

WEEK 5

- **UNIT 4: MANAGEMENT AND OPERATIONS**
- **UNIT 5: LEADERSHIP AND MANAGEMENT FOR SERVICE INDUSTRIES**

OVERVIEW

- The Qualities or Traits approach: leaders are born, not made; leadership consists of certain inherited personality traits or qualities.
- The Functional or Group approach: leadership can be learned and developed. Focuses on the accountabilities, responsibilities and functions of the leader and the nature of the group.

CONTINGENCY APPROACHES

- Every business owner has his own leadership style, based on his personality and business type. There are six major recognized leadership styles used in business. The contingency approach refers to the idea that business leaders need to adjust leadership styles based on the situation at hand. It becomes a balance of a business leader's natural style and understanding when and where it needs to be altered.

CONTINGENCY APPROACHES

- The contingency approach is a management theory that suggests the most appropriate style of management is dependent on the context of the situation and that adopting a single, rigid style is inefficient in the long term. Contingency managers typically pay attention to both the situation and their own styles and make efforts to ensure both interact efficiently.

CONTINGENCY APPROACHES

- The contingency approach contrasts with other forms of leadership, such as trait-based management, whereby personality and individual make-up predict patterns of management and responses to given situations over time. Another management approach is style-based app.

CONTINGENCY APPROACHES

- Contingency theory is beneficial to organisations because of the potential for learning from specific situations and using these lessons to influence future management of the same or similar situations. The ability to adapt to external pressures and changes is also an advantage. Contingency theory may also produce more well-rounded leaders who are able to develop their skills in multiple areas.

ROLE OF LEADER

- As a leader, you're forced to play multiple roles within your teams and your organization as whole. No matter the size of a business, the services it provides, or the growth it's experiencing, the drive behind it comes from leadership. And because of the nature of how businesses are most effectively run, a leader is judged on their ability to maximize the potential and performance of his people in order to create value.

ROLE OF LEADER

- Really good companies create value across the board--for the customer, for stakeholders and investors, for employees and for the bottom line.
- Following are the main roles of a leader in an organization :

ROLE OF LEADER

- **Required at all levels-** Leadership is a function which is important at all levels of management. In the top level, it is important for getting co-operation in formulation of plans and policies. In the middle and lower level, it is required for interpretation and execution of plans and programmes framed by the top management. Leadership can be exercised through guidance and counseling of the subordinates at the time of execution of plans.

ROLE OF LEADER

- **Representative of the organization-** A leader, i.e., a manager is said to be the representative of the enterprise. He has to represent the concern at seminars, conferences, general meetings, etc. His role is to communicate the rationale of the enterprise to outside public. He is also representative of the own department which he leads.

ROLE OF LEADER

- **Integrates and reconciles the personal goals with organizational goals-** A leader through leadership traits helps in reconciling/ integrating the personal goals of the employees with the organizational goals. He is trying to co-ordinate the efforts of people towards a common purpose and thereby achieves objectives. This can be done only if he can influence and get willing co-operation and urge to accomplish the objectives.

ROLE OF LEADER

- **Solicits support-** A leader is a manager and besides that he is a person who entertains and invites support and co-operation of subordinates. This he can do by his personality, intelligence, maturity and experience which can provide him positive result. In this regard, a leader has to invite suggestions and if possible implement them into plans and programmes of enterprise. This way, he can solicit full support of employees which results in willingness to work and thereby effectiveness in running of a concern.

ROLE OF LEADER

- **As a friend, philosopher and guide-** A leader must possess the three dimensional traits in him. He can be a friend by sharing the feelings, opinions and desires with the employees. He can be a philosopher by utilizing his intelligence and experience and thereby guiding the employees as and when time requires. He can be a guide by supervising and communicating the employees the plans and policies of top management and secure their co-operation to achieve the goals of a concern. At times he can also play the role of a counselor by counseling and a problem-solving approach. He can listen to the problems of the employees and try to solve them.

FUNCTION OF A MANAGER

- Management has been described as a social process involving responsibility for economical and effective planning & regulation of operation of an enterprise in the fulfillment of given purposes. It is a dynamic process consisting of various elements and activities. These activities are different from operative functions like marketing, finance, purchase etc. Rather these activities are common to each and every manager irrespective of his level or status.

FUNCTION OF A MANAGER

- Different experts have classified functions of management. According to George & Jerry, “There are four fundamental functions of management i.e. planning, organizing, actuating and controlling”.
- According to Henry Fayol, “To manage is to forecast and plan, to organize, to command, & to control”. Whereas Luther Gullick has given a keyword ‘POSDCORB’ where P stands for Planning, O for Organizing, S for Staffing, D for Directing, Co for Co-ordination, R for reporting & B for Budgeting. But the most widely accepted are functions of management given by KOONTZ and O’DONNEL i.e. Planning, Organizing, Staffing, Directing and Controlling.

FUNCTION OF A MANAGER

- **Planning:** This step involves mapping out exactly how to achieve a particular goal. Say, for example, that the organization's goal is to improve company sales. The manager first needs to decide which steps are necessary to accomplish that goal. These steps may include increasing advertising, inventory, and sales staff. These necessary steps are developed into a plan. When the plan is in place, the manager can follow it to accomplish the goal of improving company sales.

FUNCTION OF A MANAGER

- **Organizing:** After a plan is in place, a manager needs to organize her team and materials according to her plan. Assigning work and granting authority are two important elements of organizing.

FUNCTION OF A MANAGER

- **Staffing:** After a manager discerns his area's needs, he may decide to beef up his staffing by recruiting, selecting, training, and developing employees. A manager in a large organization often works with the company's human resources department to accomplish this goal.

FUNCTION OF A MANAGER

- **Leading:** A manager needs to do more than just plan, organize, and staff her team to achieve a goal. She must also lead. Leading involves motivating, communicating, guiding, and encouraging. It requires the manager to coach, assist, and problem solve with employees.

FUNCTION OF A MANAGER

- **Controlling:** After the other elements are in place, a manager's job is not finished. He needs to continuously check results against goals and take any corrective actions necessary to make sure that his area's plans remain on track.

FUNCTION OF A MANAGER

- All managers at all levels of every organization perform these functions, but the amount of time a manager spends on each one depends on both the level of management and the specific organization.

SITUATIONAL LEADERSHIP

- Situational Leadership was created by Paul Hersey and Ken Blanchard when they merged their own individual leadership theories to create the model. The premise of this model is that there is not single most effective leadership style, rather there are different leadership styles which are appropriate for different tasks and individuals. Successful leaders are able to adapt their style to the people that they work with. The model is made up of two parts; the learners' development level and the leaders' leadership style.

SITUATIONAL LEADERSHIP

Development Levels

An individual's development level is a result of a combination of their competence and commitment.



Competence = level of skill, experience, knowledge or behaviour relating to a specific task.

Commitment = motivation to learn a task and their confidence in their ability to learn.

These development levels will have different needs and will therefore require a different leadership style from you.

SITUATIONAL LEADERSHIP

- Leadership Styles The four leadership styles of Situational Leadership offer varying degrees of support and direction. The leadership styles can be mapped across the development levels as below. Three key considerations to remember are:
- 1) The importance of matching the development level to the correct leadership style. The consequences of “mismatching” can be detrimental to the learner. For example, being highly directive of someone and micromanaging their workload when in reality they require a more hands off delegating style.
- 2) An individual may need a different leadership style in different tasks – just because someone is D4 (highly competent and highly committed) on part of their role, doesn’t mean they are D4 in all of them.
- 3) An individual can move back and forward through the Development Levels over time, so don’t assume just because someone was D4, they will remain so – commitment or competency can drop too!

SITUATIONAL LEADERSHIP

- At the core of the theory are the four types of interchangeable leadership styles, as conceived by Blanchard and Hersey.
- S1: Telling – an authoritative, direct style where the leader communicates in a one-way capacity exactly what everyone's roles are and what they need to do.
- S2: Selling – similar to Telling, except the leader offers support and guidance to allow participants to buy into the process.
- S3: Participating – a social style whereby the leader provides less behavioural guidance and instead focuses on shared decision-making.
- S4: Delegating – the leader's role is to participate and monitor – the main responsibilities have been passed onto others.

SITUATIONAL LEADERSHIP

- The theory also provides reference for the maturity levels of the audience being led:
- M1 – they lack the skills needed for the task and can't or won't take responsibility for the task.
- M2 – enthusiastic rookies – they're willing to work at the task but lack the skills to do so.
- M3 – their skills are there but lack confidence or willingness to take responsibility for the task.
- M4 – they have the skills and experience to perform the task well, and are confident and willing to take responsibility for the task's results.

SYSTEMS LEADERSHIP

- Systems Leadership enables the leaders in an organisation to create the conditions where people at all levels can work productively to their potential.
- It uses sound principles about human behaviour to create models of good leadership, organisational strategy, systems design and social process. It provides leaders with tools that help to predict people's behaviour in their organisation. It also helps to build effective systems which drive productive behaviour and lead to a more effective realisation of the organisation's purpose.

SYSTEMS LEADERSHIP

- Systems Leadership has been developed by Dr Ian Macdonald throughout his career as an academic and a management and organisational behaviour expert, Professor Catherine Burke of the University of Southern California and Karl Stewart, first as a Managing Director and now as a consultant. It has a basis in the work of Elliot Jaques and has since been added to by other MAC Associates and clients.

SYSTEMS LEADERSHIP

- Though they differ widely in personality and style, genuine system leaders have a remarkably similar impact . Over time, their profound commitment to the health of the whole radiates to nurture similar commitment in others. Their ability to see reality through the eyes of people very different from themselves encourages others to be more open as well. They build relationships based on deep listening, and networks of trust and collaboration start to flourish.

SYSTEMS LEADERSHIP

- They are so convinced that something can be done that they do not wait for a fully developed plan, thereby freeing others to step ahead and learn by doing. Indeed, one of their greatest contributions can come from the strength of their ignorance, which gives them permission to ask obvious questions and to embody an openness and commitment to their own ongoing learning and growth that eventually infuse larger change efforts.

SYSTEMS LEADERSHIP

- As these system leaders emerge, situations previously suffering from polarization and inertia become more open, and what were previously seen as intractable problems become perceived as opportunities for innovation. Short-term reactive problem solving becomes more balanced with long-term value creation. And organizational self-interest becomes re-contextualized, as people discover that their and their organization's success depends on creating well-being within the larger systems of which they are a part.

SYSTEMS LEADERSHIP

- There are three core capabilities that system leaders develop in order to foster collective leadership. The first is the ability to see the larger system. In any complex setting, people typically focus their attention on the parts of the system most visible from their own vantage point. This usually results in arguments about who has the right perspective on the problem.

SYSTEMS LEADERSHIP

- Helping people see the larger system is essential to building a shared understanding of complex problems. This understanding enables collaborating organizations to jointly develop solutions not evident to any of them individually and to work together for the health of the whole system rather than just pursue symptomatic fixes to individual pieces.

SYSTEMS LEADERSHIP

- The second capability involves fostering reflection and more generative conversations. Reflection means thinking about our thinking, holding up the mirror to see the taken-for-granted assumptions we carry into any conversation and appreciating how our mental models may limit us. Deep, shared reflection is a critical step in enabling groups of organizations and individuals to actually “hear” a point of view different from their own, and to appreciate emotionally as well as cognitively each other’s reality. This is an essential doorway for building trust where distrust had prevailed and for fostering collective creativity.

SYSTEMS LEADERSHIP

- The third capability centers on shifting the collective focus from reactive problem solving to co-creating the future. Change often starts with conditions that are undesirable, but artful system leaders help people move beyond just reacting to these problems to building positive visions for the future. This typically happens gradually as leaders help people articulate their deeper aspirations and build confidence based on tangible accomplishments achieved together. This shift involves not just building inspiring visions but facing difficult truths about the present reality and learning how to use the tension between vision and reality to inspire truly new approaches.

TASK OR RELATIONSHIP APPROACHES

- Task-oriented and relationship-oriented leadership styles are among the common approaches used by managers. Typically, all leaders have elements of both task and relationship orientations. However, most tend to lean in one direction or another. Generally, a leader who can balance elements of both can have more long-term influence on his workers.

TASK OR RELATIONSHIP APPROACHES

- A task-oriented leader typically focuses on completing work tasks efficiently and effectively. He tends to stress deadlines, is often organized and is able to convey details of work tasks to employees. He often has a bottom-line approach. A relationship-oriented leader, on the other hand, tends to stress building relationships with his workers. His objective is to build rapport with employees so that they are motivated to work well together and to complete tasks. He tends to place more emphasis on group harmony and culture.

TASK OR RELATIONSHIP APPROACHES

- Leaders generally need the ability to influence others to succeed. Task-oriented leaders tend to use a more autocratic approach to leadership. They often rely on position power, goal setting, results tracking, clear directives and pushing of employees. Self-motivated workers tend to make a better fit with a task-oriented leader. A relationship-oriented leader uses empathy and relationships to influence. He believes that if employees see he genuinely cares about them as people, they are more likely to take direction and be inspired by his guidance.

TASK OR RELATIONSHIP ORIENTATED APPROACHES

- A key distinction between these two leadership styles relates to their view of time. Task-oriented leaders tend to be very time-centered. Deadlines are critical, and social interaction should not get in the way of work completion. The relational leader usually puts interaction and group harmony above deadlines or efficiency. While work must be completed, he is more likely to set aside group activity time or team-building exercises.

TASK OR RELATIONSHIP ORIENTATED APPROACHES

- At the extreme, each style has risks. An effective leader normally functions somewhere in the middle of a continuum between the extremes. An overly task-oriented leader can come across as bossy, somewhat like a dictator using workers as a means to an end. This can lead to low morale and, eventually, poor productivity. An extreme relational leader can put too much emphasis on group harmony at the expense of timely work. This may lead to inefficiency or missed deadlines in his department. In some cases, the relationship-oriented leader is too concerned with being liked to push employees.

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