



Part 1: Management

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Part I: Management

Course 4

Leading

- Leading functions
- General personality traits of effective leaders
- Personality traits of effective leaders
- The situational theory

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Leading functions:

THE FUNCTION OF PERSONNEL LEADING

The Personnel Leading represents the assembly of methods approached by a person (**Leader**) for determining the behaviour of the firm employees in order to act towards reaching the firm objectives.

Many times **leading** is mistaken for **management**, the two concepts being often interchanged in current speech. In fact, the two concepts are different.

Leading represents the process of influencing people and the relations between them for the firm to go through the **proper way**.

Management represents the process of coordinating the firm resources so that the firm **properly** go through its way.

Consequently, the function of leading implies the completion of the firm aims with and by means of human resources. Thus, the function of leading is considered as the most important function of a successful management.

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Leading functions:

Most of the times, in the setting up stage of a small or medium size firm, the manager-owner begins his activity as a specialist in the specific field of the firm, being more involved in the production activity proper. While successively going through the development stages of the firm, the manager-owner specializes himself in globally directing it, becoming more prepared to balance the **technical, human, and conceptual** aspects.

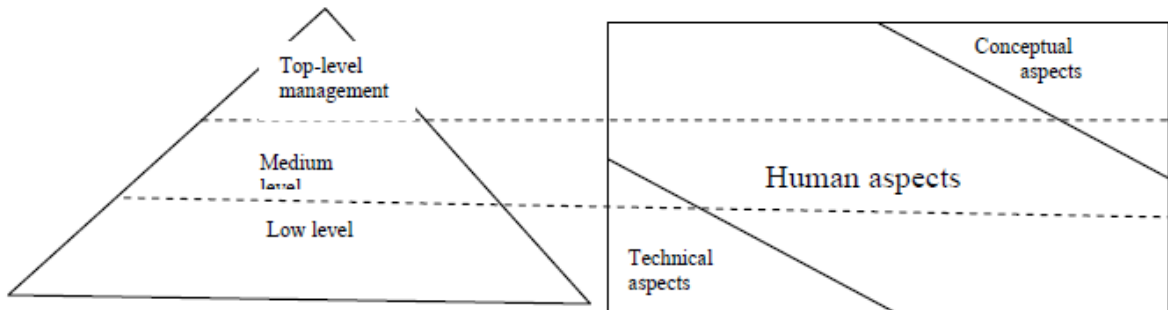
The technical training of the leader implies the knowledge, abilities, and skills required for the technical execution of the product or service offered by the firm (the computers assembly and programming, firms accounting, etc).

The human training of the leader implies the knowledge and mainly the abilities both for the understanding and for the forecasting of the employees behaviour, as well as for the employees directing, changing, and supervision. The leader shall also assume the responsibility of influencing the behaviour of other persons for the tasks completion and aims reaching. (e.g. – the capacity of efficiently solving a problem of the firm through coordinating the subordinate employees; - the capacity of satisfying the needs of the employees, and of understanding their motivations).

The conceptual training of the leader implies the knowledge, abilities, and skills for the global interpretation of the activities that are being developed in the firm with a view to harmonize the organizational structures.

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Leading functions:



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A leader's profile:

The performances that shall be reached at by a leader in today's stage of the social-economic evolution:

- to apply performant technologies,
- to create new production units in zones with cheap labour,
- to create totally original ways of growth,
- to transform the culture of the organization in order to make it more competitive.

The characteristics that a leader shall have:

- penetrating spirit,
- relatively developed analysing capacity ;
- the skill of thinking strategically and multidimensionally;
- a good professional intuition;
- a good knowledge of the group he is leading, and of the activity sector;
- relations in the society and in the activity sector;
- a certain repute, antecedents of success in various fields;
- the understanding of the human nature;
- personal qualities (integrity, honesty);
- a strong motivation to be a leader.

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A leader's profile:

According to a study carried out along several years within 90 American successful firms, W. Bennis arrives at the conclusion that the leaders of these firms had the following four qualities in common (Bennis W., *Why Leaders Can't Lead*, Jossey Bass Inc., 1991)

- they were pleasant persons;
- communicative;
- reliable;
- capable of self-knowledge and to be self-led.

The definition of leading implies the fact that in a leader both power and wisdom are present at the same high level. Plato considers that when "power is deprived of wisdom, it becomes tyrannical".

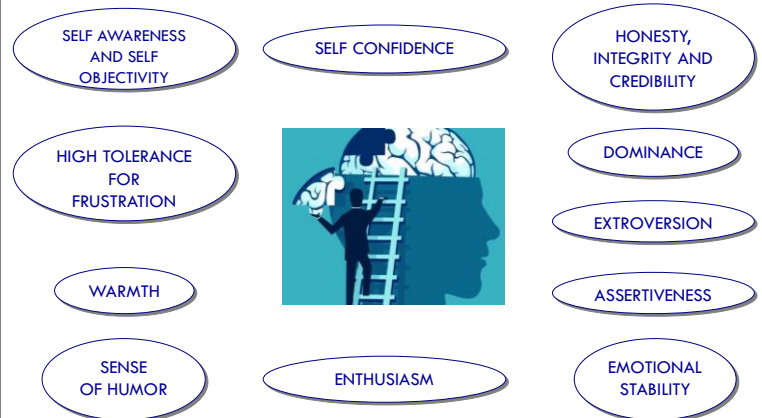
Leadership is based on the team spirit which is defined as the status that reflects the people's wish to think, feel, and behave in a harmonized way with a view to achieve a common aim.

The team spirit is expressed as the result of integrating four processes:

- the acquiring of trust between the persons involved;
- the consensus declaring of a mission and of some clear aims to which the persons adhere;
- the development of participatory decision taking processes;
- strong individual and group motivation to contribute to the achievement of common aims.

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General personality traits of effective leaders:



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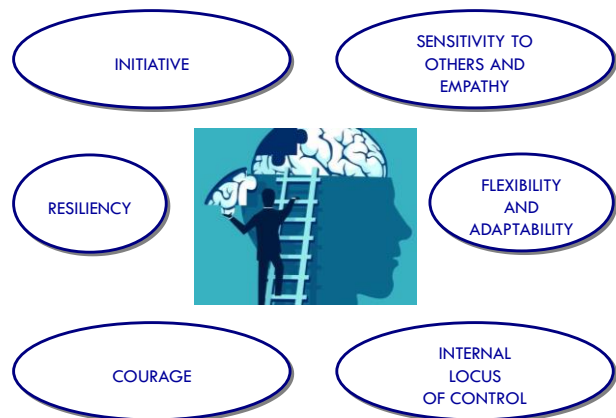
General personality traits of effective leaders:

	Self	Other
Awareness	Self Awareness <ul style="list-style-type: none"> - Emotional Self-Awareness - Accurate Self-Assessment - Personal Power 	Other Awareness <ul style="list-style-type: none"> - Empathy - Service Ethic - Organizational Awareness
Management	Self Management <ul style="list-style-type: none"> - Emotional Self Control - Integrity - Innovation & Creativity - Initiative & Bias for Action - Resilience - Achievement Drive - Stress Management - Realistic Optimism - Intentionality 	Relationship Management <ul style="list-style-type: none"> - Developing Others - Powerful Influence - Communication - Conflict Management - Visionary Leadership - Catalyzing Change - Building Bonds - Teamwork & Collaboration - Building Trust

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General personality traits of effective leaders:

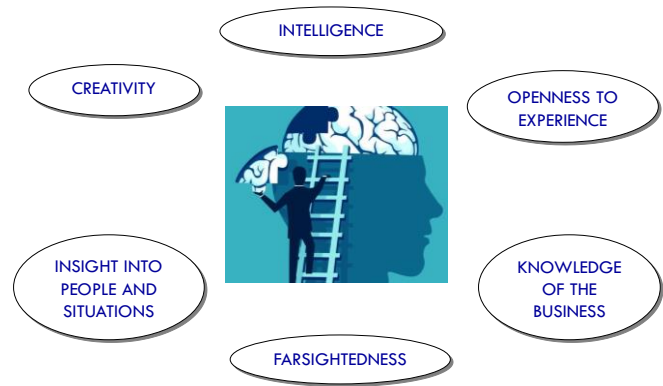
Task-related



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General personality traits of effective leaders:

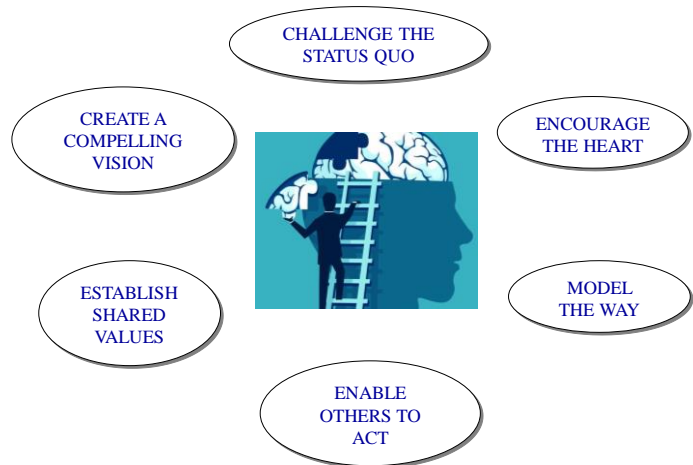
Cognitive factors



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General personality traits of effective leaders:

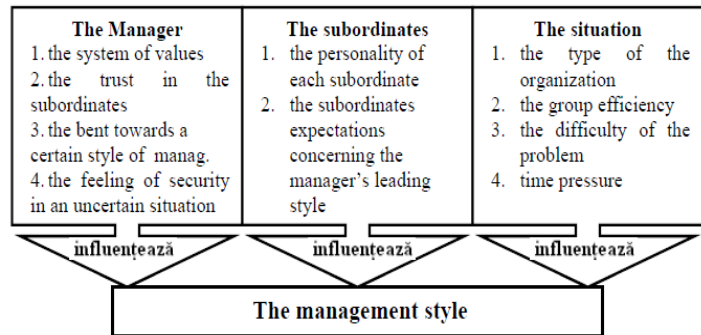
Charismatic leaders



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The situational theory:

The situational theory frames the management styles met with within various special cases in which managers find themselves, there being necessary to adapt the way of leading as function of the seriousness of the given problem, by maintaining at the same time their authority and the required supervision concerning their responsibilities.



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The situational theory:

In order to establish a management style as democratical as possible which is also adapted to a particular situation, the manager shall take into account the decisive influence of the forces of the three basic factors: *the manager, the subordinates, the situation.*

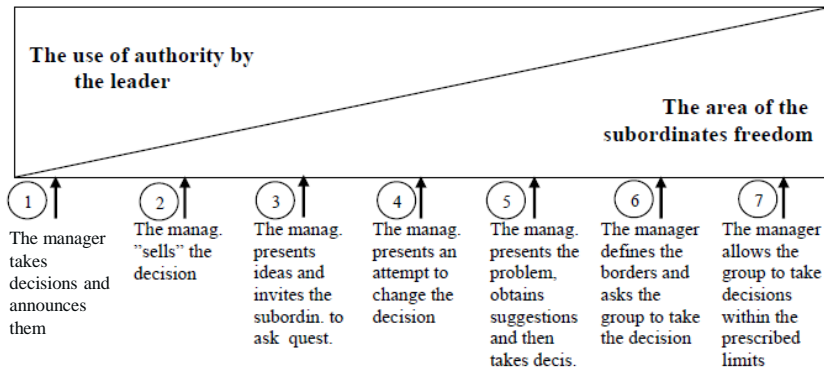
Although the level of the three forces varies from one situation to the other, managers shall be aware of their influence to more clearly understand the problems they have to face, to be able to establish the management style they can adopt.

The ratio of the subordinates freedom of decision taking as compared to the degree of authority and supervision that the manager has to exert due to his responsibilities is perceived in various ways, according to the managerial reasons and principles of each leader, there being practically seven different ways of management gradually presented in the chart

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The situational theory:

Fig. 5



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The situational theory:

1 The manag. takes decis. and announces them

In this case, the chief identifies the problem, draws up the alternative solutions according to his managerial reasons, chooses one of the solutions, and then makes known the decision to the subordinates for implementation. The chief may or may not take into account what the subordinates will think or feel in connection with the decision, at any rate the subordinates are not given the occasion to directly participate at the process of the decision taking.

2 The manager "sells" the decision

In this case, as in the previous one, the manager also takes the responsibility to identify the problem and arrives at a decision. Moreover, as compared to the previous case where the decision is announced, the manager makes one more step, namely he convinces the subordinates to accept the decision. Thus, the chief recognizes the possibility of meeting with a certain resistance from the part of the subordinates to which the decision is presented, trying to reduce this resistance by indicating, for instance, what will the employees gain through taking that decision.

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The situational theory:

3 The manager presents ideas and invites the subord. to ask questions

In this case the manager has arrived at a decision and seeks for the acceptance of his ideas. The initiative for the problem identification and diagnosis rests with the chief. Before meeting the persons involved in taking the decision, the manager has already thoroughly studied the problem and has already arrived at the final decision, but he still pretends to be open to debates. The manager actively communicates with the subordinates by presenting his intentions, his way of thinking, together with all the necessary reasons in order to be able to convince them. The manager invites his collaborators at the debates to convince himself that they have understood what he is going to make. This style is called “*give and take*” in the literature and it offers both the manager and the subordinates the possibility to explore the implications of the decision.

4 The manager presents an attempt to change the decision

This style allows the subordinates to exert a certain influence over some decisions. The initiative for the problem identification and diagnosis rests with the manager. Before meeting the persons involved in taking the decision, the manager has already thoroughly studied the problem and has arrived at the final decision, but he still pretends to be open to debates. Before the end of the debates, the manager presents the proposed solution to obtain the reaction from the part of those affected by the decision by saying certain sentences similar to the following: “*I wish to hear your point of view concerning the plan I have developed. I will appreciate your sincerity and open opinions, but I will reserve the right to take the final decision by myself*”.

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The situational theory:

5 The manager presents the problem, obtains suggestions, and then takes the decisions

In all the previous cases, the chief appears in front of the group (the subordinates) with his personal solutions. In this case the subordinates have the chance to suggest solutions themselves. The role of the manager is to identify the problem. The style of presenting the situation could be as follows:

“We are facing a number of complaints in the papers or from the part of the public. Where do you think is the mistake? What is mistaken? What ideas do you have to overcome this problem?”

The function of the group becomes that of amplifying the manager’s account through possible solutions for the given problem.

The aim is to inform, to maintain and amplify the knowledge, to develop the experience, respectively, of those in “the first line”.

Finally, the manager selects the alternative he thinks to be the most promising one out of the long list of alternatives developed together with his subordinates.

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The situational theory:

6 The manager defines the borders and asks the group to take the decision

In this case the manager gives the group (he may possibly be a part of that group as a member) the right to take the decision. However, before this process, the manager defines the problem that has to be solved together with the borders within which the final decision shall be inscribed.

One element could be the problem of parking in a plant. The chief decides that this problem has to be solved together with the people directly involved. By mentioning the problem, the chief may speak as follows:

"There is an open field only to the north of the main plant, which has been intended as the parking area for the additional employees. We may build an underground or a surface parking area, as long as the costs do not exceed 100000UM. Within these limits we are free to come with any kind of solutions favourable to us. After the decision taking for a specific plan, the company will spend the available sum according to the final decision established."

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The situational theory:

7 The manager allows the group to take decisions within the prescribed limits

This model represents an extreme degree of freedom for the group, being only occasionally inscribed within the formal organizing, for instance, within the research groups. In this case, the managers team identifies and diagnoses the problem, develops alternative procedures for its solving, and decides to choose one or several of these solving alternatives. The only limits directly imposed to the group by the organizers are those specified by the superior of the team chief.

In case the chief takes part both to the process of decision taking and its implementation, he cannot exert an authority greater than that of any other member of the group.

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The situational theory:

The previously presented styles, which are classified in fig. 5 in the light of the relation between the manager and the subordinates, highlight 3 well-defined types of leaders:

- a) the authoritative leader;
 - b) the democratic leader;
 - c) the permissive leader.
- a) To the left side of fig. 5 there are inscribed the authoritative leaders, who are very well anchored in their own interests, ideas, and feelings, who refuse any suggestion or participation from the part of the subordinates.
 - b) In the central part of fig. 5 there are inscribed the democratic leaders, who have the capacity of creating a productive environment by assuring the participation of the subordinates to the process of decisions taking.
 - c) To the right side of fig. 5 there are inscribed the permissive leaders, they being centered on the subordinates interests, ideas, and feelings, and avoiding thus any intervention of their own.

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Situational Leadership :

