

Many corporations  
are over managed  
and underled



Differentiate between management and leadership in the context of the statement “ many corporations are over-managed and under-led.” (15)

Management and leadership are two notions that are often used interchangeably. However, it describes two different concepts. Here, we shall first define management and leadership. Second, we will focus on the leadership styles and how they affect the managerial task.

Jones and George (2009: 5) define management as planning, organizing, leading and controlling of human and other resources to achieve organizational goals efficiently and effectively. According to Saha (2006: 2) management is the conscious effort to form the environment by effectively utilizing the available resources. She further states that management is the skill of efficiently organizing the present scenario from a past viewpoint in order to shape the future.

Leadership has been defined in many different ways, but most definitions share the assumption that it involves the process of influence that is concerned with facilitating the performance of a shared task.

Jones et al. (2009: 494) defines leadership as the process by which a person exerts influence over people and inspire, motivates and directs their activities to help achieve group or organizational goals. Saha (2006: 289) in her definition believes leadership is getting people to do things they never thought of doing, do not believe are possible or that they do not want to do.

The definitions available, all describe management and leadership as two different ways of organizing people. Ehlers and Lazenby (2007: 220) believe

that leadership and management complement each other, and expertise in both is necessary for successful strategy implementation and survival. A company that is well-led will not do well without effective management; similarly a company that is well-managed will also not do well without effective leadership.

Managing organizations is therefore a complex activity. Managers must possess a wide range of skills, knowledge and abilities to enable them to make the right decision even in difficult situations. Leadership is one of the assets a successful manager must possess. However, a manager cannot just be a leader; he also needs authority to be effective.

Following is Kotter's distinction between Management and leadership as presented in the Regent Business School Study Guide (2007: 136).

## **Management**

### **Leadership**

### **Direction**

Planning and budgeting

Keeping eye on bottom line

Creating vision and strategy

Keeping eye on horizon

### **Alignment**

Organizing and staffing

Directing and controlling

Creating boundaries

Creating shared culture and values

Helping other grow

Reducing boundaries

## **Relationships**

Focusing on objects – producing/selling goods and services

Based on position power

Acting as boss

Focusing on people – inspiring and motivating followers.

Based on personal power

Acting as coach, facilitator, servant

## **Personal Qualities**

Emotional distance

Expert mind

Talking

Conformity

Insight into organization

Emotional connections (heart)

Open mind (Mindfulness)

Listening (communication)

Nonconformity (Courage)

Insight to self (Character)

## **Outcomes**

Maintains stability, creates culture and efficiency

Creates change and a culture of integrity

## **Table1: Management vs Leadership**

(Business Regent School Guide., 2007: 137)

According to Gaddini (2010: 1-2) [online] many corporations are over-managed and under-led. If they are to have a sustainable future, they must develop the capacity of individuals across the organization to exercise leadership more effectively. In recent years, organizations committed a lot of financial resources towards enhancing information technology, improved systems and innovations. Leaders need to be much more than information or task managers. They need to engage the organization by involving people at every level.

Over managing an organization has to do with the management style a manager is using in running the organization, how much time they spend talking with their people about why things must get done? Companies need

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to identify, train and develop employees with managerial skills. To successfully manage a company, managers also need to be self-aware and be able to build teams, create global management and marketing practices, and interact and manage employees from diverse cultural backgrounds. Noe (2005: 10) believes that effective managers are important because they help retain employees as one of the reasons employees leave jobs is the working condition created by managers.

Saha (2006: 18) describe person's management style as a typical pattern of behaviour she shows in carrying out a management role over a period of time. Management styles are the ways in which a manager deals with the employees or subordinates. Cronje et al. (2000: 152) believe that leadership and its models are driven by the assumption that certain personality traits and behaviour patterns are crucial to a leader's success. Jones et al (2009: 497) believes that a manager's personal leadership style shapes the way that manager approaches planning, organizing and controlling. There are different styles to leadership and management that are based on different assumptions and theories. The styles used are based on a combination of the managers' beliefs and preferences as well as the culture and norms of the organization.

Following are leadership styles as described by Jones et al. (2009: 497-500), Cronje et al. (2000: 152-) and Anonymous. (2010: 1-2) [online]:

#### Participatory/Democratic leadership Style

In a participatory management style the worker can make a contribution to the design of their own work. Managers who practice this engage in certain <https://assignbuster.com/many-corporations-are-over-managed-and-underled/>

types of behaviour. Employees are encouraged to be part of the decision making process. To engage the workers, they establish and communicate the purpose and direction of the organization. This help in developing a shared vision of what the organization should be. The manager's role therefore is that of a leader. By her actions and words, she shows the way to her employees. She is also a coach, evaluating the results of her people's efforts and helping them use the results to improve their processes. In this regard, decision taking takes time and thus the organization cannot afford to make mistakes.

#### Autocratic leadership Style

The premise of the autocratic management style is the belief that in most cases, the worker cannot make a contribution to their own work, and that even if they could, they would not. This goes with the classical approach. The manager retains as much power and decision-making authority as possible. He does not consult employees, not are they allowed to give any input. Subordinates are expected to obey orders without any explanations.

#### Bureaucratic leadership style

Gaddini believed that lack of personal contact between different arms of an organization has reduced people's understanding of important regional, national and cultural differences. Therefore, as a result, most non-value-added activities are caused by poor communication skills and bad decision making. Managers need to take responsibility for the people who work for them, rather than simply managing the tasks the people perform.

In conclusion, there is no one good method as the leadership style followed will also depend on the managers' personal background, the subordinate's background and the company's traditions

**“ The leadership will thus no longer focus on power but on achievement”.**

**Evaluate this statement by examining the sources of leader power and discuss whether such a leadership style can be explained in terms of any leadership model (theory). (20)**

There are many ways to understand how leadership works in an organization. From the different views available, there seems no single or simple answer to which leadership style is best. Some leadership perspectives are currently more popular than others; however, each helps us to understand this complex issue. We will look at the five sources of leader power and discuss whether such a leadership style can be explained in terms of any leadership theory.

Leaders influence others because of the power they possess. Cronje, Du Toit and Motlatla (2000: 151). Defined power defined as a measure of a person's ability to control the environment around them, including the behaviour of other persons According to Luthans (2005: 558) in achievement-oriented leadership, the leader sets challenging goals for subordinates and shows confidence that they will achieve these goals and perform well. The five sources of leader power are legitimate power, reward power, coercive power, referent power and expert power. Effective leaders take steps to ensure that they have sufficient levels of each type of power and they use the power they have in beneficial ways (Jones et al., 2009: 500)



## **Legitimate power**

According to Jones et al (2009: 500) this is the authority that a manager has by virtue of her position in an organization's hierarchy. The leader has the right or the authority to tell others what to do and employees are obligated to obey. According Cronje et al (2000: 151) legitimate power refers to the authority granted in a business to a particular position. Accordingly, a manager has the right to dismiss employees if they fail to comply. However, even though managers may possess legitimate power, this in itself does not necessarily make them good leaders.

## **Power of Reward**

The power of reward relies on the promise of or the ability to deliver a reward in return for desired behaviour. This is also regarded as the power to give or withhold rewards (Jones et al., 2009: 501). Such rewards are for example, salary raises, bonuses and recognition. Effective managers use their reward power in such a way that subordinates feel that their reward signals that they are doing a good job and their efforts are appreciated. Ineffective managers on the other hand use rewards in a more controlling manner that signals that the manager has the upper hand.

## **Coercive power**

Coercive power is the power that comes from a person's authority to punish (Jones et al., 2009: 501). From the viewpoint of followers, it's one of the most obvious types of power a leader has. This is the power to enforce compliance through fear, whether psychological, emotional or physical. Robbers often make use of such power through physical force or violence. In this regard,

physical force is not a consideration in modern business, but psychological or emotional fear of being retrenched, or of social exclusion from a group, constitutes forms of power that may be exercised by managers to put pressure on employees. Jones et al. (2009: 501) believes that ineffective managers tend to rely heavily on this power and sometimes get them fired.

### **Referent power**

Jones et al. (2009: 503) believes that Referent power is that that comes from subordinates and co-workers respect, admiration and loyalty. Subordinates obey leaders simply because they like or respect them, and identify with them. In other words, the leaders' personal characteristics make them attractive to others as some even get to know their subordinates and showing interest in them.

### **Expert power**

Jones et al. (2009: 501) believes that this power is based on the knowledge the leader possess. Their power gives them influence over subordinates. This is derived from expertise, knowledge and professional ability.

A manager who commands all five kinds of power is a strong leader. But it is not only managers, or leaders who possess power, employees possess it occasionally too. For instance when a manager is dependent on subordinates for information, they are needed for their cooperation. Managers should therefore understand that their subordinates also possess power, and that they should use their own power with care, and only to the extent necessary to achieve their objectives. Effective managers will use their power in such a

way as to maintain a healthy balance between their own power and that of subordinates. There are different approaches

The following leadership theories have been looked at to establish whether the styles discussed above can be explained to any of the theories.

## **Trait Theory**

The trait theory is described by Jones et al. (2009: 504) as one that describes personal characteristics or traits that contribute to effective leadership.

Managers who possess these traits are regarded as not effective leaders and some managers who do not possess all the traits are nevertheless effective leaders. A manager under this theory will be exercising the expert power.

Traits here would be knowledge and expertise. There seem to be many studies on leadership traits but they only agree in general qualities needed for be a leader.

## **Behaviour Theory**

This theory described two kinds of behaviour that most leaders engage in, consideration and initiating structure (Jones et al., (2009: 505-506). For consideration, the behaviour indicates that a manager trusts, respects and cares about the subordinate therefore, the referent and reward power. For initiating structure, subordinates perform their jobs as expected of them and adhere to rules and regulations. A manager under this theory will be using the legitimate power.

## **Contingency Theory**

This theory takes into account the complexity surrounding leadership and the role of the situation in determining whether a manager is an effective or ineffective leader. Relationship-oriented leaders are most effective in situations that are moderately favourable for leading and will be using the referent power. They develop good relationships with their subordinates and want to be liked by them. Task-oriented leaders are most effective in situations that are very favourable or very unfavourable for leading (Jones et al. (2009: 507-508). Task-oriented leaders will be using the legitimate and coercive powers. They want subordinates to perform at a high level and focus on task accomplishments.

## **Path Goal Theory**

This theory describes how effective managers motivate their subordinates by determining what outcomes their subordinates want, rewarding subordinates with these outcomes when they achieve their goals and perform at a high level, and clarifying the paths to goal attainment. Managers can engage in four different kinds of behaviours to motivate subordinates: directive behaviours, supportive behaviours, participative behaviours and achievement oriented behaviours (Jones et al. (2009: 510-511). This theory can be used by the leader in different situations. Luthans (2005: 558-559) believes that using one of the four factors stated above, the leader attempts to influence subordinates perceptions and motivate them, which in turn leads to their role clarity, goal expectancies, satisfaction and performance. By doing that the leader attempts to make the path to subordinates goal smooth.

The conclusion therefore is that the Path Goal Theory is perceived as the most favourable theory by subordinates as it exerts most influence over them when they behave in ways that closely match their needs and values and requirements of a specific work situation.

**A “ flattening of the hierarchy suggests the need to review the organizational structure. With reference to this, identify the factors that influence the choice of an organizational structure. (12)**

Organizing can be effectively carried out only if the organizational structure has been developed to optimize the execution of strategies and plans. In other words, plans can be successfully implemented only if the organizational structure makes this possible. (Cronje et al. 2000: 152).

Before identifying the factors that influence the choice of an organizational structure we defined what that is. According to Jones et al. (2009: 346) an organizational structure is a formal system of task and reporting relationship that coordinates and motivates organizational members so that they work together to achieve organizational goals.

Jones et al. (2009: 656-659) and Cronje et al. (2000: 152) identified the following four factors:

## **The Organizational Environment**

The environment in which a business operates should be taken as a basis for designing an organizational structure, The more quickly the external environment is changing within it, the greater the problems facing managers in trying to gain access to scarce resources. Managers have to make

organizing choices that result in more flexible structures and entrepreneurial  
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cultures. This means they have to decentralize authority, empower lower-level employees to make important operating decisions and encourage values and norms that emphasize change and innovation. If the external environment is stable, resources are readily available and uncertainty is low, managers must make organizing choices that bring more stability or formality to the organizational structure and establish values and norms that emphasize obedience and team players. Less coordination and communication takes place among people and functions to obtain resources. The organizational climate therefore play an important part in organizational design. The type of structure that leads to the successful implementation of tasks depends on the culture of the business. The structure of a business with a formal culture will differ from one with more informal cultures.

## **Strategy**

The close relationship between the strategy of a business and the organizational structure, or the infrastructure to implement the strategy is very important. Ehlers et al. (2007: 247) believes that a change in the organization's environment often triggers a change in strategy so that continued success and wealth maximization for all the organization's stakeholders can be sustained. It is therefore important that the organizational structure remains aligned with the strategy at all times.

## **Human Resources**

There is also a close relationship between an organizational structure and the competence and role of staff. Structure influences both the choice of strategy and the preferences as to how things should be done. Most

managers have a personal preference for a particular organizational  
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structure, for the type of relations with subordinates and attitudes to formality and authority. However, they should also pay attention to the needs of the workforce and to the complexity and kind of work employees perform. In this regard, the tendency is to move away from the strictly formal bureaucratic structure and have a flexible structure that is characterized by decentralized authority and empowering employees.

## **Technology**

Jones et al. (2009: 347) states that technology is the combination of skills, knowledge, machines, and computers that are used to design, make, and distribute goods and services. As a result, the more complicated the technology that an organization uses, the more difficult it is to regulate or control it because more unexpected events can come up. The more complicated the technology becomes, the greater the need for a flexible structure and progressive culture to enhance the manager's ability to respond to unexpected situations increases. However, the more routine the technology, the more appropriate is a formal structure, because tasks are simple and the steps needed to produce goods and services have been worked out in advance.

## **The size of the business**

It is equally obvious that the structure also depends on the number of employees and managers to be coordinated. An increase in the size of the business also creates a need for greater specialization, more departments and more levels of management (Cronje et al., 2000: 152). In this regard, Mabey, Salaman and Storey (2005: 247) believe that larger organizations would have more complex and formal structure. Nonetheless, even size is <https://assignbuster.com/many-corporations-are-over-managed-and-underled/>

not a determining factor: some large organizations have managed to create informal arrangements while some smaller organizations have created more formal systems.

Planning, leading and control are facilitated if management has an effective and dynamic organizational structure. Organizing is carried out amid many factors, each of which may provide input in the designing of the organizational structure. Some experts believe that the environment in which a business operates is a decisive factor. Others emphasize the connection between strategy and structure. The size and complexity of the business, the competence of its employees, organizational climate or corporate culture should not be ignored in designing the structure and informing departments and distributing tasks. Whatever is designed should be adaptable to changes in the business environment.

**With reference to the term “ devolution of power and authority”, explain the need to decentralize authority. (8)**

Jones et al. (2009: 366) believes that decentralizing authority is giving lower-level managers and non managerial employees the right to make important decisions about how to use organizational resources. When leaders empower their subordinates, they take over some of the responsibilities and authority that used to reside with the leader such as the right to check one’s own work and also take decisions that their leaders or supervisors use to make (Jones et al., 2009: 503)

Decentralization of authority is need as employees at each level have different but related responsibilities for utilizing organizational resources to



increase efficiency and effectiveness (Jones et al., 2009: 15-16). In order to understand decentralization of authority, one needs to understand the management processes and levels and managements. We looked at the levels of leadership as tabulated by Pearce and Robinson (2007: 372) hereunder.

When the need for decentralization occurs, the size of the organization should be considered and the geographical location of its branches. If the organization is large and branches are located far from each other, then decentralization of authority should be considered. This will not only speed up the decision-making process and adapt to the local conditions, but importantly empower the employees. With the demarcation of Namibia into thirteen regions, the government has been trying to decentralize some of the authority to the Governors in the various regions. The process has been slow and although people welcomed the idea of allowing the Governors to take decisions based on the needs in their regions, they still feel that they do not all the authority they need. Due to that delays occurs in particular the recruitment processes. It is all still being done at a central place.

Attracting resources

and capabilities and developing the business

## **RENEWAL PROCESS**

Developing operating managers and supporting their activities; maintaining organizational trust

Providing institutional

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leadership through shaping and embedding corporate purpose and  
challenging embedded assumptions

Managing operational interdependencies and personal networks

## **INTEGRATION PROCESS**

Linking skills, knowledge, and resources across units; reconciling short-term  
performance and long-term ambition

Creating corporate direction.

Developing and nurturing organizational values

Creating and pursuing

opportunities; managing continuous performance improvement

## **ENTREPRENEURIAL PROCESS**

Reviewing, developing, and supporting initiatives

Establishing performances

standards

**Front-Line Management**

**Middle Management**

**top Management**

**Table 2: Management Processes and Levels of Management**

(Pearce et al., 2007: 372)

**“ Leadership is about coping with change.” Discuss the relationship between organizational control and change, and explain why the management of change is a vital task. (20)**

The first question here is to discuss the relationship between organizational control and change. In order to that, we first look at the definitions.

Organizational control is defined by Jones et al. (384) as the process whereby managers monitor and regulate how efficiently and effectively an organization and its members are performing the activities necessary to achieve organizational goals. Organizational changes on the other hand is defined as the movement of an organization away from its present state and towards some desired future state to increase its efficiency and effectiveness (Jones et al., 2009: 384). The relationship between organizational control and change is that there need to be balance between control which is the need to improve operations and change which is the need to respond to new events. Managers therefore must balance the need for an organization to improve the way it currently operates and the need for it to change in response to new unanticipated events as illustrated in figure 1 (Jones et al., 2009: 408).

The second part of the question required an explanation as to why management of change is a vital task. Jones et al (2009: 409) states that management of change is vital as there exist a need to constantly search for ways to improve efficiency and effectiveness. Managers have to develop the skills necessary like, political skills, analytical skills, people skills, system skill and business skills to manage change effectively. It is also vital for managers

when managing change to follow the following steps as discussed by Jones et al (2009: 410-413).

## **Assessing the need for change**

Deciding how to change an organization is a difficult task because change disrupts the status quo and poses a threat, prompting employees to resist attempts to alter work relationships and procedures. Assessing the need for change calls for two important activities that is recognizing that there is a problem and identifying its source.

During the first step in the change process, managers need to recognize that there is a problem that requires change. Managers need to look at performance measures such as falling market share or profits, rising costs, or employees' failure to meet their established goals or stay within budgets which indicate whether change is needed. To identify the source of the problem, managers need to look both inside and outside the organization. Externally, they must examine how changes in environmental forces may be creating opportunities and threats that are affecting internal work relationships. Managers also need to look within the organization to see whether its structure is causing problems between departments.

Need to respond to new events

Need to improve operations  
Managers must balance the need for an organization to improve the way it currently operates and the need for it to change in response to new unanticipated events.

## **Figure 1: Organizational Control and Change**

(Jones et al., 2009: 408)

### **Deciding on the change to make**

Once the source of the problem has been identified, managers must now decide what the organizations' future would be and plan how they are going to attain that. Managers must also identify the obstacles of resistance and analyze these obstacles which can be at corporate, divisional, departmental and or individual level. It is important for managers to invite employees to participate in the planning for change as it will help overcome resistance and allay employees' fears. Managers can also overcome resistance by emphasizing group or shared goals such as increased organizational efficiency and effectiveness.

### **Implementing the change**

It is generally accepted that management introduce change from top down as they are the ones who identified the need for change, decided what to do and thus move quickly to implement the changes throughout the organization. With this approach, the emphasis is on making the changes quickly and dealing with problems as they arise, which is regarded as revolutionary in nature. This approach has the benefit of providing clear, sustained direction which is well resourced and coordinated, however, it also runs the risk of not being owned by a number of staff and may lead to some distrust.

The bottom-up approach is regarded more gradual or evolutionary.

Consultation takes place with middle and first-line managers about the need

for change and develops a plan. The advantage of this approach is that it minimized uncertainty and resistance as employees participate and are kept informed of what is going on.

## **Evaluating the change**

Managers need to evaluate how successful the change effort has been in improving organizational performance using measures such as changes in market share, benchmarks and profits. They also need to compare how well an organization is performing after the change with how well it was performing before.

Finally, organizational control and change are closely linked because organizations operate in environments that are constantly changing and so managers must be alert to the need to change their strategies and structures.

## **With reference to the words “ the opening of existing communication channels and the recreation of new one”**

### **Describe the communication process and outline the barriers to effective communication in the workplace. (15)**

Communication is the sharing of information between two or more individuals or groups to reach a common understanding. Good communication matters because business organizations are made up of people (Jones et al. (2009: 567). Communication process consist of two phases: the transmission phase where information is shared between two or more individuals or groups and the feedback phase where understanding is ensured. In both phases, a number of distinct stages must occur for communication to take place. (Jones et al., 2009: 569-570) (See figure 2).

In the transmission phase, the sender who is the person or group wishing to share information with another person or group, decides on the message, what information to communicate. The sender then translates the message into symbols or language, a process called encoding. Noise is a general term that refers to anything that hampers any stage of the communication process. Once encoded, the message is transmitted through a medium to the receiver, who is the person or group for which the message is intended. A medium is just the pathway through which an encoded message is transmitted to the receiver. The receiver then interprets and tries to make sense of the message through a process called decoding.

The feedback phase will then be initiated by the receiver, who now becomes the sender. The receiver decides what message to send to the original sender (who now is the receiver), encodes it, and transmits it through a chosen medium. The original sender determines that a common understanding has been reached, sender and receiver cycle through the whole process as many times as needed to reach a common understanding. Feedback eliminates misunderstandings, ensures that messages are correctly interpreted, and enables senders and receives to reach a common understanding.

The encoding of messages into words, written or spoken, is verb