

# Core areas of a successful business

[Psychology](#), [Success](#)



He or she can Inspire others to work harder, take on asks thought to be Impossible, and the leader could also Inspire Ideas. The Ideas could come directly from a leader, or from those around him or her. A leader has complete clarity and vision. They also have a knack for overcoming obstacles and having others see and share their viewpoint. Another attribute that great leaders possess is the ability to show balance when handling various issues. They are able to balance ethic Justice with ethic core. Ethic Justice is defined by law and logic, as ethic core is defined by how it influences people on an emotional level.

There have been arioso examples of ethical violations or moral ambiguity in business involving companies such as ENRON and TACO. These companies were all about the perception of success. However, if someone were to Investigate into the numbers, he would see there were serious problems. Holding debt In dummy companies and offering excessive bonuses to executives are Just a few examples of these violations. Where was the oversight? Well, the people who were In charge hand their hands out like everyone else. These individuals seemed oblivious to the consequences of their weren't made at lower management level.

Rather, they were being made at the executive level! Isn't it the role of effective managers to prevent occurrences like this from happening? What is management's position in these particular circumstances? Is there a specific procedure they should always follow? II. Processes of Management How do management and leadership differ from one another? It is best simplified by this quote from Peter Trucker, " Management is doing things right; leadership is doing the right things. " The terms manager and leadership are <https://assignbuster.com/core-areas-of-a-successful-business/>

commonly used to mean the same idea, although they serve different purposes.

Mr.. Trucker gives a glimpse of the differences within his quote. Management is defined as a process that is used within an organization to help accomplish goals. The overall process of management includes planning, organizing, leading, and utilizing individuals and resources available within the organization. Planning is all about strategy and positioning. Having a clear understanding of the company's objectives will streamline the planning portion of the process. Being able to identify trends are critical in meeting the demands of a business. Read why a company's management team should give serious consideration to bidding for a private-label

A well-developed plan will help diminish the chances of failure of an organization. The plan requires structure and a team to live the plan. It is important that the structure be in place, and everyone has a clear understanding of their role. The concepts of organizational structures have been practiced for nearly one hundred years. In 1919, a French economic theoretician " Henry Fayol" published a book titled Administration Industrially. It was one of the first publications that outlined the various aspects of a functioning business structure.

He spoke about how to best to divide the function of business: creating a unity of command, hierarchy of authority, division of labor, and putting in place clear channels of communication. Nickels & McHugh, 2010, p. 207) Another theory was developed by Max Weber. Max Weber wrote a book titled The Theory of Social and Economic Organizations. He shared many of the

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same theories as Henry Fayol. However, Max Weber was of the belief that less educated workers carried out tasks better if they were guided closely and given strict rules by middle management to be performed. (Nickels & McHugh, 2010, p. 208)

Today many of those theories are still practiced. Businesses have to develop strategies allowing them to be nimble. If a business is slow to react to the market demands, they could be left behind. This is a costly proposition for companies looking to expand. Organizations seem to be moving toward a decentralized authority. This empowers the managers and employees to make decisions based upon their market needs quickly. A faster response time translates into improved customer relations and builds brand loyalty.

This type of strategy is found in retail department store chains. On the other hand many fast food chains believe in the concept of centralized authority. All decisions on purchasing and promotion come from those in upper management. This allows companies such as McDonald's to keep their product consistent. (Nickels & McHugh, 2010, p. 210) It is unlikely that a drastic philosophical change within retail or fast food will take place anytime soon. There have been innovative changes within other market segments concerning team structuring and how to best respond to the demands of the consumer.

For example, if a company wants to introduce a new product and bring it out as bringing the best minds from all facets of the business and have them work on a specified project. This team is commonly known as a cross functional team. What is so unique about this team is that they are self-

managed. They may also have different managers during the task. The engineer may work closely with the team on the design of the product. However, when it is time to distribute and brand the product the marketing manager may take over. They also work together on a long term basis fostering new opportunities. Nickels & McHugh, 2010, p. 218)

Working in teams can be great at moving an organization forward and carrying out tasks delivered by management. Teams can also seize opportunity by having the ability to quickly respond to a changing market such as technology. The biggest advantage of working in a team would have to be communication. Working as a team has far more advantages compared to its disadvantages. Some of the drawbacks would be the team having or developing a disconnection from the corporation's core values or a feeling that they are their own entity.

This occurs when areas are departmentally from other functions of the business. Sometimes, if a common goal is not reinforced, it can cause some employees to become disengaged. If you have ever been part of a team where one of the members is negative and disengaged it can become infectious. At a minimum it becomes a distraction and disruptive to the team and its progress. Nickels & McHugh, 2010, p. 212) At what point does leadership step in to take charge? What role, if any, does leadership play in business? III. Leadership Leadership is universal as the principles that define effective leadership are equitable worldwide.

This is because leadership is mainly founded on principles that revolve around human relations. It usually requires one to be selfless. Individuals in

leadership should always prioritize the needs of all the people who are under his command before his personal needs or interests. There are several styles that have resulted in effective leadership. These styles depend on the demands and requirements of the individuals involved and the tasks facing the institution. However, these styles have also been forced to evolve with the changes brought along by the 21st century.

This section tackles the evolution of leadership taking into account various styles and use of varied examples in a bid to highlight and make the issue most comprehensible. Leadership styles revolve around three key points. The first includes the manner in which a leader gives guidelines or directions to his subordinates. Secondly, it is also determined by the method through which the leader implements his plans. Lastly, leadership style is also largely influenced by whether or not the leader motivates people to produce the desired results.

Leadership styles are usually categorized into three different and unique styles when referring to individual leaders. One of the leadership styles that have been around for ages is the authoritarian or autocratic type of leadership. In this case, the leader gives the employees orders on what they want to be executed and the execution manner. An authoritarian leader usually is strict on the regulations and policies governing the employees of the company. An example of an authoritarian leader is a traffic police officer giving directions to motorists (Gland, 2002).

According to Gland, a true leader is best characterized if he or she serves as a role model to others by promoting cooperation between them. Moreover,

one should also empower other decision making. Lastly, a leader should communicate effectively to his employees on both his values and those that govern the organization. Another form of leadership style is democratic or participative type of leadership. In this case, the individual in the leadership position includes other people in decision making. Despite this, the leader is the one to make the final decision on the matters at hand.

There is also a leadership style where the leader delegates the role of decision making to the employees while giving minimal or no guidance. This style is referred to as free-rein or delegating type of leadership. This style works well where the employees are competent, and the leader has confidence in them. Having any characteristics of these three leadership styles doesn't mean you can't enhance your role as a leader/ manager with vision, value, and ethics. How does following these important deadlines improve your role as a leader? Leaders that impact businesses and employees on a daily basis know what they value.

They also recognize the importance of utilizing their ethical behavior. The best leaders exhibit their values and ethics in their leadership style and actions. Defining your leadership ethics and values should be visible because you are living them in your actions every single day. A lack of trust can become a serious problem in many workplaces throughout the business world. If leaders never identified their values in these workplaces, the mistrust becomes understandable. If leaders have identified and shared their core values then living those values daily will create trust with everyone.

Workplace ethics take the same route when the organization's leadership has a code of conduct and ethical expectation; they become an organization joke if the leaders fail to live up to their published code of ethics. Leaders that exhibit ethical behavior powerfully influence the actions of others including the employees that will eventually make that leader successful. As a leader, choose the values and the ethics that are most important to you, the values and ethics you believe in and that define your character. Then live them visibly every day in the workplace.

Living your values is one of the most powerful tools available to you to help you lead and influence others. Just as in the business text of class; leaders must communicate a vision, establish their values, promote their corporate ethics, and embrace change, and stress accountability and responsibility among employees to become an effective leader in management. How could you improve your role as a leader/manager to become more effective? Managers are often seen as administrators and not leaders, depending on how we define leadership.

The meaning of leadership is defined as promoting new direction either in people or organizations. It has nothing to do with being in a position of authority over others. What do we define as management? This is having responsibility for people and other resources with the goal of getting work done as efficiently and effectively as possible. The goal of the manager is to execute the directions promoted by the leader. Managers do not differ from leaders based on their personalities or styles as leaders are not just more lively, charismatic or larger than life managers.



Any manager can lead by promoting new directions. Managers can be as inspiring as leaders even when they are wearing their managerial hat; hence, aiming to get work done efficiently, they try to inspire employees to improve performance rather than move them to change direction as leaders do. Both leaders person can step into management, but the real question is how that individual is going to lead his people or team. Managers become successful only by understanding what it takes to be an effective leader to promote change with accountability.

An individual can manage, but the true success of a powerful leader is the reflection of performance among its subordinates. An imposing leader knows how to manage as well as how to promote change effectively and positively from leading by example. Becoming an effective leader will eventually give an individual the success to reach his/her employees through positive influence and by achieving the high expectations handed down by the company objective. It is up to the individual leader on how he wants to manage his people in order to receive the best end-results.

Taking all of these aspects into consideration, does someone in a leadership position have an obligation to motivate his or her employees, or is it up to the employee to realize his or her motivation? 'V. Employee Motivation Many corporations today explore various strategies on how to improve production and motivate their staff to give one hundred percent toward the company's goals. The most successful companies and organizations always seem to have extraordinarily strong leadership. There are many ways in which strong leadership can motivate the employees in an organization.

Strong leadership can be used to energize a team in the workplace. A formidable leader should create a positive correlation between the workers and their employer. Moreover, the leader should be able to pool energy from each worker so as to improve performance and productivity as a team. Strong leaders have enormous reserves of spiritual, emotional and physical energy. The leader should be able to create a time for reflection of performance and also interpersonal evaluation of the strengths and weaknesses of every employee.

This is because the investment in employees helps to improve performance and also improve motivation (Adair, 1998). Powerful leadership in the workplace can help to motivate the employees through effective communication. Communication helps to influence employees to improve their performance. In addition, delegation of duties within an organization is carried through communication, and it is essential for employees to communicate their concerns in the workplace to avoid inconvenience.

An influential leader is a person who listens to the grievances of the subordinates and provides possible solutions to improve the level of performance. Moreover, a prominent leader should also be empowered to solve problems and to suggest solutions for the problems affecting the employees in the workplace. This means the information from every employee should be handled with the respect it deserves, including a concentrated effort placed on improving interpersonal relations with their employees. This reduces conflicts and creates a platform for employees to act as a team (Advance, 2012).

One valuable method to motivate employees in the workplace is to mentor them and encourage them to grow and work as a team. This improves their partnerships and helps the organization to benefit in the long run. The fundamentals of motivation should be based on influencing the employees and helping them to achieve success. In essence, the leader should limit the regulations and set rules. Any change of an objective or rule should be communicated effectively to avoid frustrations which may be created by the confusion. It should also be reduced rules and regulations.

The rules should be developed in such a manner that they enhance integration and cohesion within the workplace (Numeric, 2009). Awarding the employees who have performed well in an organization is one of the ways which motivates them and improves their capability. The top leadership should ensure that there is the creation of incentive programs in which the best performing employees are awarded according to their performance in the workplace. The main purpose for creation of incentive programs is to show the employees that the organization values and cares about them.

In addition, through the rewarding of performance employees are encouraged to continue to seek improvement in their job. The production of employees is prone to increase after they have been motivated using incentive programs (Messier, 1995). Incentive programs motivate performance through minimization of results. Outstanding performance over a period of time should be rewarded through promotion or through the

provision of incentives. The incentives should be based on hard work and should vary from one employee to the other.

This helps to improve competition and also to help motivate the weaker employees to increase their performance within the organization. The leadership has the obligation to create a program in which the top performers are rewarded according to their performance in the work place. Alternatively, the salaries and remuneration of the top performing employees should be increased to encourage them to work towards achievement of personal goals and objectives (Numeric, 2009). Performance based on consistent meeting of the objectives should also be rewarded.

Some form of compensation helps to encourage employees to invest their personal best into an organization. Employers who reward their subordinates on performance based on consistency have increased rates in meeting of personal goals and objectives. Rewarding the employees shows them that they are important, and increases their level of motivation, consequently leading to excellent performance. This also shows employees that they are highly valued and are significant assets to management. Furthermore, rewarding employees helps to retain them and increase their morale in the workplace.

Employees should also receive unexpected rewards to express appreciation for all of their diligence on the job. This unanticipated compensation explicitly illustrates their importance in the organization (Messier, 1995). One of the proven ways of motivating employees is the reduction of turnover in the workplace. Reducing turnover creates cohesion and trust among the

employees. Reduction of turnover also helps to maximize potential through reduction of the costs of retaining valuable employees. When the numbers of employees are at an optimum level, the rate of performance increases.

This means that hardworking and promising employees within an organization should be retained while the unproductive employees should be dismissed. Arguably, it is evident that employees who leave their employment have the reason of being unmotivated and unsatisfied. Good leadership would solve these problems while helping to improve performance in the long run. However, the individual who displays a sense of pride complimented with self-motivation is the most valued employee and a key contributor to the success of any organization. (Advance, 2012).