

**TOPIC: MANAGEMENT & LEADERSHIP – MEMORANDUM****1. Differences between leadership and management**

<b>Leadership</b>	<b>Management</b>
Influences human behaviour.	Guides human behaviour.
People orientated.	Task orientated.
Does things right	Does the right things
Focuses on what and why.	Focuses on how and when.
Focuses on the long term.	Focuses on the short term.
Communicates by means of interaction.	Communicates through management functions, e.g. line function.
Encourages new ideas to increase productivity.	Administers plans to reach targets.
Inspires staff to trust and support each another.	Controls systems and procedures to get the job done.
Leaders are born with natural leadership skills.	A person becomes a manager because of the position in which he/she is appointed.
Guides people to become active participants.	Manages the process of getting things done by exercising responsibility.
Leaders have power because of his/her knowledge, skills or intelligence.	Managers have power because of the position of authority into which they are appointed.
Always trying to find more efficient ways of completing tasks.	Ensure that tasks are completed.
Motivational in their approach	Instructional in their approach.
Lead by example, trust and respect.	Manage by planning, organising, leading and control.

**2.1 Democratic leadership style can be used when:**

- Group members are skilled and eager to share their ideas.
- The leader does not have all the information needed to make a decision and employees have valuable information to contribute.
- Cooperation is needed between a leader and a team.
- Decisions need to be looked at from several perspectives.

**2.2 Autocratic leadership style can be applied when:**

- In crisis situations, e.g. in the case of unforeseen challenges.
- When all the information is available to solve the problem.
- In emergencies, where there is a shortage of time.
- When employees are motivated and the leader has already earned the trust of the followers.
- When dealing with employees who are not cooperative.

### 2.3 Laissez-faire/ Free reign can be used when:

- Subordinates are experts and know they can take responsibility for their actions.
- The leader is very busy and delegation of tasks will increase productivity.
- Team members need to develop leadership skills.
- Suitable when employees are highly experienced and know more about the task than the leader.

### 2.4 Charismatic leadership style can be used to:

- Sell vision and achieve excellent results.
- Motivate employees as the leader is inspiring.
- Inspire loyalty and hard work among employees.

### 2.5 Transactional leadership style can be applied when:

- When the business wants to maximise employee performance.
- When deadlines have to be met on short notice.
- When workers have a low morale.
- When the business structures do not have to change.

## 3. Differences between democratic and autocratic leadership styles

Democratic	Autocratic
The leader involves employees in the decision making process.	A leader takes all decisions alone without involving employees.
Clear two way communication ensures group commitment to final decision(s).	Line of communication is clear as it is top-down and followers know exactly what to do.
People-oriented, as employee's feelings and opinions are considered.	Task-orientated as the opinions of employees are not considered.
Workers feel empowered as they are involved in the decision-making process.	New employees feel safe as strong leadership is provided.
Useful when the leader depends on the inputs of experienced followers.	Useful in a crisis e.g. after meeting tight deadlines.
Handles conflict situations by involving followers in finding the best solution.	Handles conflict situations by telling followers what they should do.

4.1 Democratic leadership style - She regularly requests employees to contribute ideas on how to increase business profits.

### 4.2 Impact/Effectiveness of the democratic leadership style on businesses

#### Positives/Advantages

- The leader allows the employees to participate in the decision making process, so they feel empowered.
- Staff gives a variety of ideas that can lead to improved production methods or increased sales.
- Clear two way communication ensures group commitment to final decision(s).
- Authority is delegated which can motivate workers to be more productive.
- Complex decisions can be made with inputs from skilled workers.

### **Negatives/Disadvantages**

- Incorrect decisions may be made if staff is inexperienced or not fully informed.
- Decision making may be time consuming because stakeholders have to be consulted.
- Employees may feel discouraged if their opinions are not considered.
- Leaders can rely too much on the input of the followers and fail to make a final decision.
- Not effective in times of crisis or when quick decisions need to be made.
- Some employees only pretend to participate in decision making and their feedback may not always be accurate.

### **1. Impact/Effectiveness of the autocratic leadership style on businesses**

#### **Positives/Advantages**

- Quick decisions can be taken without consulting employees.
- Work gets done in time.
- Line of communication is clear as it is top-down and followers know exactly what to do.
- Direct supervision and strict control ensure high quality products and service.
- Provides strong leadership which makes new employees feel confident and safe.
- Works well in large companies where consultation with every employee is impractical.
- Clear guidance can be given to low-skilled, inexperienced or new staff.
- Useful in a crisis, e.g. meeting tight deadlines.

#### **Negatives/Disadvantages**

- Leaders and followers may become divided and may not agree on ways to solve problems.
- Workers can become demotivated if their opinions are not considered.
- Demotivated workers impact negatively on productivity.
- New, creative ideas may never be considered.
- Followers may feel that they are not valued resulting in high absenteeism.
- Highly skilled workers will resist an autocratic leadership style because it results in low participation.

6.1	<b>Leadership style</b>	<b>Motivation</b>
Cindy	Transactional	Cindy, the production manager, offers rewards to motivate employees who meet set targets.
Tom	Charismatic	Tom, the marketing manager, uses charm to influence his team to work hard.

### **7.1 Situational leadership theory**

- 7.2** Different leadership characteristics are needed for different situations. The situation dictates the leadership style that should be applied, so leaders are adaptable. Effective application of this theory may enable leaders to accomplish their goals.

Relationships between leaders and employees are based on mutual trust, respect, loyalty, integrity and honesty.

Leaders have the ability to get the most suitable people in the right positions to complete tasks successfully.

May lead to conflict when leaders use different leadership styles when managing employees in different situations.

The success of this theory depends on the kind of relationship that exists between the leader and followers.

### 8.1 Quotes

He has a positive attitude and knows that there is always more to learn.

Sirole models the behaviour that he wants to see in his followers.

### 8.2 **The role of personal attitude in successful leadership**

A leader's good or bad attitude can influence the success or failure of the business.

Leaders must know their strengths and weaknesses to apply their leadership styles effectively.

Great leaders understand that the right attitude will set the right atmosphere.

Leaders' attitude may influence employees' behaviour.

Successful leaders consider the skills of team members to allocate tasks.

Enthusiasm produces confidence in a leader.

A positive attitude is critical for good leadership because good leaders will stay with the task regardless of challenges.

Successful employees and leaders have a constant desire to work and achieve professional success.

### **Introduction**

Bureaucratic leaders/managers make sure employees follow rules and policies.

The transactional leader focuses on motivating followers through a system of reward and punishment.

### **Meaning of leadership**

- The ability of an individual or a group of individuals to influence and guide followers or other members of an organisation.
- Leadership is to inspire subordinates to perform in order to achieve goals.
- It cannot be taught, although it may be learned as it is an inborn trait.
- Involves establishing a clear vision and sharing it with others so that they can willingly follow.
- A leader steps up in times of crisis and is able to think and act creatively in difficult situations.

### **Leadership theories**

#### **Situational leadership theory** ✓✓

- Different leadership characteristics are needed for different situations.

- The situation dictates the leadership style that should be applied, so leaders are adaptable.
  - Effective application of this theory may enable leaders to accomplish their goals.
  - Relationships between leaders and employees are based on mutual trust, respect, loyalty, integrity and honesty.
  - Leaders have the ability to get the most suitable people in the right positions to complete tasks successfully.
  - May lead to conflict when leaders use different leadership styles when managing employees in different situations.
  - The success of this theory depends on the kind of relationship that exists between the leader and followers.
  
- **Transformational theory**✓✓
  - Suitable for a dynamic environment, where change could be drastic.
  - The passion of leaders inspires followers to change their motivation to work towards a common goal.
  - Strategic thinking leaders develop a long term vision for the organisation and sell it to employees.
  - Leaders have the trust, respect and admiration of their followers.
  - Promotes creative thinking which result in the growth of the business.
  - Encourages followers to try new things.
  - Leaders lead by example and make workers interested in their work.
  - Leaders have strong, charismatic personalities and are very good at motivating staff to achieve results.
  - Enable employees to take greater ownership for their work and to know their strengths and weaknesses.
  
- **Leaders and followers**✓✓
  - Teams achieve great results when there is a sense of understanding between the leader and the team of followers.
  - Followers listen to what is expected of them and are willing to work as a team.
  - Followers easily accept responsibility when something doesn't work out.
  - Leaders lead by example and reward positive behaviour.
  - Leaders motivate employees to devise alternative strategies to find more efficient ways to use available resources.
  - Followers might just trail along depending on leaders and other followers to pull them through the task.
  - Followers, who are not allowed to evaluate and openly communicate with their leaders, will lose respect for the leader.
  - The team might not get along often blaming each other.
  - The team might have insufficient resources at their disposal resulting in unwillingness to work.

### **Impact/Effectiveness of the transactional leadership style on businesses**

#### **Positives/Advantages**

- Encourages employees to work hard because they will receive rewards.
- Improves employees' productivity and morale.
- Business goals and objectives can be achieved as employees are motivated.
- Employees know what are expected of them.
- Disciplinary action procedures are well communicated.

#### **Negatives/Disadvantages**

- Employees may become bored as they have to follow rules.
- A transactional leader will have to monitor the work performance of employees to ensure that expectations are met.
- Managing employees may be time-consuming.
- Some employees may be demotivated if they fail to meet targets despite having worked very hard.
- Not suitable for team work as all team members can be punished for poor performance caused by one team member.

### **Impact/Effectiveness of bureaucratic leadership style on businesses**

#### **Positives/Advantages**

- Managers ensure that rules are always followed accurately.
- Works well when tight control measures need to be.
- Health and safety are increased in a dangerous workplace, e.g. construction sites or mines.
- Followers know what is expected of them because of detailed instructions.
- The quality of work can be ensured.
- Ensures accountability to the customers.
- Strict control over systems and procedures ensure high quality output.

#### **Negatives/Disadvantages**

- Complicated official rules may seem time consuming.
- Leaders may acquire power and can disregard inputs from others.
- Very little room for error, so workers feel they are not always treated with dignity.
- Lack of creativity may lead to decrease in productivity.
- Employees may feel they have become objects of work and are not treated as humans.

#### **Bureaucratic leadership style can be applied when:**

- Can be used where health and safety are a priority and rules have to be applied.
- Appropriate for routine jobs e.g. when employees have to follow rules on how to use dangerous machinery.

#### **Transactional leadership style can be applied when:**

- When the business wants to maximise employee performance.
- When deadlines have to be met on short notice.
- When workers have a low morale.
- When the business structures do not have to change.

#### **Conclusion**

The manner in which the leader relates to his/her employees determines the success or failure of a business.

## Introduction

Leadership is the ability of an individual or a group of individuals to influence and guide followers or other members of an organization.

Management is about planning, organising, leading and controlling employees to achieve goals.

## Differences between leadership and management

Leadership	Management
Influences human behaviour.	Guides human behaviour.
People orientated.	Task orientated.
Does things right	Does the right things
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Focuses on the long term.	Focuses on the short term.
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Guides people to become active participants.	Manages the process of getting things done by exercising responsibility.
Leaders have power because of his/her knowledge, skills or intelligence.	Managers have power because of the position of authority into which they are appointed.
Always trying to find more efficient ways of completing tasks.	Ensure that tasks are completed.
Motivational in their approach	Instructional in their approach.
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## The role of personal attitude in successful leadership

Positive attitude releases leadership potential.

Leaders' attitude may influence employees' behaviour.

Enthusiasm produces confidence in a leader.

A leader's good or bad attitude can influence the success or failure of the business.

Leaders must know their strengths and weaknesses to apply their leadership styles effectively.

Great leaders understand that the right attitude will set the right atmosphere.

Leaders should model the behaviour that they want to see in team members.

Successful leaders consider the skills of team members to allocate tasks.

A positive attitude is critical for good leadership because good leaders will stay with the task regardless of challenges.

Successful employees and leaders have a constant desire to work and achieve professional success.

Leaders with a positive attitude know that there is always more space to grow.

### **Impact/Effectiveness of the LAISSEZ-FAIRE leadership style on businesses**

#### **Positives/ Advantages**

- Workers are allowed to make decisions on their own work methods.
- Subordinates have maximum freedom and can work independently.
- Leader motivates workers by trusting them to do things on their own.
- Authority is delegated, which can be motivating to competent workers.
- Subordinates are experts and can take responsibility for their actions.
- Suitable for mentoring to motivate employees to achieve better things.
- It can be empowering for competent followers as they are completely trusted to do their job.
- Individual team members may develop leadership skills.

#### **Negatives/ Disadvantages**

- Lack of clear direction may be demotivating to employees.
- Employees can be held responsible for their own work which may lead to underperformance.
- Could lead to conflict when some team members act as leaders and dictate to other team members.
- Workers are expected to solve their own conflict situations.
- Productivity may be compromised with a lack of tight control over workers not meeting deadlines.
- Productivity might be low, if employees lack the necessary knowledge or skills.

### **Impact/Effectiveness of CHARISMATIC leadership styles on businesses**

#### **Positives/Advantages**

- Expert at selling vision and achieve excellent results.
- Employees are motivated as the leader is inspiring.
- Inspires loyalty and hard work among employees.

#### **Negatives/Disadvantages**

- Leader believes more in him/her than the team.
- Projects can collapse if the leader leaves the team.
- Leaders are intolerant of challenges and regard themselves as irreplaceable.

#### **Charismatic leadership style can be used to:**

- Sell vision and achieve excellent results.
- Motivate employees as the leader is inspiring.
- Inspire loyalty and hard work among employees.

#### **Laissez-faire/ Free reign can be used when:**

- Subordinates are experts and know they can take responsibility for their actions.
- The leader is very busy and delegation of tasks will increase productivity.
- Team members need to develop leadership skills.
- Suitable when employees are highly experienced and know more about the task than the leader.

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The manner in which the leader relates to his/her employees determines the success or failure of a business.



