

Management and Leadership

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Fall 2013

Course Outline

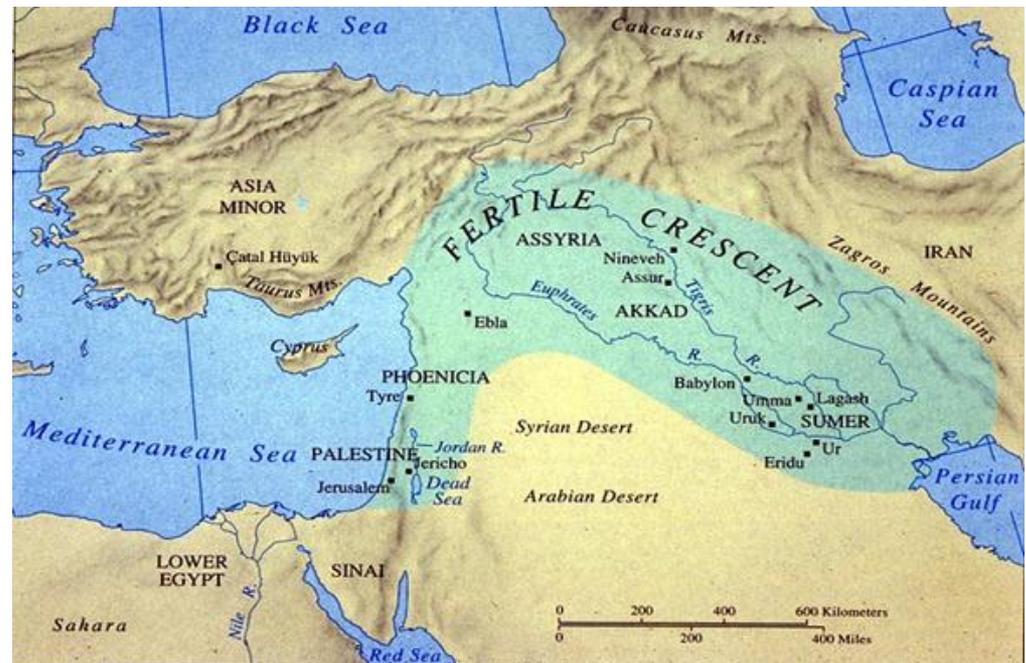
Management and Leadership

- **What is Management?**
 - Management Process
 - Functions of Management
- **What Is Leadership?**
 - Leadership Definitions
 - Leadership Process
 - Influence, Power and Authority
- **Leaders vs. Managers**

Origins of Management

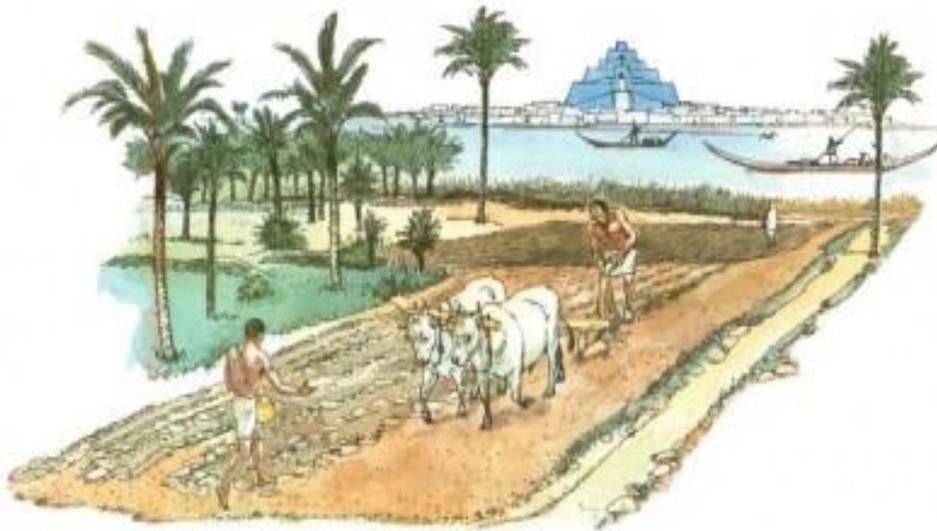
Management means civilization:

- The emergence of civilisation is usually thought of as one of the great steps forward in human history – indeed, as the step that separates history from prehistory.
- Populated areas in Mesopotamia became richer after the invention of the irrigation system by Sumerians.



Origins of Management

The Sumerians in southern Mesopotamia dug canals and built city walls that were the world's first engineering works.



Richness meant surpluses allowed the cities and the areas they controlled to support a ruling and administrative class and also an army.

Managerial activities of the civil society created a profession that produces nothing but management services.

With better management, cities grow richer and civilization flourished.

Definitions of Management

Basic Definition

Manipulation of resources to achieve objectives.

Resources:

Physical Resources

Human Resources

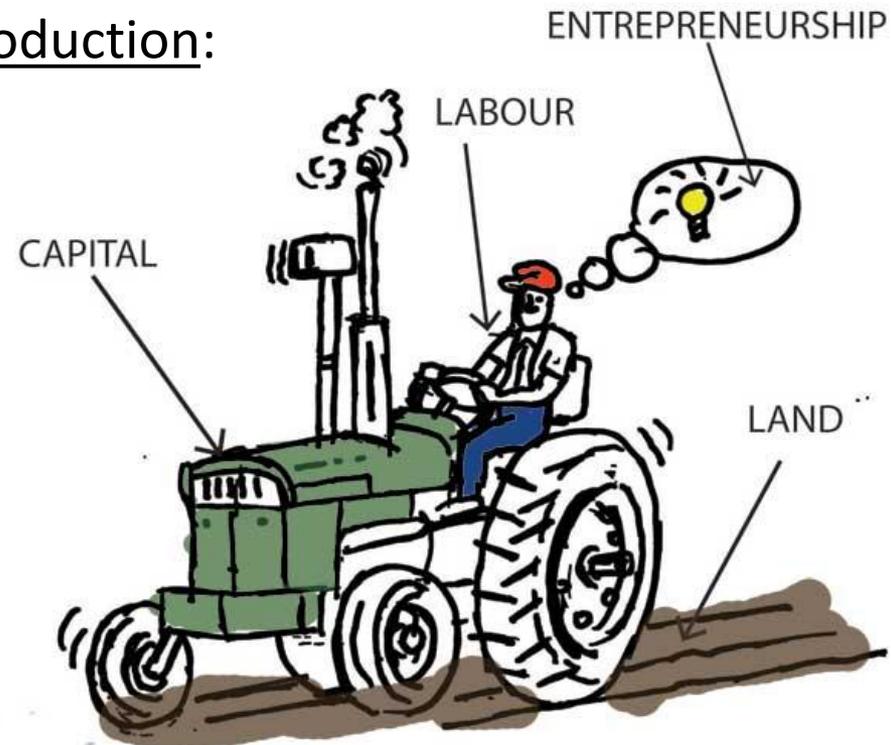
Financial Resources

Factors of Production:

Land

Labor

Capital



Definitions of Management

Process Definition: The attainment of organizational goals in an efficient and effective manner through planning, organizing, commanding, coordinating and controlling organizational resources.



5 Functions of Management Process

Henry Fayol, the pioneer of management process approach named the 5 functions of management.



Fayol was born in 1841 in a suburb of [Istanbul](#), [Ottoman Empire](#). His father, an engineer, was appointed superintendent of works to build the [Galata Bridge](#), which bridged the [Golden Horn](#). The family returned to France in 1847, where Fayol graduated from the mining academy "[École Nationale Supérieure des Mines](#)" in [Saint-Étienne](#) in 1860. He died in [Paris](#), 19 November 1925.

Process of Management

Inputs

- Human
- Capital
- Managerial Skills
- Technological Applications

Outputs

- Products
- Services
- Satisfaction
- Goal Achievement
- Profits



Stakeholders

- Owners
- Employees
- Consumers
- Suppliers
- Stock Holders
- Government
- Community

Stakeholder: A person, group or organization that has interest or concern in an organization.

Planning

- Planning is a process of looking ahead.
- The primary object of planning is to achieve better results.
- Planning helps in defining the course of action to be followed for achieving various organizational objectives.
- You cannot control the organization without plans, set targets.
- Planning is a continuous process that takes place at all levels of management.

Planning Process

- Environmental & Organizational Analysis and gathering information
- Searching for strategies and laying down objectives
- Developing policies procedures, programmes and budgets
- Examining alternative courses of action
- Reviewing limitations
- Preparation for implementation

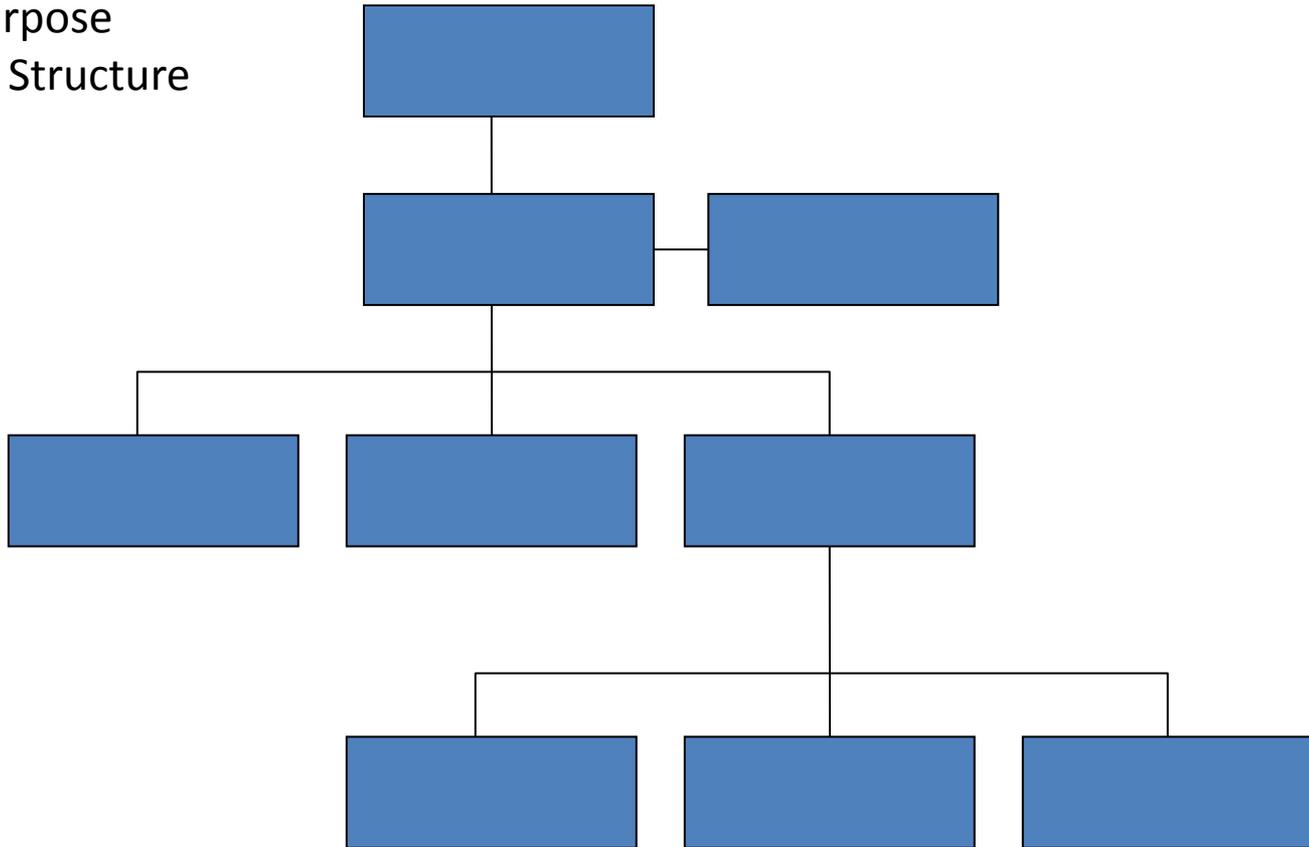
Organizing

It is a deliberate arrangement of people to accomplish some specific purpose.

- To identify the work to be performed
- To classify or group the work
- To arrange human resources to be employed
- To assign work to individuals
- To delegate authority and fix responsibility
- To balance these authority-responsibility relationships of various activities.

Characteristics of an Organization

- Distinct Purpose
- Deliberate Structure
- People



Directing

- Directing is concerned with carrying out the desired plans.
- It initiates organized and planned action and ensures effective performance by subordinates towards the accomplishment of group activities.
- Direction is moving to action and supplying stimulative power to the group after planning.
- Direction is called «management in action».

Directing Process

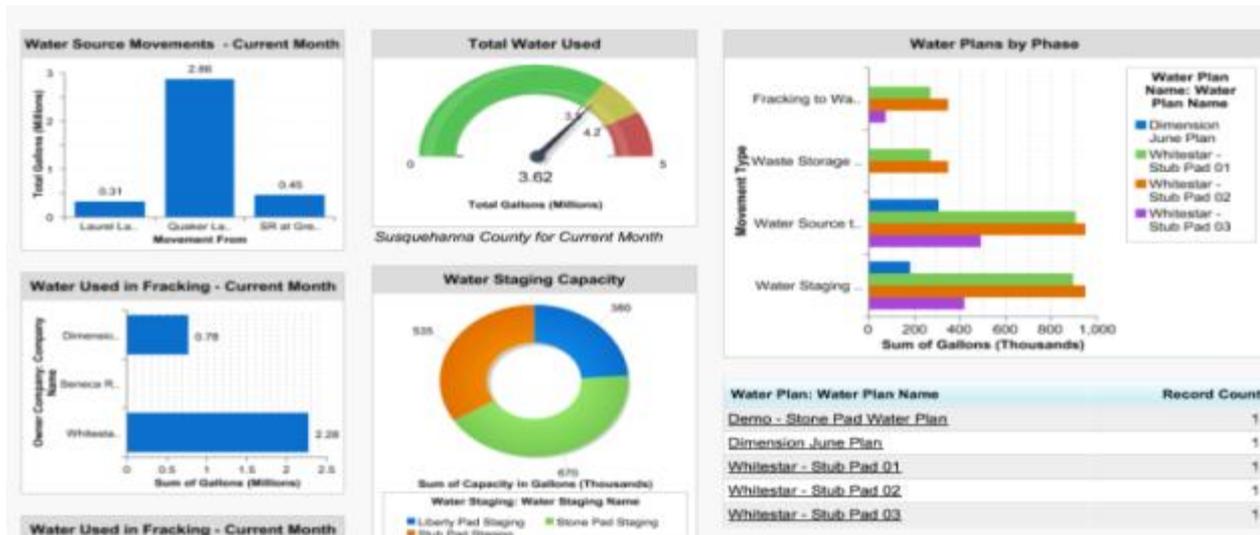
- Decision-making
- Communication (Incl. giving orders)
- Motivation
- Guiding and
- Supervision

Coordinating

- Coordination creates a team spirit and helps in achieving goals through collective efforts.
- It is essential to channelise the activities of various individuals in the organization for the achievement of common goals.
- Every department or section is given a target to be achieved and they should concentrate only on their work and should not bother about the work of other organs.
- It is the orderly arrangement of parallel groups' efforts to provide unity of action in the pursuit of common objectives.
- Cooperation indicates the willingness of individuals to help each other. Coordination, on the other hand, is a conscious managerial effort which is the result of a deliberate action.

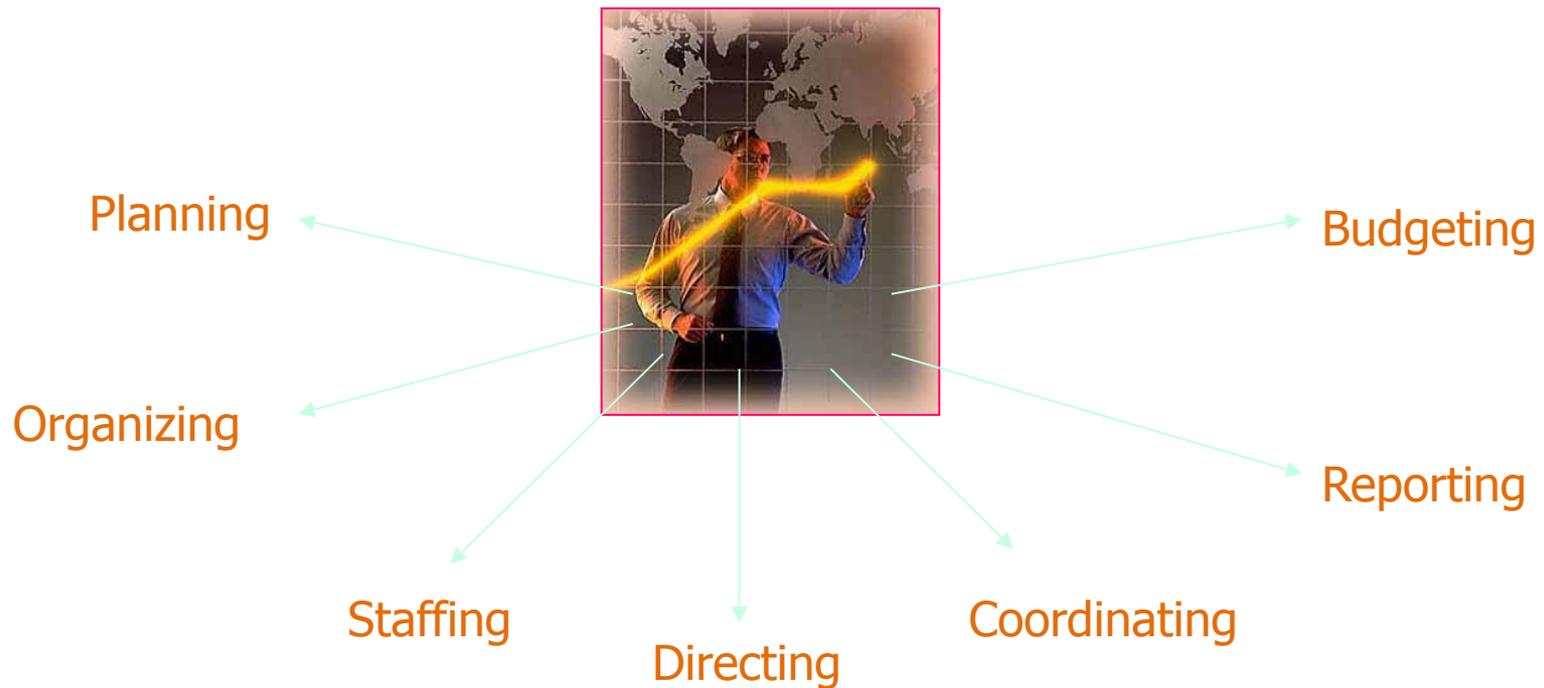
Controlling

- Controlling can be defined as “determining what is being accomplished that is evaluating the performance, if necessary, applying corrective measures so that the performances take place according to plans.
- Control is essential for achieving objectives of an enterprise. The planning of various activities does not ensure automatic implementation of policies.
- Control is the process which enables management to get its policies implemented and take corrective actions if performance is not according to the pre-determined standards.

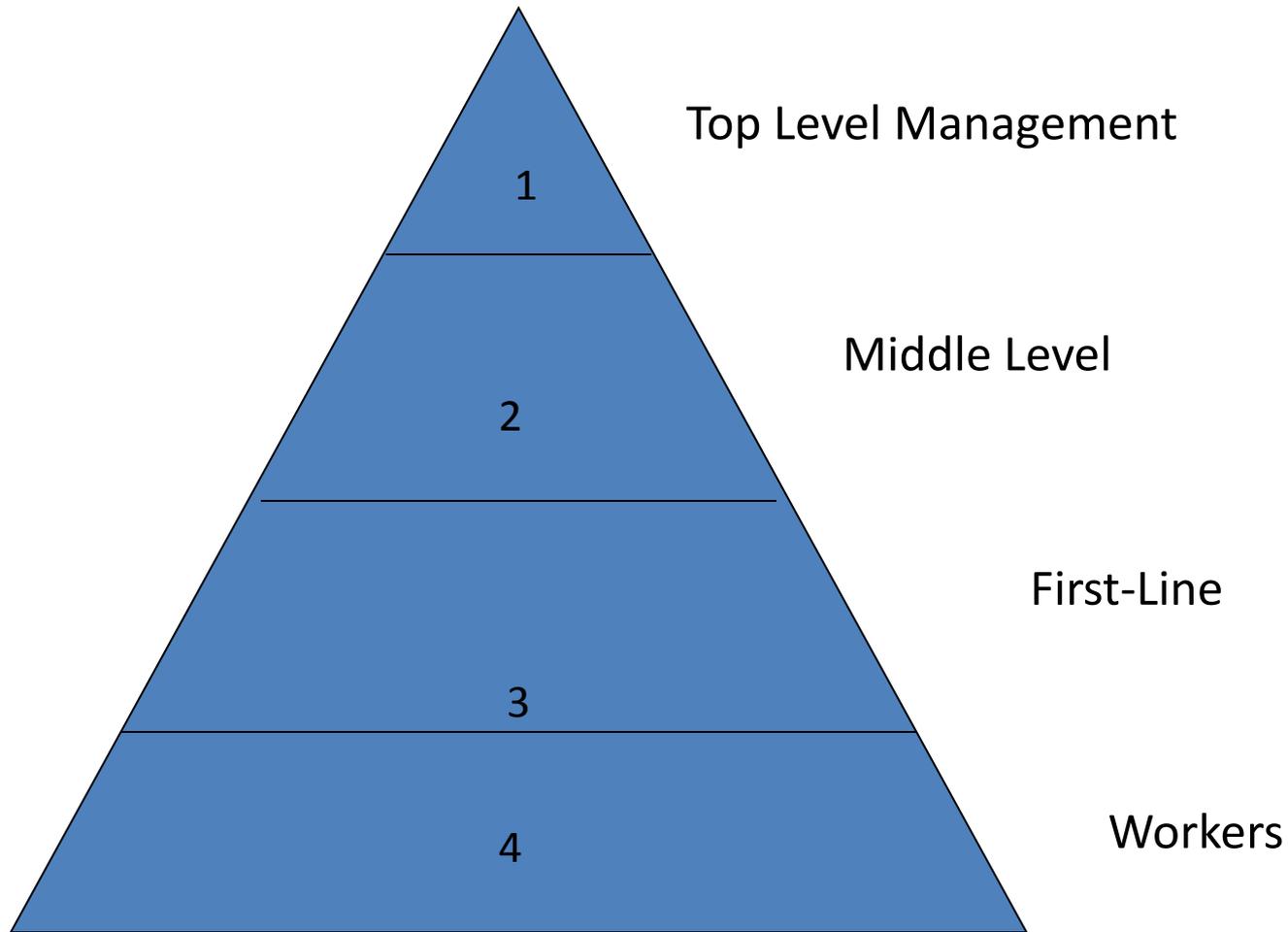


POSDCORB

Luther Gullick (1892–1993) used the word **POSDCORB** to describe functions as Planning (P) Organizing (O), Staffing (S), Directing (D), Controlling (CO), Reporting (R) and Budgeting (B).



Levels of Management



Levels of Management

Top Level (Top Managers)

Responsible for making decisions and setting policies that affect all aspects of organization.

Middle Level (Middle level Managers)

Responsible for working out strategies and plans to implement decisions and policies made by top level managers.

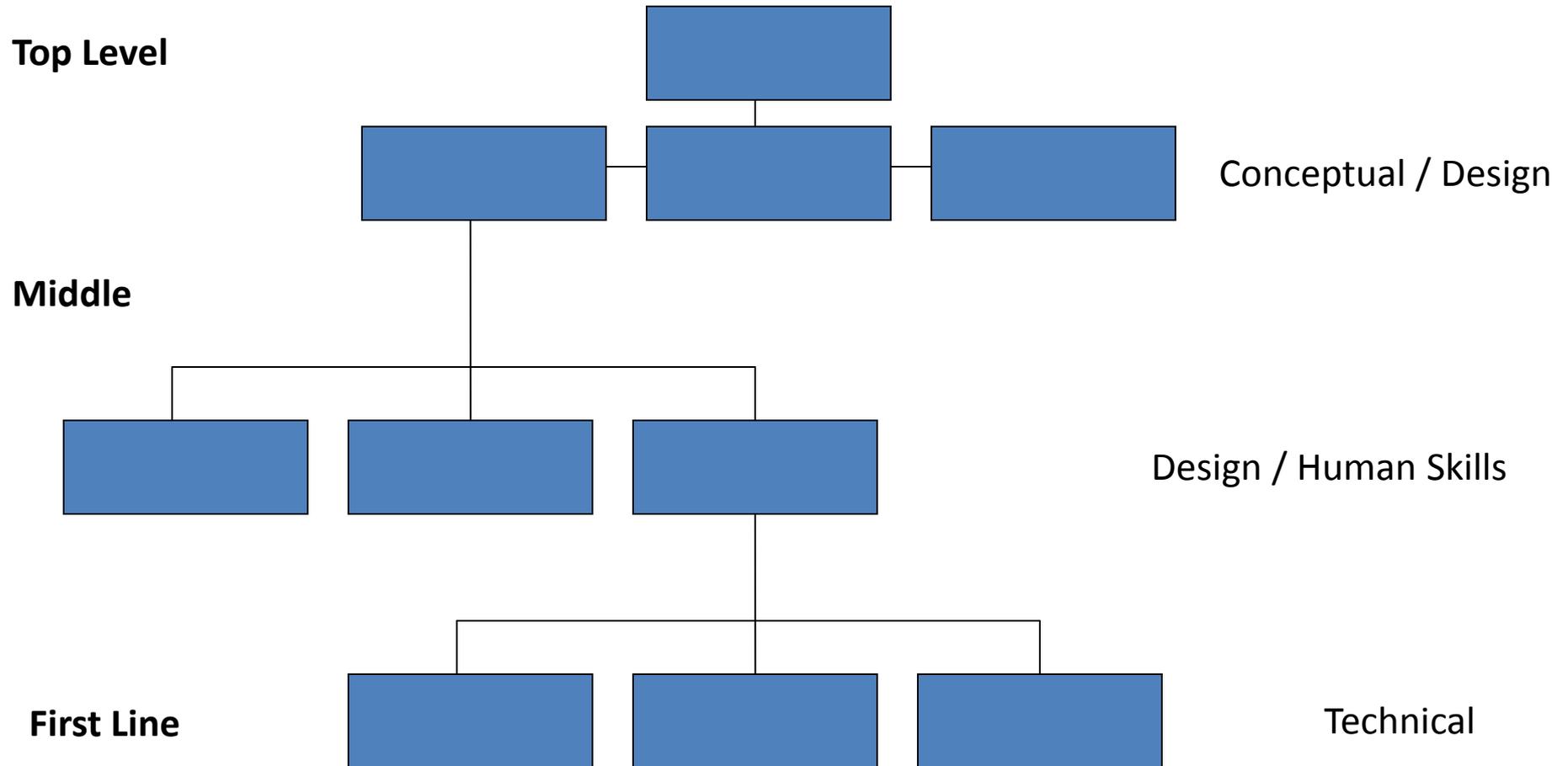
First Line Level (Supervisors)

Responsible for ensuring work is done according to plans.

Workers (Operators)

People who work directly on a job or task and have no responsibility for work of others.

Managerial Skills



What is leadership?

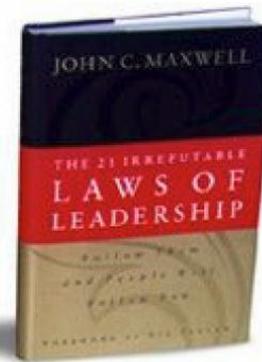
- Leadership is the initiation of action to solve a problem.
- Leadership is directing or controlling the activity of a group.
- Leadership is guiding others along a way.
- Leadership is influencing the activities of a group toward the attainment of goals.

The Nature of Leadership

Leadership occurs among **people**, involves the use of **influence** and is used to attain **goals**.

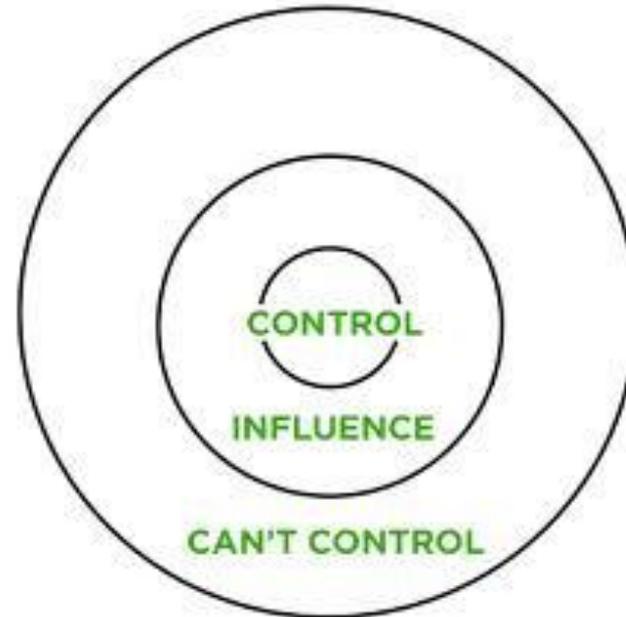
“leadership is
influence
nothing more,
nothing less”

John C Maxwell



The Nature of Leadership

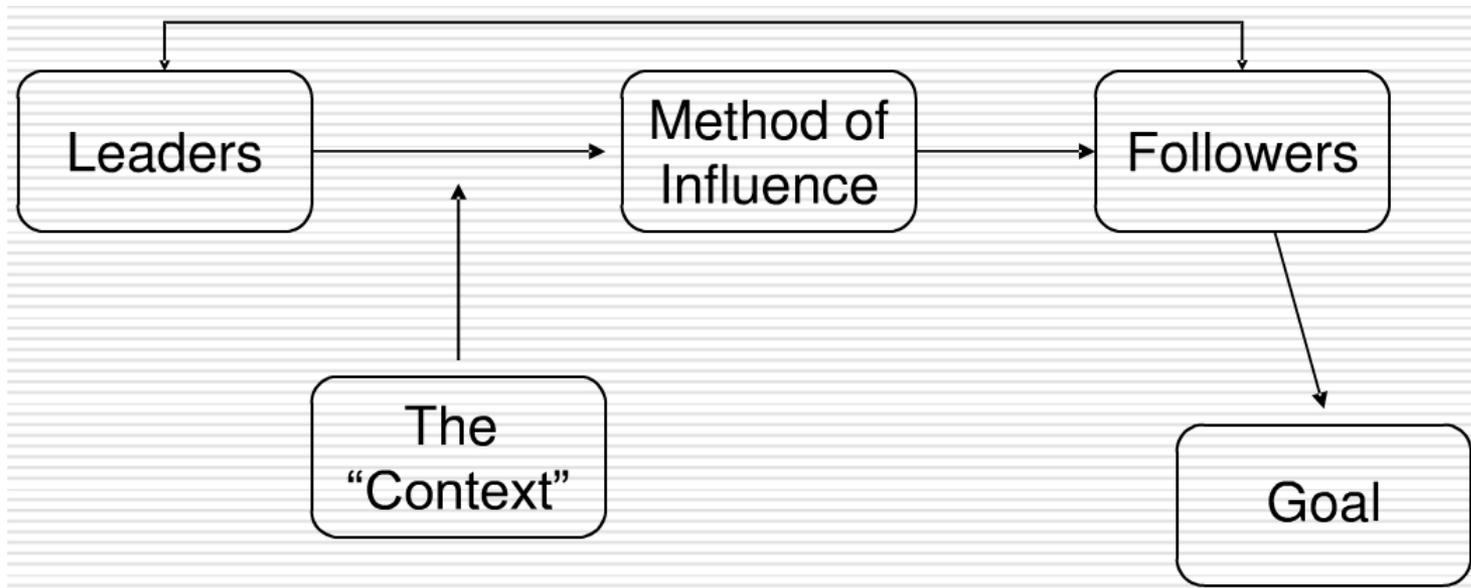
Influence: The capacity of a person to produce effects on the opinions, behaviors and actions of others.



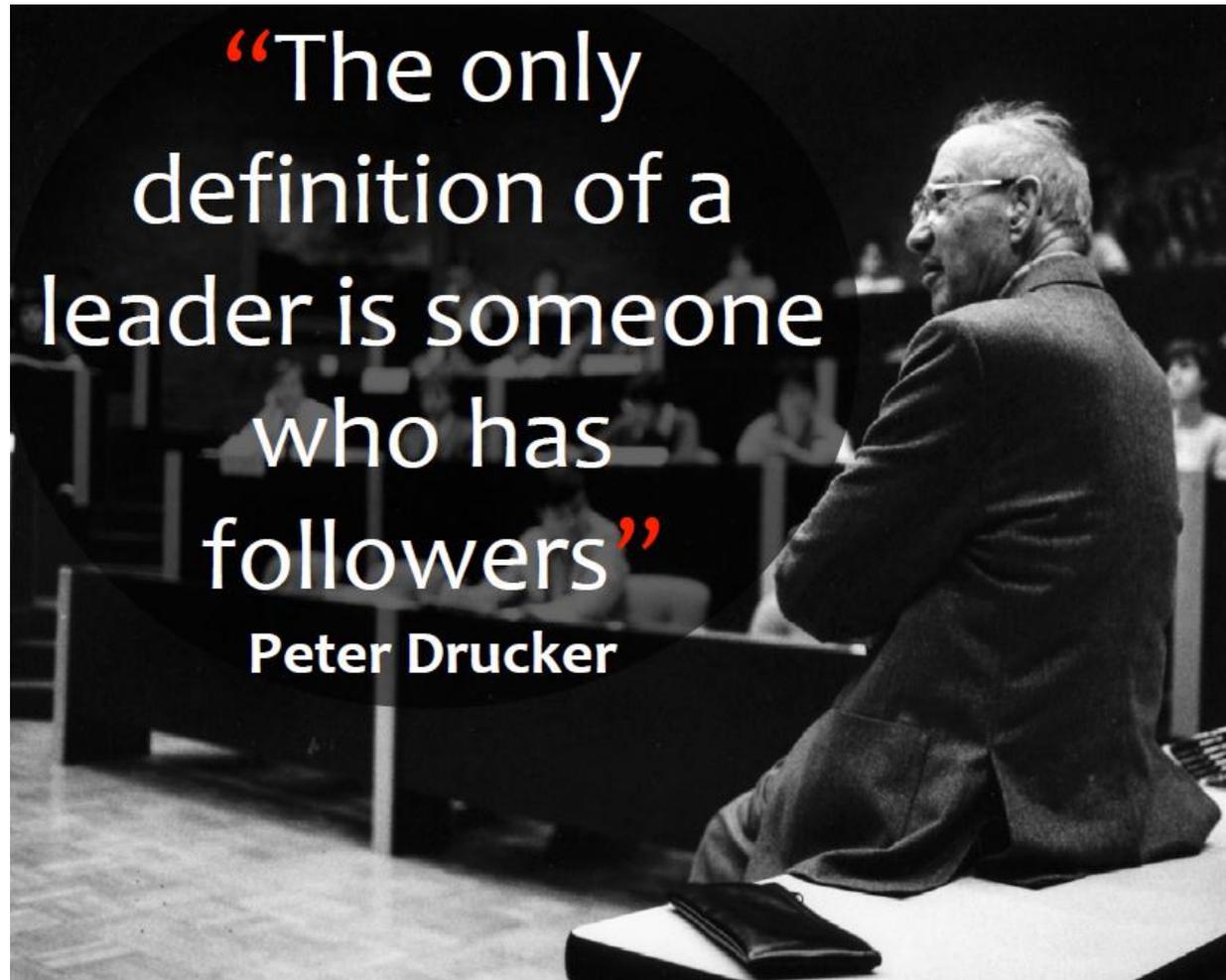
Leadership Process

Leadership is a complex process towards achieving goals involving:

- Leader
- Followers
- Situational factors – The Context



Who is leader?



Leadership & Leader

Leadership: The exercise of influence by one member of a group or organization over other members to help the group or organization achieve its goals.

Leader: An individual who is able to influence group or organizational members to help the group or organization achieve its goals.



Formal and Informal Leaders

- **Formal Leader:** A member of an organization who is given authority to influence other organizational members to achieve organizational goals.
- **Informal Leader:** An organizational member with no formal authority to influence others, but who has special skills or talents to influence others.



Sources of Power and Leadership

Power from Personal **Characteristics**

		YES	NO
Power from the Position	YES	Formal Leader	Officer
	NO	Informal Leader	Follower

Sources of Power and Leadership

Influence

- Influence represents an ability to **affect** outcomes and depends on personal characteristics and expertise.

Power

- Power may be regarded as the ability to **determine** the behavior of others.

Authority

- Authority is **legitimate power** which is vested in leaders within formal organizations.

Leadership is power, but power is not necessarily leadership.

Position Power

- Legitimate Power
 - Power that stems from a formal management position in an organization and the authority granted to it.
- Reward Power
 - Power that results from the authority to bestow rewards on other people.
- Coercive Power
 - Power that stems from the authority to punish or recommend punishment.

Personal Power

- **Expert Power**
 - Power that stems from special knowledge of or skill in the tasks performed by subordinates.
- **Referent Power**
 - Power that results from characteristics that command subordinates' identification with, respect and admiration for, and desire to emulate the leader.

Leadership Versus Management

Managers and Leaders: Are They Different? Abraham Zaleznik, 1977, HBR

Managers

- Plan and budget
- Organize and staff
- Status quo
- Short-term
- Controlling
- Means
- Builders

Leaders

- Envision and direct
- Align employees
- Change
- Long-term
- Inspiring/motivating
- Ends
- Architects

Leadership Versus Management

- Leadership is creating a vision for others to follow, establishing corporate values, and transforming the way an organization does business.
- Management is the carrying out of the leader's vision through:



Leadership Versus Management

Leadership	Activity	Management
Establishing direction and vision for the organization	Creating an agenda	Planning and budgeting, allocating resources
Aligning people through communications and actions that provide direction	Developing a human network for achieving the agenda	Organizing and staffing, structuring and monitoring implementation
Motivating and inspiring by satisfying needs	Executing plans	Controlling and problem solving
Produces useful change and new approaches to challenges	Outcomes	Produces predictability and order and attains results

Source: Adapted from *A Force for Change: How Leadership Differs from Management* by John P. Kotter, 1990 .

Leadership Versus Management

Leader qualities

SOUL
Visionary
Passionate
Creative
Flexible
Inspiring
Innovative
Courageous
Imaginative
Experimental
Initiates change
Personal power

Manager qualities

MIND
Rational
Consulting
Persistent
Problem solving
Tough-minded
Analytical
Structured
Deliberate
Authoritative
Stabilizing
Position power

*You cannot manage
men into battle. You
manage things; you
lead people.*

Grace Hopper
Admiral, U. S. Navy (retired)
Nova (PBS TV), 1986

*Under performing
organizations are
usually over-
managed and under-
led.*

Warren Bennis
President, University of Cincinnati
University of Maryland symposium
January 21, 1988

Leadership & Management > Synergy

Leaders ▶	Synergy	◀ Managers
Do right things ▶	Effectiveness	◀ Do things right
Provide vision ▶	Employee Empowerment	◀ Provide resources
Pursue opportunities ▶	Strategic Achievement	◀ Reduce risks
Inspire ▶	Teamwork	◀ Coordinate
Lead improvisation ▶	Innovation	◀ Provide structure

Leadership & Management > Synergy

- *"Some leaders cannot manage— some managers cannot lead."*
- The leader who cannot manage will kill an organization just as fast as one who cannot lead. But the person who can do both, he/she is on the path to success.
- Manager is the leader in a company as Commander is the leader in an army.