LEADERSHIP PERFORMANCE AND MANAGEMENT DEVELOPMENT

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SYNOPSIS

1. Introduction

2. Leadership

   2.1 Elements of Leadership
   2.2 Leadership Styles

   ➢ authoritative style
   ➢ Participative leadership
   ➢ Delegated leadership
   ➢ Transactional leadership

3. Research Methodology: Used Secondary data

4. Management Concept

   4.1 Planning

   ➢ Operational Planning
   ➢ Tactical Planning
   ➢ Strategic Planning
   ➢ Contingency Planning

   4.2 Performance Management

   ➢ Effective Communication
   ➢ Compensation
   ➢ Timely Training
   ➢ Empowerment
   ➢ Teamwork
   ➢ Performance Appraisal

5. Conclusion

1. Introduction:

There are many ways to define **leadership and management**—and to distinguish between the two. One way to define effective management is to simply say, it is the accomplishment of organizational goals, using the resources available. One way to define effective leadership is to say, it is to motivate people, the human resources, to want to achieve those organizational goals. Peter Drucker, often referred to as the man who invented modern management, said "Management is doing things right; leadership is doing the right thing" (Leadership, 2015).

All aspects of an organization need to be managed. Financial management controls the financial assets of a company to make sure the organization can conduct business. Facilities management ensures that the firm has a place in which to operate. Equipment and fleet management ensures that the company has the necessary tools to get the job done. Marketing management and sales management handles the business aspects of: producing, promoting, selling, and delivering the product or service. Human Resource management recruits, staffs, compensate, and retain the people. There are many other functions depending on the type of work done, and all need careful management.

Each manager is also a leader, because in every case, people are involved in working toward the goals. In addition, senior leadership does the strategic planning and organizational goal setting to determine the direction for the company. It is also true that many people use the terms interchangeably.

Leadership - motivating people, the human resources, to want to achieve those organizational goals.

Management - the accomplishment of organizational goals, using the resources available.

2. Leadership:

Leadership is getting the job done through the efforts of others. The style of leadership may depend on the leader or on the industry or type of work being done, or on the people being led. Leadership of a group of trained professionals that do not need immediate supervision must be different from that of a group   of unskilled workers.

2.1 Elements of leadership

Leaders must make sense of a complex environment. Culture, technologies, politics and laws are all rapidly changing. International trade and competition have put local business into situation in which they are competing with companies in China or India. Technologies that were the latest item just a few years ago are now obsolete. Leaders must be able to make sense of the rapidly changing environment and sort out how the company will operate now and in the future. Change is not optional. Firms can fight change or they can embrace it. Some organizations find the frequent technological changes too expensive and might want to continue using older methods to save money. However, older

technologies may put them at a competitive disadvantage. Leaders must be able to evaluate the complexities and make logical decisions on how to proceed.

No organization gets it right every time and it is important to be able to learn from failure. History has many examples of companies that failed to learn the lesion. In 2015, RadioShack field for bankruptcy protection and closed 1,700 stors in response to a steadily declining business. The company had seen declining business for years, but failed to learn from their mistakes. Time will tell if they can learn the lesson now. In, Business sometimes success breeds failure because the organization may believe success in permanent and they fail to constantly monitor the environment. Sometimes, however, Failure can breed success when a company learns from their mistakes and becomes stronger because of it. To paraphrase Harvey Mackay, No one plans to fail, but many fail to plan.

Another element of leadership is understanding people; this includes understanding one's self as well as others. People are complex creatures with competing goals. Everyone has strengths and weaknesses, and knowing our strengths allow us to focus on the things we do best. In the same way, understanding our weaknesses allows us to recognize growth potential. It is important for leaders to recognize the strengths of the people they hires so that they can put them into the most effective positions: where there is the best fit between the person and the task. Understanding the weakness can avoid unrealistic expectations when people are improperly assigned. When the leader understands their own weakness, it allows them the chance to find others to accomplish tasks they are not able to do themselves.

Transparency, in business, involves making decisions based on established rules and without hidden agendas. Many local governments have established "sunshine laws," which require meetings to be open and public. Although this is not the case for private businesses, a company that has a policy of advertising contract opportunities and accepting multiple bids, and then selects a contractor without any competing bids, violates the concept of transparency. In the same way, a company may normally publish open positions but then promote someone within the company with posting the job. Transparency gives confidence to internal and external stakeholders of the company. Effective leaders should establish a goal for transparent decisions and a track record of doing it himself or herself.

Leaders must focus on the mission. That is, after all, why they were hired, to accomplish the goals of the organization. Companies must produce and sell the product, provide the service, win the contracts, or whatever it is that they do to make a profit. The leader must understand the needs of the workers and the local community and in doing so, establish internal and external relations that retain the employee and establish a good reputation for the firm. Through it all, however, the leader must get the job done and earn a profit. No amount of good reputation will help a company that is losing money. Low turnover will not help a company that winds up laying off their workforce. Companies must spend the resources to establish a good image, but not so much that they lose money in pursuit of an image.

A final element of leadership is never asking the employees to do something the leader would not do. The leader must "walk the walk" and "talk the talk." That is,

they must work hard, demonstrate integrity, and lead by example. Leaders must not just tell the workforce what is expected, but they must show them their own actions. The right decision is not always easy decision. When the employees see the senior management making the hard decision and acting ethically, the lesson is quickly learned throughout the organization.

2.2 Leadership Styles

Many leaders have particular styles of leadership. We can divide those styles into several categories, although it is important to remember that no particular style of leadership is necessarily right or wrong or the best for a particular situation. Some leaders follow an **authoritative style** of leadership; that is, one in which the leader makes the decision, with or without checking with anyone. Many of the most successful and famous leaders use this style. Authoritarian leaders are very confident with both their leadership and with their decision-making. These leaders naturally assume that they know what to do and how to go about it.

This style is frequently associated with military leadership and athletic coaching. Authoritative leaders may check with others and gather information, but when it is time to make a decision, this style of leader does so by themselves. Authoritative leadership is particularly effective when there are time constraints or when subordinates are not trained to participate or do not have the necessary information to participate in the decision-making. One significant disadvantage to authoritative leadership is that it may fail to benefit from expertise by others.

Participative leadership, also known as democratic leadership, is a style that employs group input and sometimes group decision-making. In this style, a leader asks for input and debate. Decisions are made by a group or at least with substantial input from a group of knowledgeable people. Participative leadership is able to draw on the expertise of the group and frequently leads to not only better answers and decisions but also better buy-in by the employees. Participative leadership tends to be a better style when there is plenty of time and the answer is complex and needs to be made with careful consideration. Participative leadership, however, is much more time-consuming and can sometimes get off the track if strong but uninformed opinions lead the group astray.

Delegated leadership, also known as Laissez-Faire or free-rein leadership, is a style that moves the decision-making and leadership down the levels of management. This style is sometimes viewed as nonparticipating because the upper management is not participating in the decision-making. However, this style is very effective in an organization that is geographically spread out, communication is difficult, or people at all levels are well trained and able to make clear decisions. Delegated leadership is less effective if people making the decisions are not aware of all the factors that impact issue, but much more so if there are local issues of which the senior leadership is not aware. **For example:** Delegated leadership is often necessary for the branch offices of some multinational companies, allowing marketing decisions to be handled by local people who better understand the culture.

In one sense, authoritative leaders say, "I will decide"; participative leaders say, "We will decide"; and delegated managers say, "You will decide."

Another way to look at leadership styles is to consider transactional versus transformational leadership. **Transactional leadership** is said to be more mission-oriented. The transactional leader recognizes the task at hand and the skills of the people involved. This type of leader

attempts to get the job done primarily by using the risk versus reward system. This leadership style focuses on the job and expects people to accomplish the job because they are supposed to and are paid to. Although not ignoring people's needs, they are secondary to the mission.

Transformational Leadership is more focused on the people and their motives and desires. This style of leadership tries to inspire people to go beyond **Transformational Leadership** is more focused on the people and their motives and desires. This style of leadership tries to inspire people to go beyond just the job, but to be accountable for getting the job done with less need for supervision. Transformational leaders look beyond the immediate mission and to the bigger picture, trying to create a workforce that in a sense has less need for a leader. The transformational leader is more focused on the people and what they can do, than on the individual project. **Situational or Fluid Leadership**, also sometimes known

as adaptive leadership, is a style of leadership that depends on the situation at the time. Although most leaders adopt a style that best suits their personality, training, or environment, some are able to adjust their leadership style as the situation changes.

PLANNING

Planning is a necessary part of leadership. Guiding the organization toward the accomplishment of goals requires knowing the goals and the steps to get there. Planning can be categorized by the breadth and scope of the effort. Some planning is fairly short term and narrow in scope and some is very long range and encompasses the entire organization. Planning is generally divided into Operational, Tactical, Strategic, and Contingency plans.

Operational Planning is usually short term and narrow in scope and designed to support and implement the tactical plan. Operational planning may be what needs to get done today, or this week, or this month. Operational planning may also be done entirely within a department or business section, without impacting the rest of the organization.

In doing operational planning, the leader must decide what specific objectives must be met and in which order and then what steps must be taken to reach the established targets. Finally, the leader must decide who will carry out those steps and the necessary resources to assign to the task. Operational planning might involve establishing daily or weekly sales goals and further breaking those down to individual sales goals.

Tactical Planning is longer term and broader in scope than operational planning. Some tactical planning may take place at any level of an organization, but tends to be done more so at the departmental level and above by mid-level and senior managers. The focus is on the mid-term, for instance, three to six months out, and done to support the strategic plans. Tactical planning may include such things as bringing a new product online or opening a new sales region. Tactical planning may be looked at as a series of steps taken to move the organization to the strategic goals.

Strategic Planning is the longest term plan and biggest scope. It is normally done at the executive level of the organization, but may include input from midlevel managers. The strategic plans are developed directly from the overall goals of the organization and typically look out from 1 to 5 years, but may look out as far as 20 years into the future. Executives decide where the organization wants or needs to be in the future and then develops the strategic plan to get them there.

Contingency Planning, sometimes known as "what-if" planning, is done to anticipate disruptive problems before they happen. An organization may be ill-prepared to deal with emergencies if they have done no planning ahead of time. For instance, how would a manufacturing company deal with a strike by the employees of one of their suppliers or a natural disaster that destroyed an assembly plant? In 2011, Toyota manufacturing was shut down by first an earthquake, followed by a tsunami, which flooded much of the coastal part of the country, including the Fukushima Power plant, and then causing a nuclear disaster that is still not completely resolved four years later. This caused production interruptions in 5 European plants and 14 U.S. plants as well as throughout Japan. Although this kind of disruption is impossible to predict, Toyota does contingency planning that provided them with an initial set of responses and communications to minimize the problem and speed up the recovery.

Some would say to plan for the best and prepare for the worst. Contingency planning is the way of preparing for the worst. Rather than predicting natural disasters, it sets out actions to take in the case of different kinds of disruptions. These steps are then adapted to the issue with which contingencies occur.

PERFORMANCE MANAGEMENT

Improving the employee performance and company results is the goal of **performance management**. This is done by using a variety of leadership tools, which include proper compensation, effective communications, timely training, empowerment, group dynamics, and effective performance appraisal.

Effective Communication is a vital element in any organization. Communication takes place constantly; effective communication moves the right message through the right channels at the right speed to help the organization move forward.

To be successful, business managers and leaders need effective written and oral communication skills. This requires public speaking abilities and business writing skills. Being able to understand the message, the medium through which it is transmitted, and the audience is an important leadership skill.

Compensation is pay for work, although pay can take several forms and can be based on several different formulas. Usually, compensation is normally in the form of money, that is, a salary or wage. A wage is typically an amount paid by the hour, and in most cases, there is a minimum wage and overtime or one and a half of the normal wages for hours worked beyond 40 hr per week. A salary is normally a fixed amount paid for pay period such as per week, month, or year. Commission is pay for performance and is usually based on something like a percentage of sales. Many in the Jewelry business earn a combination of wage and commission like $12.50 per hour and 2.5% of gross sales. Some jobs, notably durable products sales, like auto sales, may be commission only. There is also piece work which is also performance based includes agricultural pickers who might earn a fixed amount per bushel of crops. Many independent contractors work on a set fee or contract payment, which is a lump sum paid at the end of a particular job or task.

Other forms of compensation include benefits such as healthcare insurance, retirement benefits, uniforms, vacation, child care, and many other noncash types of pay. For many businesses, labor costs are among the largest business costs they face. Each company should have appropriate compensation, high enough to attract talented employees, but not too high to make them uncompetitive.

Timely Training is necessary to ensure that employees have the tools and skills to perform and compete in a rapidly changing competitive environment. As the tools of business change, the work force needs to keep up. Training must keep up as well. One technique is called Just-in-Time Training, which brings the training to the work place just as the employees need to start using new procedures or equipment. There can be "on-the-job" training, where equipment during their workday, or "off-the-job" training, where employees learn in a classroom or simulation before doing actual work.

Empowerment puts responsibility and authority in the hands of workers so they can use their own judgment to accomplish assigned tasks. A leader is often too busy with their duties to closely supervise all of the workers. Many workers are completely capable of operating on their own if given the chance to do so. Authority and responsibility rest with leadership as a function of positional power. That is, the authority comes with the position of leadership. To move this authority down to lower level management or to the worker level involves a deliberate and often formal decision to do so. Delegating is another word for this, giving the worker the authority to make decisions. Empowerment goes beyond delegation in allowing to decide for themselves what needs to be done and how to do it.

Empowerment allows workers to make decisions on their own but also implies they know what to do and how to do it. One effective technique is for management to establish SMART goals. **SMART** goals are goals that are specific, Measureable, Attainable, Relevant and Time-Bound.

Goals are specific when they are clear to both the person establishing the goals and the person who must accomplishment it. Goals are measurable when there is some easily understood level that must be achieved. This could be numbers of sales, or time to finish a process, or a level of customer comments. Attainable goals are those that can be realistically achieved, given the necessary resources. When goals are attainable, but require significant effort, they are sometimes known as stretch goals. If they are not attainable, there is little motivation to try. Relevant goals apply directly to the goals of a company and are important. For example, a goal that establishes how many customers must be called during each shift might be as relevant as how many sales are made. A goal is time-bound when there is a time period during which, or by which, the goal must be accomplished.

Teamwork has always been important in business, but if anything it has become more significant in the highly competitive environment in which firms operate today. Having people in the same location or department does not make them a team. A team is a group of people who work together with a common purpose or goal. Teams may be permanently established. These standing teams may meet regularly for years and membership may change as people come and go from the organization. Ad Hoc teams are frequently formed to address a particular problem and will dissolve when that is done. Cross-functional teams are made up with members from

different functional departments, bringing different skills and perspectives to an issue that effects the whole organization. In every case, the intent is to bring greater expertise and experience than one person would have and to use that combined effort to make better decisions.

Performance Appraisal is the action of evaluating the effectiveness with which employees meet stated goals and objectives. Performance appraisals may be used for promotion, pay raises, retention decisions, or simply to regularly meet and discuss how the workers are doing. When done properly, they are an effective management and motivational tool. When done improperly, they are a source of conflict and a disincentive. Appraisals must be done regularly and be based on written criteria, which allow a person to understand the standards to which they are compared. If properly done, a performance appraisal should never come as a surprise to the employee. Evaluations are typically done each year, although more often frequently done for new employees. Appraisals can be entirely subjective with a written description of accomplishments or entirely objective with ratings or numerical scores. Many appraisals use a combination of scores and written comments. Documentation is very important though, so that you, as the manager, can show how and why you reached your conclusions in case there is an employee dispute at some point in the future.

Conclusion

Are leaders born or made? The jury is still out on that question. There is no doubt that some people have natural leadership abilities but even a natural leader may employ the wrong style depending on the situation. On the other hand, people can learn and develop leadership abilities even if they have no natural tendencies for it. Whether learned or natural, leadership abilities must be applied appropriately, to be effective.

Often, the best style is a function of who is being led more so than who is doing the leading. A college faculty is a group of highly educated people with considerable work experience, self-initiative, and good understanding of the mission. An authoritarian leader would probably not work well in that setting. A leader that believes in making the decision themselves and not checking with people would meet resistance when leading people that do not need to be told what to do or how to do it. On the other hand, a delegated leadership style would not work well in an environment in which people are not used to making their own decisions or do not have the experience or knowledge to do so.

Different cultures, genders, or age groups may also need different leadership styles to be effective. The best leaders understand that it is the needs of those being led, the situation, or time constraints, not his or her own needs, that dictate the best style for any given situation. Effective leaders can adapt their style on the fly.