their subordinates, and the rewards that they get for following orders. The early stage of Transactional Leadership is in negotiating the contract whereby the subordinate is given a salary and other benefits, and the company (employee's manager) gets authority over the subordinate. When the Transactional Leader allocates work to a subordinate, they are considered to be fully responsible for it, whether or not they have the resources or the capability to carry it out. When things go wrong, then the subordinate is

considered to be personally at fault, and is punished for their failure (just as they are rewarded for succeeding). According to (Ogilvie, 2014) the Transformational Leadership Theory is geared towards creating high-performance workforce. Transformational leadership may be found at all levels of the organization: teams, departments, divisions, and organization as a whole. Such leaders are visionary, inspiring, risk-takers, and thoughtful thinkers. They have a charismatic appeal. But charisma alone is insufficient for changing the way an organization operates.

Theories of motivation that we believe significantly impact on employees within an organization include: Hierarchy of Needs Theory; when employees have the physiological needs such as basic salary and good working environment. Safety needs such as Health insurance, job security, actual security at the workplace and pension. Within the work environ, there are certain needs that an employee hopes to fill. These include, but are not limited to esteem needs which involves achievement; education, getting a degree, self-actualization; house, car, higher level education. The workers within any organization will be able to perform at optimal levels, with this being said management will not be able to provide the entire needs on the hierarchy and of such as long as the lower level needs are taken care of then higher level needs will fall into place, so leaders should endeavour to provide the basic needs of their employees in order to get the best performance from them.

Motivation-Hygiene Theory; Herzberg's two factor theory simple speaks to extrinsic motivation of the employee which includes: salary and good working conditions. On the other hand, there are the intrinsic motivators for those employees who are not motivated by monetary gains, they include: recognition, achievement and responsibility (Grant, 2009). Leaders and managers have to make it their duty to know what motivates their subordinates as this can be crucial to influence the level of work that they put out; this intern is linked to the organization's success. Equity Theory; speaks to fairness and equity as key components of a motivated individual. It is based on the idea that individuals are motivated by fairness, and if they identify inequities in the input or output ratios of themselves and their co-workers or persons in similar positions at other companies, they will seek to adjust their input to reach their perceived equity. The higher an individual's perception of equity, the more motivated they will be and vice versa: if someone perceives an unfair environment, they will be de-motivated (Bush, 2015).

Management and leadership theories are important for formulating, executing and controlling the organisational strategies. Different management theories like behavioural theory, situational theory, and contingency theory and so on; all can be used in making organisational strategies. Similarly, different leadership styles can also be used in organizational strategy implementation. The leadership styles can be used to analyse whether the employees are satisfied with their leaders or not. For this purpose transactional or transformational leadership styles can be used for the achieving successful organisational strategy (Madden, 2015).

AC 2.2 CREATE A LEADERSHIP STRATEGY THAT SUPPORTS ORGANIZATIONAL
DIRECTION

Bersin (2014) defines a leadership strategy as the company's leadership requirements, which include a number of leaders and at what levels these leaders should be, as well as the skills, behaviors and capabilities these leaders should have and will need going forward. Through the interpretation of information gathered during environment analysis, managers can determine the direction in which the organization should move (Carter, 2008). Before deciding on what leadership strategy to use, a business will first have to know where it is now, where they want to go and what they want to achieve. With that being said, whenever the business finds itself in difficult situations, then management should endeavor to come up with effective solutions so that the business can keep on track of what it wants to achieve

Identifying the problem - Root Cause Analysis

After analyzing New Money Automotive Sales & Imports (NMSAI) a few key issues were identified. Having ascertained that the target market of NMSAI is; Small Business Operators, College Students, Adults between the ages of 30 and 55, Taxi Operators and Families. It was identified that the current form of advertising of the business product offerings is only done online and in the newspaper, this is considered insufficient given the size and scale of the business and its goal of becoming a major player in the Jamaica Used Car Industry by 2020. There is also the issue of limited start-up cost and little or no product differentiation. According to the (Jamaica Used Car Dealers Association, 2015) these are issues faced by similar businesses within the industry.

Proposal - Strategy for Solution

The President and CEO of Monarch Financial Services Limited (the parent company) is the owner of one hundred percent (100%) of the shares in the business. It could prove extremely beneficial to get employees more involved and driven to work harder, if they were provided with the option to purchase small percentage non-controlling shares in the business; so they will not only be interested in getting a monthly salary but will have an interest in seeing the business grow as this growth will increase their financial portfolio. However, it is commendable that the current sales strategy seeks to train members of the sales team into good customer relations and

also all potential sales are handled in a timely manner. By selling shares to the employees of the business, New Money Automotive Sales & Imports intern can gain much needed capital to expand their horizons. Since there is no product differentiation New Money Automotive Sales & Imports needs to be strategic in gaining a strong competitive advantage over its competitors. This can be achieved by gaining strong customer loyalty through its world class customer service, this can be accomplished by providing quality after sales service which can increase repeat brand loyalty and repeat customers. Other ways to build customer loyalty maybe, issuing gifts to customers who purchase a motor vehicle, like gift vouchers for a free car wash or even a free tyre.

New Money Automotive Sales & Imports places emphasis on recruitment, training and continuous development of its employees. The marketing strategy, though effective can be expanded to achieve significantly more results such as employing a more direct marketing approach. This could be accomplished by creating a medium to directly attract new customers by going into the geographic markets and promoting the business and its product offerings rather than waiting for them to see our online or printed media advertisements and come to us. One of the most opportune to do this is when there are effective sales promotions or product launches which would undoubtedly generate new leads and customer interest. These could go a far way in creating more customer awareness and creating/improving customer and brand loyalty. Therefore, it is proposed that the leadership put together a promotional team either through utilizing internal employees or via outsourcing to an entity that specializes in developing and effectively managing and deploying targeted promotional campaigns. Finally, even though poor communication is not identified as a problem between the management and employees of New Money Automotive Sales & Imports. It should be implemented in the leadership strategy in which managers and employees come together in a meeting to share ideas or states their concerns all in an effort to make the business more successful. Employees and junior managers who are afforded this opportunity will often feel as if they are a part of the force that is shaping the business. This can ultimately increase performance, productivity and team morale.

AC 3.1 USE APPROPRIATE METHODS TO REVIEW CURRENT LEADERSHIP
REQUIREMENTS

Shrm.org (2008) defines leadership competencies as leadership skills and behaviours that contribute to superior performance. Some of the factors that are responsible for managers becoming more effective leaders are: virtual organisations, diversity, globalisation, economic climate, world threats, ethics and corporate social responsibility; e-leadership, mergers and takeovers, restructuring, integrity leadership, diverse teams, partnerships and alliances, regulatory compliance, changes in reporting and control, new technology, interim leadership (LCBGlobal.co.uk, 2015). Ford (2014) postulated that in order to be a competent leader; one should have effective communication, time management, innovation, people management, and motivational, interpersonal, and coaching skills. In order to meet this leadership requirement, the five steps GAP Model as well as a situational analysis were used to point out the current leadership requirements of New Money Automotive Sales & Imports.

Leadership Requirements for Organizational Direction

Thorough analysis revealed that New Money Automotive Sales & Imports has indeed been effective with its current leadership requirements but there are areas that have room for further improvement.

Communication Skills: Communication is a fundamental component in successful organizations. Though good communication is present within the company. There is significant room for improvement if NMASI is serious about accomplishing its vision 2020. The communication between managers is relatively good this could be as a result of the current small management team, which as at January 2016 composes of two managers, and a liaison designates who is assigned by the parent company. However, the area as determined by this research that needs to be targeted for serious improvement is communication between employees and senior management.

Motivation Skills: NMASI's team recognizes the importance of motivation and utilizes several initiatives aimed at improving employee motivation. In fact, one of the core values of the parent company is that (happy employees = happy customers). This seems to be the driving factor behind the benefits and incentivation packages that are offered. To include, bonuses and

commissions that are given to employees who achieve set performance or sales targets, in the house after school/day care centers for employees with children and seeking to fill managerial vacancies from current employees that meet the requirement before exploring the option hiring new managers.

Technical Skills: This aspect of the business is also well taken care of as one of the NMSAI's greatest human resources are its Garage Manager/Head Mechanic, who has over 25 years of experience and has gained the trust and respect of a large its customer base. He also has the knowledge, skills and competence to fix things effectively. New Money Automotive Sales & Imports, however, seems to totally rely on the services of, its Garage Manager/Head Mechanic.

Interpersonal Skills: Since the team at New Money Automotive Sales & Imports is relatively small there is no evidence to indicate that there are interpersonal skills are poor among managers and subordinates. However, in order to be successful all employees and managers alike should endeavour to develop their interpersonal skills in order to get along well with others to get the job done as proposed by (Stewart 2016). There is evidence of coaching skills exemplified by leaders as needed even though employees are extensively trained during the hiring process. Because of how the business is strategically located and its competitive strategies are set, it is safe to conclude that good decision making skills as well as innovative skills were also used by the Managers in the business. Managers seem very receptive in accepting change as the business is aspiring to establish a presence on various social media platforms. This is crucial for the success of businesses, especially in our global and technologically driven business environment.

Current GAPS identified

- Senior Managers and need to find an effective approach to bridge the communication divide between employees and the company's executives from both New Money Automotive Sales & Imports and its parent company; Monarch Financial Services Limited.
- Employees should be trained to be more diversified since the labour force at New Money Automotive Sales & Imports is very small right now. The managers need to put the necessary mechanism in place to ensure continuity of the business in s scenario where the Head Mechanic/Garage Manager decides to leave the job. Business activity should not slow down if an employee is absent, there should be someone willing and capable to fill the position.
- Though there seems to be an open minded approach to adapting to changes when needed

(situational leadership) more needs to be done in this regard. A business cannot survive by doing the same thing consistently. In fact, (Einstein, 1945) defined “insanity” as “doing the same thing over and over and expecting a different result. For businesses to be successful in the 21st century changes have to be made. Change can come in varying forms such as: change in marketing approach, leadership style, product offerings, location promotional tools and several others. Without adapting to changes businesses face the risk of becoming obsolete.

AC 3.2 PLAN FOR THE DEVELOPMENT OF FUTURE SITUATIONS REQUIRING LEADERSHIP

As a result of the need for a higher performance work force and strategic leaders within the company an assessment was done to determine what issues exist in order to mitigate strategies to help solve these problems in order to achieve great success. Some of the problems identified are in relation to the low levels of communication skills, motivational skills and technical skills which are considered to be important skills to possess and be able to properly execute when working in companies where sales and customer service is of top priority. To help develop future situations that will require leadership a plan was put in place which is highlighted below.

Required Competencies	Strategies for Achievement	Expected Outcome
Motivational Skills	<ul style="list-style-type: none"> • Ensure that managers are knowledgeable of what the organization’s vision, mission and strategic goals are. • Develop strong understanding of the importance of employee motivation. • Conduct performance appraisals. • Allow managers to determine why the attainment of the organization’s goals is important to them, which will allow them to feel more comfortable and satisfied in empowering others to do the same. • Engage in empowerment sessions where coaching is provided. 	<ul style="list-style-type: none"> • Employees who are able to motivate customers to complete business transactions with our company. • Managers who are able to inspire their staff, whether they are extrinsically or intrinsically motivated. • More productive workforce. • Highly satisfied customers.
Decision Making	<ul style="list-style-type: none"> • Conduct a cost-benefit 	<ul style="list-style-type: none"> • Enforcement of more

<p>Skills</p>	<p>analysis to determine the opportunity cost of implementing one decision over another.</p> <ul style="list-style-type: none"> • Determine the significance of a potential decision and who will benefit as well as how benefits will be derived from such a decision. • Have critical thinking session where managers will be encouraged and taught how to critically analyse situations. 	<p>strategic decisions.</p> <ul style="list-style-type: none"> • Develop more critical thinkers.
<p>Interpersonal Skills</p>	<ul style="list-style-type: none"> • Improve communication skills by first portraying a positive attitude and being an active listener. • Practice self-management techniques to help deal with frustrating and adverse situations. • Practice emotional intelligence while interacting with individuals with different personalities. 	<ul style="list-style-type: none"> • Developed credibility inspired by trust. • Team work.
<p>Technical Skills</p>	<ul style="list-style-type: none"> • Creating personal development plans. • Providing technical training sessions to help improve cognitive capabilities. • Encourage participation in skills assessment tests so as to be able to tailor those skills to their advantage. 	<ul style="list-style-type: none"> • Increased ability to take charge of situations when necessary and handle them accordingly.
<p>Communication Skills</p>	<ul style="list-style-type: none"> • Ensure that the fundamentals of good communication is clearly understood. • Ensure there is a forum available where concerns can be voiced and be dealt with accordingly. • Develop employee training programs geared towards promoting more social, interactive and open 	<ul style="list-style-type: none"> • Improved relationships. • High performance work teams.

	<p>discussions.</p> <ul style="list-style-type: none"> • Practice team building exercises. 	
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The Goal

The goal of the strategic plan is to ensure that the organization will be led by capable and focused leaders and managers who will ensure that the organization is being operated in the most effective and efficient manner and where positive relationships and impeccable qualities will be displayed. This achievement of this goal is set to be accomplished within a four-month period.

The Plan

Not all persons are born with the ability to successfully lead others which therefore means that other persons would require training and guidance in order to boost their leadership skills. As such a strategic plan was developed outlining steps to be taken in order to enhance the required competencies that leaders should possess in guiding the organizational goals and objectives.

Usefulness

After assessing and determining the required competencies that leaders at New Money Automotive Sales and Imports Limited, a plan was developed to address these issues since it is the company’s aim to provide customer satisfaction through contact with experienced professionals. The plan for the training of managers will be implemented so as to mitigate the low levels of performance in the areas identified and guide the company towards organizational development in keeping with changes occurring in the society. The steps to be taken toward achieving organisational direction are detailed below.

Step 1: Conduct a S.W.O.T. and STEEP Analysis to determine shortfalls in performance

The first step involves conducting a SWOT (Strength, Weaknesses, Opportunities and Threats) analysis, which is geared towards determining the strengths and weaknesses of the managers and employees as well as identifying opportunities for change and threats that may affect performance in any way. The STEEP (Social, Technological, Economical, Environmental, and

Political) analysis will also be used to help determine the external factors that would possibly affect the company and the decision making process. The SWOT analysis will therefore help to alleviate such issues identified and enhance the good qualities. To ensure that the most favourable results are achieved, steps will be put in place to ensure that all managers will participate in the training sessions to be provided as well as the empowerment sessions so as to enhance their skills hence, revealing their ability to perform better and reap favourable results. The STEEP analysis, on the other hand will only help the organization to achieve its goals and objectives and make better decisions as well as to gain a competitive advantage over other competitors.

Step 2: Conduct performance assessments

Performance assessments will be conducted on a regular basis, on a monthly basis at first, to determine how things are progressing, if there are changes in behaviours, attitudes and work ethics as well as to evaluate if there are positive changes taking place. These performance assessments will help to determine the nature of the individual's accomplishments and provide the opportunity to develop an improved manager/employee relationship which will allow both parties to interact more with each other so as to be able to better communicate expectations and possible problems. These performance appraisals will also help to provide a better insight as to why the shortfalls in performance occurred in the first place making it easier to provide solutions. Performance assessments can also be extended to the overall organization so as to identify possible improvements made.

Step 3: Mentoring

This step will involve providing mentors for the individuals who need them. It allows them to have a role model to guide him or her along the right path who can mould him/her in becoming a great leader and being a more effective worker. This will also provide a chance to improve motivational skills which are essential to the success of the company.

Step 4: Monitor progress and reward success

The final step is to continuously monitor how things are progressing and possibly providing rewards for improvements made which can in turn also improve an individual's motivation to

perform well. Leadership reviews can also be conducted to determine how persons have been impacted. Monitoring progress in both performance and the organisation as a whole will also help to determine the way forward.

The Outcome

The expected outcome from the implementation of this plan is to increase employee morale and improve performances geared towards the achievement of the company's goals and objectives in an effective and efficient manner. It is therefore expected that there will be a sharpened display of decision making skills, communication skills, motivational skills, interpersonal skills and technical skills.

AC 4.1 PLAN THE DEVELOPMENT OF LEADERSHIP SKILLS FOR A SPECIFIC
REQUIREMENT

When operating a business, it is always crucial to have a plan as it will help to articulate projects and increase the chances of properly allocating resources for the project's successful completion. Similarly, it is beneficial to plan for the development of leadership within a company so as to help employees to develop their skills and traits leading to personal and /or professional development. For professional development a skills development plan can be very effective as it will help to achieve career aspirations and professional development (Plan, 2016). As new skills are developed and new goals are set, there needs to be a plan to assess how the organization will be impacted and within what time frame the expected results should be achieved. Current trends and changes in the industry will impact these goals and therefore have to be monitored in helping to shape the organization.

The issues identified

Managers of New Money Automotive Sales & Imports have identified the problems of low levels of communication, poor motivational skills and lack of technical skills being core problems. It was revealed that poor display of these skills has resulted in lower than standard sales and customer satisfaction which has impacted the company negatively. Managers have met with employees and have communicated the problem at hand where it was decided that a skills development plan would be established in order to help individuals develop professionally and improve manger-employee relationship as this was one of the causes for employees not being as motivated to perform at the expected standard.

Areas to be developed

The issues of staff not being as motivated as they should be and the need for display of better communication and technical skills have been identified as the areas that need to be developed.

Since the causes have been finalized, it should therefore help in the decision making process when deciding how to handle the situation and improve the skills stated.

Skills Development Plan

A plan geared towards assessing and improving the gaps in performance identified has been developed in order to improve the company's sales performance and guarantee customer satisfaction and will be implemented as discussed below.

Step 1: Identifying areas for improvement

One of the key objectives in an employee performance evaluation is to address any of the areas that are most closely related to the employee's ability to reach his or her personal goals and contribute to the team. As such, in achieving the organizational goals, working together on proposed resolutions would be the best way forward. In identifying the areas of employee performance that need to be improved managers will be given the task of evaluating employees' performances over time as well as his or her own performances as a leader and then determining common relations shared among employees. From the SWOT analysis and skills assessment tests that would have been completed, the manager will know how to proceed and go about making strategic decisions that will help improve the areas identified while keeping in line with the achievement of strategic goals of the organization.

Step 2: Identifying goals

Managers will then allow employees to share some of their individual goals as well as career aspirations that they wish to achieve which will provide a better understanding of how to go about training these persons. Since these goals are what would have inspired employees to work, managers would be able to use it to their advantage and incorporate the achievement of these goals when planning strategies to help improve the skills identified.

Step 3: Training

Skills training sessions by professionals will be scheduled which would be mandatory for all parties involved as these sessions would help to provide ways to improve skills and help individuals to develop professionally. Sessions would also be geared towards helping individuals acknowledge their strengths and weaknesses and thereby improve them in order to progress. Leaders will also participate in the sessions as they too will be able to improve their leadership skills, hence, being better able to guide their followers. Research has shown that employees feel more motivated when they are aware of exactly what is expected of them and the goals that they are to achieve as well as when their leaders communicate with them and as such the training will help to inspire relationship building. In developing technical skills, persons will be trained in areas that they are not fully knowledgeable about and engaging in new work activities so as to prepare for possible situations that may arise in the future. Customer service training will also be included so as to help enhance communication skills of employees. Results should become evident after a one-month period, despite the fact that training will be ongoing if necessary.

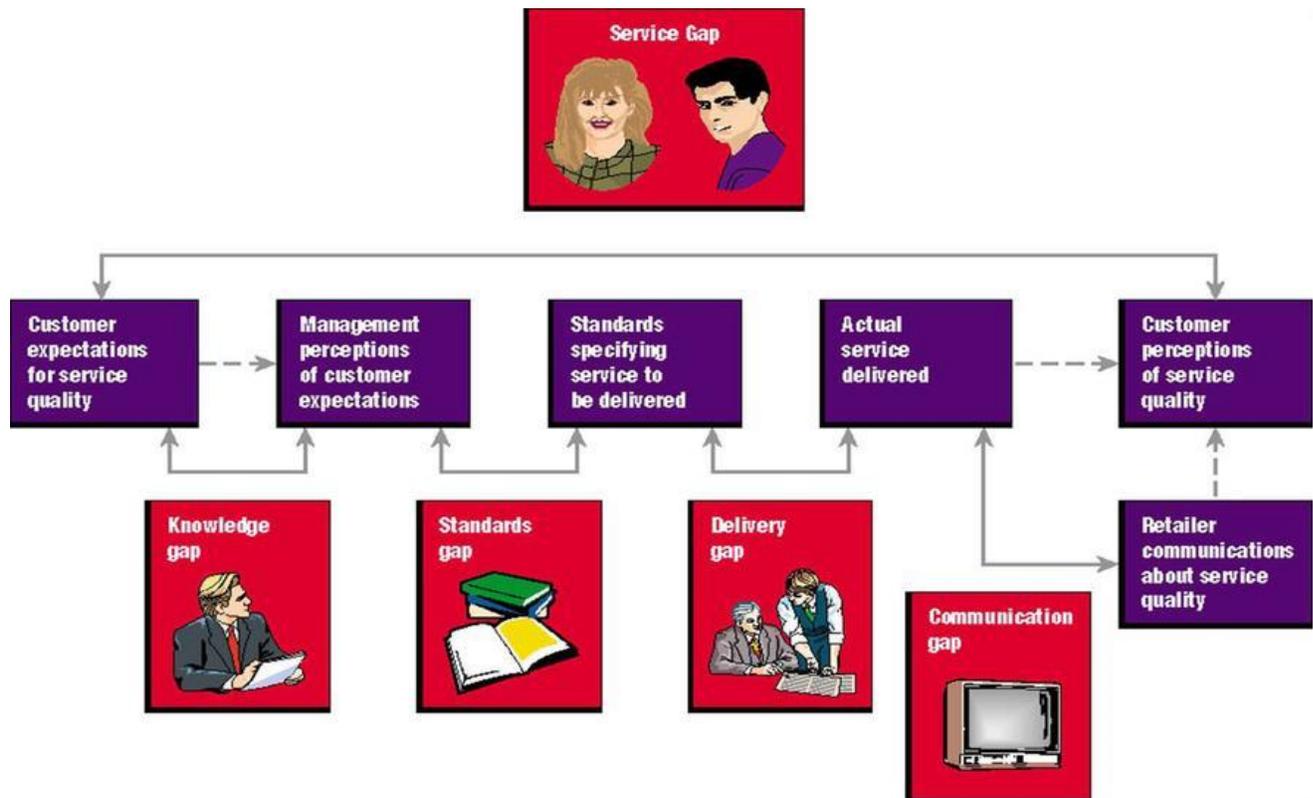
Outcome and Conclusion

It is important for an organization to manage its talent and it is also important that managers are able to lead their followers and be able to motivate and inspire them to achieve the organization's goals and objectives. Teamwork is just as important in an organization's success as a collaborative effort is required for operations to run smoothly. The skills development plan should be able to help managers become better leaders and therefore be able to influence their followers to work assiduously and effectively in order to achieve the organizational goals. Managers should also try to remember to communicate with the employees and keep abreast of what their issues may be, know what motivates them as well as being able to find creative ways to keep them motivated. Since change is vital in today's society employees should embrace change and be made aware of what strategies and amendments are made in the organization as a result so that they will feel involved and valued. If the results from the skills development program is a success, then employees should expect to demonstrate a change in the level of technical support, be able to motivate others and communicate with others in and competent manner. As a result, New Money Automotive Sales and Imports should be able to keep customers satisfied, be more productive and also generate new customers.

AC 4.2 REPORT ON THE USEFULNESS OF METHODS USED TO PLAN THE DEVELOPMENT OF LEADERSHIP SKILLS

Methods used

Customers compare the service they 'experience' with what they 'expect' and when it does not match the expectation, a gap arises. The Service Quality Model, also known as the GAP Model, was developed in 1985. It highlights the main requirements for delivering a high level of service quality by identifying five 'gaps' that can lead to unsuccessful delivery of service.



The GAP Analysis was used to identify the shortfalls in the skills, abilities and competencies of New Money Automotive Sales and Imports. The GAP Analysis by Bleak and Flumer (2009) aided in identifying where there were discrepancies as it relates to the capability of managers as well as it provided guidelines on ways of developing the gaps identified. The SWOT Analysis was a critical part of this research as it provided insight on both internal and external issues that through fixing will create the ultimate benefits that are aimed for. It proved effective because it

was used as a self-assessment tool which allowed managers to assess their current capabilities as well as the requirements for their roles, and decide whether or not they were equipped with the leadership skills befitting their roles or the roles to which they aspire. An additional tool was added, STEEP analysis. This tool unlike the SWOT analysis, which focuses one internal and external factor, pays keen attention to external factors. This is crucial as external factors are those that the organization has no control over and pushes the need for critical thinking and strategic management for the business to thrive.

Rationale for Selected Methods

The **GAP Model** was used in an effort to identify areas in which the needs for improvement were lacking. This model showed the current capabilities of each manager, the future requirements of the organizations for their roles or roles to which they aspire.

The **SWOT Analysis** was also used as it allows individual managers to assess their own competencies and show them where improvements are required. This provided information on internal and external factors that might impact the business whether positively or negatively.

The **STEEP Analysis** focused mainly on external factors that the company will have to overcome in order to make their mark within the business industry. Some factors are competitors, government regulations as well as economic activities, whether it is recession leading to inflation just to name a few.

Continuous Improvement Plan

As a leader it is important that you are versatile; being able to adapt to situations regarding nature and doing so confidently. It is the duty of the leader to ensure that he or she stands upright among employees and take control of situations. Training sessions will be of great effect as well as exposure to areas which will cause multiple leadership styles to be used. Continuous self-introspection by the leader and employees at large will be integrated into the organization. The value of cohesiveness must be emphasized and identification of good work being done must be rewarded. There will be an ongoing training for both managers and staff so the organization will reflect high performance in the upcoming performance appraisal to be conducted. A program, can be implemented that promotes weekly team meeting be in an effort to improve communication skills, public speaking skills as well as to provide a medium for dissemination of information to employees so they will feel like a part of the organization.

Whether you are a proponent or opponent of the theory that leaders are made and not born, it is imperative that leaders within an organization understand that leadership skills can be further developed thus transforming individuals in becoming more effective leaders. Irrespective of outward views it is of utmost importance that leaders take the forefront, lead by example and ensure that whatever they are preaching they are doing and in turn teaching.

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