

Leadership, management and supervision

[Psychology](#), [Motivation](#)



Chapter 4: Leadership, management and supervision Chapter learning objectives Upon completion of this chapter you will be able to: * define the term leadership * define the term management * define the term supervision * explain the difference between a leader and a manager distinguish between the role of the manager and the role of a supervisor * explain the classical approach to management using theories of Fayol and Taylor * explain the main duties of a manager according to Fayol * outline the relevance of classical approach to modern data practices * explain the nature of the human relations school a€“

Mayo * describe the modern school of management with reference to the theories of Mintzberg and Drucker * describe the three managerial roles as per work of H Mintzberg * explain what is meant by authority * explain what is meant by the term responsibility identify the main sources of authority * explain the relationship between authority and responsibility * explain the situational approach to leadership using Adair's theory * explain the contingency approach using Fiedler's leadership theory * explain the differences between transactional and transformational leadership referring to the Bennis theory * describe the phases of the change process referring to Kotter theory * explain the Heifetz leadership theory * explain the five scores on the Blake and Mouton managerial grid * outline the usefulness of the Blake and Mouton grid describe the four leadership styles as per Ashridge.

1 Introduction 1. 1 Leadership A basic definition of a leader is 'someone who exercises influence over other people'. This can be expanded into a more complex definition: 'Leadership is an interpersonal influence directed toward

the achievement of a goal or goals'. * Interpersonal a€" between people. * Influence a€" the power to affect others. * Goal a€" something that we need/want to achieve. Leadership is a conscious activity and is concerned with setting goals and inspiring people to provide commitment to achieve the organisation's goals. . 2 Managers All managers have in common the overall aim of getting things done, delegating to other people rather than doing everything themselves. Management can be defined as 'the effective use and co-ordination of resources such as capital, plant, materials and labour to achieve defined objectives with maximum efficiency'. A leader can be a manager, but a manager is not necessarily a leader. If a manager is able to influence people to achieve the goals of the organisation, without using formal authority to do so, then the manager is demonstrating leadership.

Illustration 1 a€" Differences between managers and leaders The manager administers; the leader innovates. The manager relies on control; the leader inspires trust. The manager has his eye on the bottom line; the leader has his eye on the horizon. 1. 3 Supervision The supervisor is part of the management team. * The supervisor is a person given authority for planning and controlling the work of their group, but all they can delegate to the group is the work itself. * A supervisor, therefore, is a type of manager whose main role is to ensure that specified tasks are performed correctly and efficiently by a defined group of people. In general, supervisors will also be doing operations work and giving advice to others to help solve problems. If the more senior manager is absent, the supervisor will take over the role.

Illustration 2 a€" The role of a supervisor Supervisors divide their time between supervisory duties and a detailed task. For example a supervisor

in purchasing may also regularly complete some clerical work like raising purchase orders. Managers must ensure that supervisors understand organisational objectives and communicate the power and limits of the supervisor's authority.

Supervision is an important part of the task and process of management. The role of the supervisor requires direct contact with and responsibility for the work of others. * The supervisor is the interface between the management and the workforce. * Front line “ resolving problems first hand where the work is done, and often having to resolve problems quickly. * They often need to have direct knowledge of employment legislation. * Often have responsibility for negotiation and industrial relations within the department. * Management tasks and operational work to perform. Day-to-day detailed internal information (manager “ medium-term internal and external information). Test your understanding 1 Briefly explain in general terms the responsibilities of a supervisor.

2 Theories of management 2. 1 The classical school Both Taylor and Fayol shared the belief that individuals must subordinate themselves to the needs of the organisation. In return the organisation was obliged to provide job security and good remuneration. * Taylor and Fayol believed in 'one best way', the optimum way to: * organise the firm * do the individual job emphasis on the task to be done rather than the person doing it. * some of the main features of their approach were as follows: * belief in one controlling central authority * specialisation of tasks * fair pay and good working conditions, decided by management * clear lines of command. Illustration 3 “ Theories and management Scientific thinking

on motivation in the workplace included a belief that reward for effort was a key consideration. Test your understanding 2 Which of the following statements best describes the classical approach to management? A No one best approach.

B Communications should be encouraged. C One best approach. D An employee is considered an input to the organisational system. Fayol argued that management may be split into five broad areas: forecasting and planning, organisation, command, co-ordination and control. Expandable text

- Fayol's rules of managerial conduct Fayol applied 14 rules of managerial conduct. These are: * Division of work " to improve practice and familiarity and become specialised. * Authority " the right to give orders, linked with responsibility. * Discipline " respect in accordance with the agreement between the firm and its employees. Unity of command " each subordinate answerable to only one superior. * Unity of direction " only a single head and plan for a set of activities. * Subordination to the general interest " the general good prevails over individual or sectional interests.

* Remuneration " should be fair to both the recipient and the firm. * Centralisation " inevitable in organisations, but the degree should be appropriate. * Scalar chain " graduated lines of authority should exist from the top to the bottom of the organisation. * Order " workers and materials should be in their prescribed place. * Equity " combining clemency with justice. Tenure of personnel " adequate time for settling into jobs should be allowed. * Initiative " should be encouraged within the boundaries of authority and discipline. * Esprit de corps " harmony and teamwork should be encouraged in the organisation. Fayol believed that a manager obtained

the best performance from his workforce by leadership qualities, by his knowledge of the business and his workers, and by his ability to instil a sense of mission. Test your understanding 3 Which of the following are elements of management as identified by Fayol. A Control. B Motivation. C Communication. D Compromise.

The implications of Taylor's scientific management are as follows: * Workers should be set high targets, but should be well rewarded for achieving them. * Working methods should be analysed 'scientifically', including the timing of work. * Management should plan and control all the workers' efforts, leaving little discretion for individual control over working methods. While there may be areas where these principles are still relevant, most modern theorists would argue that a more progressive approach is needed where: * It is recognised that there is not always a 'best' way of doing a particular job. Employees can often have considerable insight into a job and can make important suggestions for improvements. * Many workers can be motivated by other methods than tight control and financial reward. These issues are discussed in more details later in this chapter. Illustration 4 “ Theories of management The classical approach is still being utilised today since this is the principle applied in most call centres: targets are set for the number of calls to be taken in a predetermined time period and reward is based on the achievement of the target. Test your understanding 4

Which one of the following statements is closest to the beliefs of the classical school? A Emphasis on social groups. B Emphasis on the task to be done rather than the person doing it. C Emphasis on the person rather than the task. D Emphasis on encouraging people to reach their full potential. 2. 2 The

human relations school Research carried out by Mayo at the General Electric Company in Chicago concluded that group relationships and management-worker communication were far more important in determining employee behaviour than were physical conditions (e.g. lighting and noise) and the working practices imposed by management. Also, wage levels were not the dominant motivating factor for most workers. Further research established the following propositions of the human relations school.

* Employee behaviour depends primarily on the social and organisational circumstances of work. * Leadership style, group cohesion and job satisfaction are major determinants of the outputs of the working group. * Employees work better if they are given a wide range of tasks to complete. Standards set internally by a working group influence employee attitudes and perspectives more than standards set by management. The usefulness of the human relations approach The school explicitly recognised the role of interpersonal relations in determining workplace behaviour, and it demonstrated that factors other than pay can motivate workers. However, the approach possibly overestimates the commitment, motivation and desire to participate in decision making of many employees. Test your understanding 5 Which one of the following statements is closest to the beliefs of the human relations school?

A Emphasis on social groups. B Emphasis on the task to be done rather than the person doing it. C Emphasis on one best approach. D Emphasis on hierarchy of management. 2. 3 Modern writers Contributions made by modern writers on management include: * Contingency approach ('no one

best approach') a€“ contingency theorists do not ignore the lessons learnt from earlier theorists, but adapt them to suit particular circumstances. * Behaviouralism a€“ concerned with the personal adjustment of the individual within the work organisation and the effects of group relationships and leadership styles. Systems theory a€“ expresses a manager's role as being a co-ordinator of the elements of a system, of which people are only one part. Expandable text - systems theory Systems theory takes the view that an organisation is a social system, consisting of individuals who co-operate together within a formal framework, drawing resources from their environment and putting back into that environment the products they produce or the services they offer: * in doing so the input is converted into the final product or service, hopefully with value being added * an organisation does not exist in a vacuum.

It depends on its environment and is part of larger systems, such as society, the economic system and the industry to which it belongs. Examples of the other systems include an information system, production system and a communication system. Drucker identified five basic operations in the work of a manager. Managers: Expandable text * Set objectives a€“ determining what they should be and what the goals in each area should be. They decide what has to be done to reach these objectives and make them effective by communicating them to the people who are going to perform them. Organise a€“ analysing the activities, decisions and relations needed. They classify the work, divide it into manageable activities and further divide the activities into manageable jobs. They group the units and jobs, and select people for the management of the units and for the jobs to be done. *

Motivate and communicate a€“ making a team out of the people that are responsible for various jobs. * Establish yardsticks a€“ by making measurements available, which are focused on the performance of the whole organisation and which, at the same time, focus on the work of the individual and help them to do it.

Managers analyse, appraise and interpret performance. * Develop people, including themselves. Mintzberg identified ten skills which managers need if they are to develop greater effectiveness, and grouped them together under three categories, interpersonal, informational and decisional. Test your understanding 6 Is the following statement in line with Mintzberg's approach? 'The manager in the informational role combines being a spokesperson and disseminator with being a monitor of information. '

3 Managerial authority and responsibility

Authority refers to the relationship between the participants in an organisation. * Authority is the right to give orders and the power to exact obedience (Fayol). * Authority is the right to do something, or ask someone else to do it and expect it to be done. * Authority is thus another word for legitimate power. Illustration 5 a€“ Managerial authority and responsibility When analysing the types of authority which a manager or department may have the following terms are often used: * Line authority a€“ the authority a manager has over a subordinate, down the vertical chain (or line) of command. Staff authority a€“ is the authority one manager or department may have in giving specialist advice to another manager or department, over which there is no line authority. (HR department advising the accounts manager on interviewing techniques.)

* Functional authority is a hybrid of line and staff authority, whereby a manager setting policies and procedures for the company as a whole has the authority in certain circumstances, to direct, design or control activities or procedures of another department. (A finance manager has authority to require timely budgetary control reports from other departmental/line managers. Test your understanding 7 If a manager justifies an instruction to a subordinate by saying 'because I am your superior' the manager is relying on which of the following bases of authority? A Functional B Staff C Line

Responsibility is the liability of a person to be called to account for his or her actions. * Responsibility expresses the obligation a person has to fulfil a task, which he or she has been given. A person is said to be responsible for a piece of work when he or she is required to ensure that the work is done. * Responsibility is the obligation to use delegated powers. The important point is that managers and supervisors are ultimately responsible for the actions of their subordinates; the term 'accountable' is often used. * It is accountability for the performance of specified duties or the satisfactory achievement of defined company objectives. * Because responsibility is an obligation owed, it cannot be delegated. * No superior can escape responsibility for the activities of subordinates, for it is the supervisor who delegates authority and assigns the duties. Test your understanding 8 Which of the following statements could be a definition of responsibility?

A Liability to be called to account. B Accountability for actions. C An obligation owed. John French and Bertram Raven identified five sources or bases of power. * Reward power is based on one person having the ability to reward another person for carrying out orders or meeting other

requirements. * Coercive power a€“ is based on one person's ability to punish another for not meeting requirements, is the negative side of reward power. * Expert power a€“ is based on the perception or belief that a person has some relevant expertise or special knowledge that others do not. Referent power a€“ is based on one person's desire to identify with or imitate another. * Legitimate power a€“ the power derived from being in a position of authority within the organisational structure a€“ according to the position they hold within the organisation. Illustration 6 a€“ Managerial authority and responsibility If a manager justifies an instruction to a subordinate by saying 'because I am a qualified accountant' the manager is relying on which of the following bases of power? A Referent B Reward C Legitimate D Expert Solution D Test your understanding 9

If a manager justifies an instruction to a subordinate by saying 'because I am your superior' the manager is relying on which of the following bases of authority? A Referent B Reward C Legitimate D Expert In every position authority and responsibility should correspond (principle of correspondence): * Having responsibility without authority a€“ supervisor may be held responsible for time keeping but does not have the authority to discipline subordinate for poor time-keeping. The supervisor is powerless to achieve the levels upon which his or her performance is being judged.

This supervisor is likely to become frustrated, stressed and demotivated. Performance is likely to suffer. Conflict will occur if the supervisor fails the task due to lack of co-operation caused by lack of authority. * Having authority without responsibility a€“ personnel department employ an individual but will have no responsibility for the employee; they are in a

position of false security. Managers not held accountable for their authority may exercise their authority in an irresponsible way, which may not be to the benefit of the organisation.

They may take unacceptable risks, because the consequences of decisions will not rebound on them. The control mechanisms of the organisation depend on accountability. Test your understanding 10 John has just joined a small accounts department. The financial controller is taken ill. John has been told that he needs to prepare the management accounts and requires information regarding salaries. The payroll department are not happy about giving John the information required. What is the underlying cause of the problem? 4 Theories of leadership approaches 4. 1 The action-centred approach (Adair) Adair suggests that any leader has to strive to achieve three major goals while at the same time maintaining a position as an effective leader. * Adair's action-centred leadership model looks at leadership in relation to the needs of the task, individual and group. Test your understanding 11 The table below includes needs that managers have to action. Suggest whether they are likely to be associated with individual, task or group needs. 4. 2 The contingency approach (Fiedler) Contingency theory sees effective leadership as being dependent on a number of variable or contingent factors.

There is no one right way to lead that will fit all situations; rather it is necessary to lead in a manner that is appropriate to a particular situation. Fiedler's contingency theory * Fiedler studied the relationship between style of leadership and effectiveness of the work group. Two styles of leader were identified. Psychologically distant managers (PDMs). * Maintain distance from

their subordinates by formalising roles and relationships within the team. *

Are withdrawn and reserved in their interpersonal relationships. *

Prefer formal communication and consultation methods rather than seek informal opinion. Judge subordinates on the basis of performance and are primarily task-orientated. *

Fiedler found that leaders of the most effective work groups actually tend to be PDMs. Psychologically close managers (PCMs) *

Do not seek to formalise roles and relationships. *

Prefer informal contacts to regular formal staff meetings. *

They are more concerned to maintain good human relationships at work to ensure that tasks are carried out efficiently. *

Fiedler concluded that a structured (or psychologically distant) style works best when the situation is either very favourable or very unfavourable to the leader. On the other hand, a supportive (or psychologically close) style works best when the situation is moderately favourable to the leader. *

He further suggested that group performance would be contingent upon the appropriate matching of leadership styles and the degree of favourableness of the group situation for the leader. Fiedler went on to develop his contingency theory in 'A theory of leadership effectiveness', in which he argued that the effectiveness of the workgroup depended on the situation. The leadership situation is made up of three key variables: *

The relationship between the leader and the group (trust, respect and so on). The extent to which the task is defined and structured. *

The power of the leader in relation to the group. Illustration 7 a€“ Theories of leadership approaches

Fiedler suggested that a situation is favourable to the leader when the leader is liked and trusted by the group, the tasks of the group are clearly defined and the power of the leader to reward and punish the team, with

organisational backing, is high. Test your understanding 12 The accounts manager holds a departmental meeting every Monday at 10.00 am. How would Fiedler define this manager? 4. 3 Transformational leadership (Bennis)

Some of the values used to distinguish between managers and leaders have also been identified as:

- * Transactional leaders "see the relationship with their followers in terms of a trade: they give followers the rewards they want in exchange for service, loyalty and compliance.
- * Transformational leaders "see their role as inspiring and motivating others to work at levels beyond mere compliance. Only transformational leadership is said to be able to change team/organisational cultures and create a new direction.

Expandable text Bennis is an influential American author on leadership and change.

He focuses on the need to inspire change rather than imposing it. He identifies five 'avenues of change':

- * Dissent and conflict "top management impose change by means of their position of power, the result being rancour amongst those affected.
- * Trust and truth "management must gain trust, express their vision clearly, and persuade others to follow.
- * Cliques and cabals "cliques have power, money and resources; cabals have ambition, drive and energy. Unless the cliques can co-opt the cabals, revolution is inevitable.
- * External events "forces of society can impose change, e.g. by new government regulation or through overseas competition.
- * Culture or paradigm shift "changing the corporate culture is the most important avenue of change.

Test your understanding 13

When organisational change requires a change in structure and/or culture would the organisation require a transformational or transactional leader? 4. 4 Managing change (Kotter) Kotter set out the following change approaches to

deal with resistance: Test your understanding 14 Training in the use of a new information system is a means of overcoming resistance to change by:

A Facilitation and support.

B Education and communication. C Participation and involvement.

D Negotiation and agreement. 4. 5 Leadership to mobilise (Heifetz)

Heifetz argues that the role of the leader is to help people face reality and to mobilise them to make change. Heifetz suggests that the old approach to leadership was that leaders had the answers, the vision and then needed to persuade people to sign up for the change. Heifetz believes that leaders provide direction but do not have to offer definite answers and should mobilise people to tackle the tough challenges for themselves. Leaders have two choices when resolving a situation: Technical change "the application of current knowledge, skills and or tools to resolve a situation. * Adaptive change " is required when the problem cannot be solved with existing skills and knowledge and requires people to make a shift in their values, expectations, attitudes or habits of behaviour. This is often required to ensure organisational survival. Expandable text Heifetz suggests four principles for bringing about adaptive change: * Recognition that the change requires an adaptive approach and understanding the values that need to be shifted and the issues that need to be resolved to make the shift possible. Adaptive change causes unhappiness in the people being led; adaptive change requires the right level of stress to be applied: too little stress and people do not appreciate the need for change: too much stress and there will be no 'buy-in'. * Keep focused on the real issue of realising the change; do not spend too much time on stress-reducing distractions. * Ensure the people

who need to make the change take responsibility and face the reality of doing the work of change for themselves. Leaders provide the direction, posing well-structured questions, rather than offering definite answers.

Leadership styles

5. 1 Blake and Mouton Robert Blake and Jane Mouton carried out research into managerial behaviour and observed two basic dimensions of leadership: concern for production (or task performance) and concern for people. Based on the results of staff questionnaires, managers can then be plotted on Blake and Mouton's grid.

1. 1 Management impoverished a€“ this manager only makes minimum effort in either area and will make the smallest possible effort required to get the job done.

1. 'Country Club' management a€“ this manager is thoughtful and attentive to the needs of the people, which leads to a comfortable friendly organisation atmosphere but very little work is actually achieved.

9. 1 Task management a€“ this manager is only concerned with production and arranges work in such a way that people interference is minimised.

5. 5 'Middle of the road management' a€“ this manager is able to balance the task in hand and motivate the people to achieve these tasks.

9. 9 Team management a€“ this manager integrates the two areas to foster working together and high production to produce true team leadership.

Blake and Mouton's grid can be used to assess the current behavioural style of a manager and then plan appropriate training and development to enable them to move towards 9. 9.

Test your understanding 15 Using the scores shown on the above grid, make suggestions as to how this particular manager could improve his/her managerial style.

5. 2 Ashridge The research unit at Ashridge Management College distinguished four different

management styles. Tells (autocratic) a€“ the manager makes all the decisions and issues instructions which must be obeyed without question.

Strengths: * Quick decisions can be made when required. The most efficient type of leadership for highly-programmed work. Weaknesses: *

Communications are one-way, neglecting feedback and potential for upward communication or team member input. * Does not encourage initiative or

commitment from subordinates, merely compliance. Sells (persuasive) a€“ the manager still makes all the decisions, but believes that team members

must be motivated to accept them in order to carry them out properly.

Strengths: * Team members understand the reason for decisions. * Team members may be more committed. * Team members may be able to

function slightly better in the absence of instruction.

Weaknesses: * Communications are still largely one-way. * Team members are not necessarily motivated to accept the decision. * It still doesn't

encourage initiative or commitment. Consults (participative) a€“ the manager confers with the team and takes their views into account, although

still retains the final say. Strengths: * Involves team members in decisions, encouraging motivation through greater interest and involvement. *

Consensus may be reached, enhancing the acceptability of the decision to team members. * The quality of the decision may benefit from the input of

those who do the work. * Encourages upward communication.

Weaknesses: * May take longer to reach decisions (especially if consensus is sought). * Team member input may not enhance the quality of the decision.

* Consultation can be a faA§ade for a basic 'sells' style. Joins (democratic) a€“ the leader and the team members make the decision

together on the basis of consensus. Strengths: * Can provide high motivation and commitment from team members. * Empowers a team member to take the initiative (e.g. in responding flexibly to customer demands and problems). * Shares other advantages of the 'consults' style (especially where team members can add value). Weaknesses: May undermine the authority of the manager. * May further lengthen the decision-making process. * May reduce the quality of the decision because of the politics of decision making.

Test your understanding 16 For each of the statements made by managers listed below, choose an Ashridge leadership style that best describes the statement.

Chapter summary Test your understanding answers Test your understanding 1 * Planning the work of the department. * Ensuring by adequate supervision that the work is completed as far as possible according to plan. * Maintaining discipline in the department. * Undertaking the task when required. Having knowledge and ability in all aspects of health, safety and employment legislation that applies to his or her subordinates. Test your understanding 2 C Test your understanding 3 A only Test your understanding 4 B Test your understanding 5 A Test your understanding 6 Yes Test your understanding 7 C Test your understanding 8 A, B and C Test your understanding 9 C Test your understanding 10 John has been given the responsibility for completing a task but without the authority. Test your understanding 11 Test your understanding 12 Psychologically distant manager. Test your understanding 13 Transformational. Test your understanding 14 A Test your understanding 15 The manager illustrated in the above grid is showing good concern for production (although this can be strengthened further) but is weak in terms

of concern for employees. Further investigation would then be carried out to determine why this is the case and in what ways such a lack of concern is exhibited. Then rectifying action can be taken. For example: * Attend a training course on people skills and motivation. * Involve staff in more decisions. * Treat staff as valuable assets; adopt an open door policy. Test your understanding 16