



# PEOPLE IN ORGANIZATIONS

MANAGEMENT AND LEADERSHIP

# WHAT MAKES A GOOD LEADER?

Terry Leahy is the chief executive of one of Europe's largest grocery stores – Tesco. It has over 350,000 employees in 2,000 stores in 13 countries worldwide. His views on what makes a good leader are, therefore, important:

- 'Communicate important things simply – avoid management jargon as it is a barrier to understanding.'
- 'Ensure that people in the company know what is expected of them and how they can contribute to the company.'
- 'As leader, the most important thing is what you cause other people to do rather than what you do yourself.'
- Believe in people. I believe in the potential of staff. So I've never lost the belief that people are capable of incredible things if you give them the confidence and opportunity.'

# WHAT MAKES A GOOD LEADER?

He spends a week of each year in a Tesco store doing the work that store workers perform. 'I am reminded how hard people work and how well they work. It's good work and I learn a lot and I bring ideas back here to the office.'

His definition of a good leader is: 'Someone who takes you further than you would go on your own.'

Sources: CNN and [www.ebfonline.com](http://www.ebfonline.com)

## Points to think about:

- What seems to make Terry Leahy such an effective leader?
- Why do you think he puts so much emphasis on 'people' in his explanations of leadership?
- Do you think there is a difference between 'leading' people and 'managing' them? Explain.



# MANAGER

RESPONSIBLE FOR SETTING OBJECTIVES, ORGANIZING RESOURCES AND MOTIVATING STAFF SO THAT THE ORGANIZATION'S AIMS ARE MET



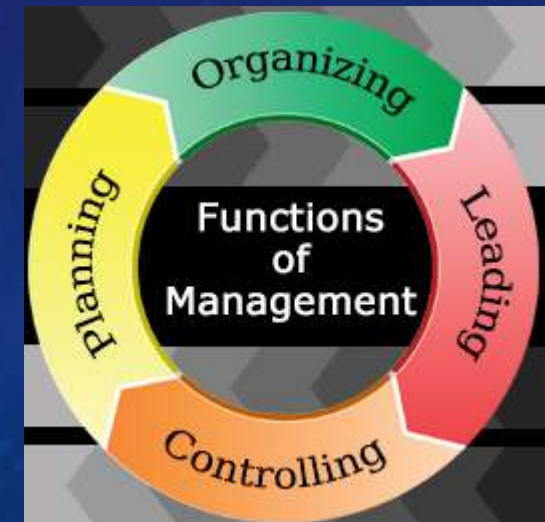
# FUNCTIONS OF MANAGEMENT

## Setting Objectives & Planning

- Think ahead
- Allows responsibilities for different parts of projects to be understood, delegated, and agreed.
- Manageable chunks of work
- A consistent means for monitoring & control

## Organizing resources to meet the objectives

- Not just giving instructions
- Recruiting personnel carefully
- Encouraging personnel to accept accountability



# FUNCTIONS OF MANAGEMENT

## Directing & Motivating Staff

- Guiding, leading, and overseeing of employees
- Developing staff so that they are motivated to employ all their abilities at work.

## Coordinating Activities

- As the average size of businesses increase so does the need to ensure consistency and coordination between different parts of each firm.
- Goals of each branch, division, region and even all staff must be welded together.



# FUNCTIONS OF MANAGEMENT

## Controlling and Measuring Performance Against Targets

- Management by objectives establishes targets for all groups, divisions, and individuals.
- Appraise performance against targets
- Take action if under-performance occurs.
- Of course, it is just as important to provide positive feedback when things are going right.



# LEADERSHIP – THE IMPORTANCE OF IT AND QUALITIES NEEDED

- Leadership is a key part of being a successful manager. It involves setting a clear direction and vision for an organization.
- The best managers are also good leaders of people.
- Without clear and charismatic leadership workers may be very well ‘managed’, but will they be inspired to help the leader and the business take a fresh direction and achieve new goals?



MANAGER MAKES PEOPLE  
DOING THINGS



LEADER INSPIRES PEOPLES TO DO  
THINGS



## PERSONAL CHARACTERISTICS COMMON AMONG EFFECTIVE LEADERS

- Desire to succeed and natural self-confidence that they will succeed
- Ability to think beyond the obvious – to be creative – and to encourage others to do the same
- Multi-talented so that they can understand discussions about a wide range of issues affecting their business
- Incisive mind that enables the heart of an issue to be identified rather than unnecessary details.





# LEADERSHIP

THE ART OF MOTIVATING A GROUP OF PEOPLE TOWARDS ACHIEVING A COMMON OBJECTIVE

# IMPORTANT LEADERSHIP POSITIONS IN BUSINESS

## DIRECTORS

- HEAD OF MAJOR FUNCTIONAL DEPARTMENTS, SUCH AS MARKETING OR FINANCE
- RESPONSIBLE FOR
  - DELEGATING WITHIN THEIR DEPARTMENT
  - ASSISTING IN THE RECRUITMENT OF SENIOR STAFF
  - MEETING OBJECTIVES FOR THE DEPARTMENT

## MANAGERS

- ANY INDIVIDUAL RESPONSIBLE FOR PEOPLE, RESOURCES OR DECISION MAKING, OR OFTEN ALL THREE.
- THEY HAVE
  - AUTHORITY OVER STAFF BELOW THEM
  - TO DIRECT, MOTIVATE, AND DISCIPLINE THE STAFF IN THEIR SECTION





# IMPORTANT LEADERSHIP POSITIONS IN BUSINESS

## SUPERVISORS

- APPOINTED BY MANAGEMENT TO WATCH OVER THE WORK OF OTHERS
- RESPONSIBLE FOR
  - LEADING A TEAM OF PEOPLE IN WORKING TOWARDS PRE-SET GOALS

## WORKERS' REPRESENTATIVES

- ELECTED BY THE WORKERS
  - TRADE UNION OFFICIALS
  - WORK COUNCILS



# Leadership Styles



## AUTOCRATIC

- MAKES DECISIONS ON THEIR OWN WITH NO DISCUSSION
- SET OBJECTIVES THEMSELVES
- ISSUE INSTRUCTIONS TO WORKERS AND CHECK TO ENSURE THEY ARE BEING CARRIED OUT.
- ONE-WAY COMMUNICATION

## DEMOCRATIC

- ENGAGE IN DISCUSSION WITH WORKERS BEFORE MAKING DECISIONS
- TWO-WAY COMMUNICATION
- FULL PARTICIPATION IN THE DECISION-MAKING PROCESS IS ENCOURAGED



## PATERNALISTIC

- LITERALLY MEANS “FATHER-LIKE”
- WILL LISTEN
- WILL EXPLAIN ISSUES AND CONSULT WITH THE WORKFORCE
- WILL NOT ALLOW THEM TO MAKE DECISIONS, AS THE PATERNALISTIC MANAGER WILL DECIDE ‘WHAT IS BEST’ FOR THE WORKFORCE

## LAISSEZ-FAIRE (FREE-REIN)

- LITERALLY MEANS ‘LET THEM DO IT’
- VERY LITTLE INPUT FROM MANAGEMENT
- AN EXTREME VERSION OF DEMOCRATIC MANAGEMENT







# AUTOCRATIC LEADERSHIP

A STYLE OF LEADERSHIP THAT KEEPS ALL DECISION MAKING AT THE CENTER OF THE ORGANIZATION.



# LAISSEZ-FAIRE LEADERSHIP

A LEADERSHIP STYLE THAT LEAVES MUCH OF THE BUSINESS DECISION MAKING TO THE WORKFORCE A 'HANDS'OFF' APPROACH AND THE REVERSE OF THE AUTOCRATIC STYLE.



# DEMOCRATIC LEADERSHIP

A LEADERSHIP STYLE THAT PROMOTES THE ACTIVE PARTICIPATION OF WORKERS IN TAKING DECISIONS



# PATERNALISTIC LEADERSHIP

A LEADERSHIP STYLE BASED ON THE APPROACH THAT THE MANAGER IS IN A BETTER POSITION THAN THE WORKERS TO KNOW WHAT IS BEST FOR AN ORGANIZATION.