



# Management and Leadership

AS Business

## Management

- Management refers to people who are on higher levels of hierarchy and so are responsible for making the business decisions.
- Business decisions deals with different aspects of the business including its long terms goals and short term day to day operations.

## Managers

- Managers are the people who are on higher levels of hierarchy and so are responsible for making business decision.

## Role of Management

### 1. Setting Objectives

2. Arranging necessary resources for achieving objectives

3. Controlling different activities

4. Coordinating between different departments 5.

Evaluation of workers and company performance

## Setting Objectives

- Deciding upon the targets for the upcoming periods

## Arranging necessary Resources

- Refers to making sure that business has adequate resources to meet the future objectives.

# Controlling different activities

- Making sure that day to day business activities are taking place in smooth manner without any disturbances.

# Coordinating between Department

- Making sure that all departments of the business are aware of the bigger picture and so are working towards the same goal.

# Evaluation of company's and workers' Performance

- At the end of any period the managers also evaluate the company's

performance to determine if it achieved its objectives or not and to identify the weak areas which should be improved for the next period.

## Types of Managers

1. Directors
2. Managers
3. Supervisors
4. Workers Representatives

### Directors

- Directors are the shareholders with majority shares who are part of

the board of directors and so are responsible for management of the company.

- Directors are responsible for making strategic decisions for the business like what should be the company's long term goals.

## Managers

- Managers are the people who are heading a certain department within an organization like Marketing Department or Finance Department etc etc.
- Managers are responsible for making decisions that concern that area of responsibility like Marketing manager would make decisions

related to marketing and so on.

## Supervisors

- Supervisors are the people who are supervising the activities related to production. They work in production plants to observe the work undertaken by production workers.

## Workers Representatives

- Workers who hold official positions in trade union that is a workers body that represents workers demands in front of company / employers.

## Types of Leadership Styles

- Leadership is defined as the process of leading and motivating employees to achieve a predefined target / objective.
- Leadership style is set of unique attributes held by a leader who is basically the person who has some formal authority in the organization.

## Leadership Styles

1. Autocratic
2. Democratic
3. Paternalistic



## 4. Laissez Faire

# Autocratic

- This leadership style is defined as very authoritative meaning the decisions are made by the leader who wants the subordinates to follow instructions and orders without any questions or suggestions.
- Often times there is one way communication meaning the leader is making decisions which does not involve feedback from subordinates.
- They believe in strict control over employees and so would generally believe that employees are not hard working and they avoid responsibility.

# Democratic

- Unlike autocratic leadership style, democratic leaders are more welcoming of subordinates opinions and suggestions and they prefer 2 way communication.
- Democratic leaders have more soft approach towards their employees.
- Delegation: is the process of handing the decision making power to lower levels of management.
- There is much greater element of trust in Democratic Leadership as opposed to Autocratic leadership.

# Paternalistic

- These leaders pretend to be very caring and supportive towards their employees but in reality they want to keep most control in their hands and even if they take opinions from employees they don't really value it thinking that employees opinions are not very beneficial.
- Since paternalistic leaders want to retain most of decision making power therefore they do not delegate responsibility to lower levels of management.

# Laissez Faire

- This is the leadership style where employees are given complete freedom / authority to make their decisions because management believes that employees are expert in their work and so they can better decide about the work related issues.
- However it is not that employees are not accountable for their performance, they are, but during their work employees do not face unnecessary interference from management.

<p>More likely to be get work done especially with employees who fear that there will be consequences in case the desired performance is not attained.</p> <p>This can be more effective strategy against Type X workers.</p>	<p>However employees who like work and want their work to be valued might not like very much working for Autocratic.</p> <p>This might result in demotivation of employees and so can negatively affect their work performance.</p>
<p>Greater accountability of employees in the sense that such managers will hold their employees more responsible for their performance.</p>	
<p>The decision making process will be faster since it does not involve consultation with subordinates and such managers do not take suggestions from their subordinates.</p>	<p>However the downside of such centralized decision making process will be lack of creativity and innovation in the company since leaders are not open to new ideas and</p>

suggestions.

More employees motivation because they would feel more valued knowing that their suggestions are taken into consideration by the seniors etc.

And also because there is more delegation to juniors etc.

Type X workers might be able to avoid work and responsibility in the case of democratic.

However there will more creativity and innovation in the company since employees opinions are taken into consideration etc.

The decision making process can be slower because it involves more consultation from employees / subordinates.

## McGregor Theory X and Theory Y

- Type X workers are the ones who do not generally like work and such employees avoid responsibilities and so the leaders should be strict with them to make sure that they perform on their potential.

- Type Y workers on the other hand are those who enjoy work and are ready to take up responsibility in any organization and so are ready to take initiatives and so on.

<p>The employees are expected to feel more relaxed and comfortable in under such leadership and therefore they will perform better.</p>	<p>Some people might take unfair advantage of such soft and lenient leadership and might avoid responsibility and so on.</p>
<p>Since the decision making is centralized so it does not much matter that leaders are soft and kind with their employees.</p>	<p>However some employees might dislike the idea of their opinions and suggestions not taken into consideration for decision making which can demotivate people.</p>



	<p>There might be limited innovation and creativity in such organizations because employees' ideas are not valued etc.</p>
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<p>Much more creativity in the organization because employees are given freedom to make their own choices and so on.</p>	<p>However if the company has Type X workers who generally avoid hard work and responsibility then this can be a serious problem for the business.</p>
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Such a leadership style can be very motivating for employees knowing that company's trust their decision making and so employees would feel valued and so will work harder.