Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Introduction to Business - Ch. 8 - The Future of Leadership

Being a *Manager* isn’t the same thing as being a *Leader*.

* Managing is a job.
* Leading is a skill.
* Leadership - providing direction and vision for a company.

Manager vs. Leader

Motivation Means 3 Different Things

* Having initiative.
	+ The desire to take action & get things done.
	+ This is the main quality of an entrepreneur.
* Motivating others to get things done.
	+ By inspiring through energy, enthusiasm, charisma or charm.
* Having a goal.
	+ A true leader has a vision and inspires others by it.

Confidence

* The best way to lead others is by having self-confidence.
	+ Knowing what you are doing & acting sure of yourself.
* To **lead** you not only need a goal, but some idea of how to reach it.
* A confident leader is also a decisive leader.
	+ They make good, quick decisions
* People have more confidence in a leader who is willing to make mistakes & learn from them.

Communication

* A good leader must be good at human relations.
	+ Ability to communicate with people.
	+ Leading others is impossible if you can’t communicate with them.

Ways of communicating:

* Gestures
* Drawing pictures
* Telling stories

If you are a good listener you will understand your employees better & be able to get them more involved.

Reasons to be a Good Listener

* To be more informed about what your employees are doing.
* Know what your employees strengths & weaknesses are.
* Know what each employee needs to do a better job on each task.

Integrity

* The most highly valued quality in a leader.
* In order to lead you must set a good example.
* Principles of Integrity:
	+ Honesty
	+ Loyalty
	+ Fairness

Managers MUST model appropriate behavior.

* If you lose the confidence & respect of the people you can’t lead them.
* You can’t expect your employees to have good work habits if you don’t display them.
* A leader that covers up mistakes or blames others isn’t going to inspire loyalty or confidence.

President Harry Truman had a sign on his desk that said

“The Buck Stops Here!”

* What did this mean?
	+ Rather than “Passing the Buck” to someone else he took full responsibility for whatever happened.
* He was an inspiring leader.
	+ He evoked confidence because everyone knew they could trust him.

Developing Leadership Skills

* There are many books, videos, & courses on leadership.
* Some colleges offer a degree in leadership.
* You could also work with someone who has leadership ability & study what they do.
	+ teachers, coaches, or relatives
* Join a club, a team, a drama group, or a community organization to **develop** communication skills.
* Volunteer for projects or activities that give you an opportunity to lead.

T/F – Leaders are *born* not *made*.

* **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**!!!!
* A person with charisma (athlete, coolest kid in class) is often mistaken for a natural born leader.
* Charisma doesn’t make someone a good leader.
* Even the shiest person can become a good leader.
* Leadership qualities learned through knowledge & experience.

Self Confidence

* Vision
* Ability to Communicate

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1. What is the difference between being a manager and being a leader?
2. Why is integrity an important trait for a leader?

Styles of Leadership

* Different leaders have different styles.
	+ Some rule with strict discipline and watch every move you make.
	+ Others leave you alone to do your work.

There are three basic styles of leadership:

* Autocratic
* Democratic
* Free Rein

**How good are your communication skills?**

-Evaluate yourself on your communication skills.

Do these traits apply to you? (answer **yes** or **no** below)

\_\_\_\_\_ 1. People often don’t get what I’m saying.

\_\_\_\_\_ 2. I find it easy to see things from someone else’s point of view.

\_\_\_\_\_ 3. I pretend to listen even if my mind drifts away.

\_\_\_\_\_ 4. When I am wrong, I am not afraid to admit it.

\_\_\_\_\_ 5. I tend to jump to conclusions.

\_\_\_\_\_ 6. I try to put myself in the other person’s shoes when we are talking.

\_\_\_\_\_ 7. It upsets me if someone disagrees with me.

\_\_\_\_\_ 8. When I work with others, I try to do my fair share of the work.

Rate Your Score:

* If you answered that traits 2, 4, 6, 8 apply to you you’re on the road to being a good communicator.
* Traits 1, 3, 5 & 7 are characteristics you may need to work on.

Autocratic Leadership (self-ruling)

* Running everything yourself & answering to no one.
* Making all decisions without consulting anyone.
* Expecting orders to be obeyed without question.

Autocratic Leaders

* Assume people:
	+ don’t like to work,
	+ avoid responsibility,
	+ have to be watched at all times
* Control their workers through fear & intimidation.

Henry Ford was an Autocratic leader.

* He hired secret police to spy on his managers to make sure they were all doing what he told them to do.
* This almost ruined his company.

Biggest Problems with Autocratic Leaders

* People don’t like working for them.
* The lack of trust they have in their employees doesn’t inspire them to be creative.
* They rarely give credit to their employees.
* People work hard when they are around, but once they leave workers are less productive.
* If something happens to the autocratic leader there is usually no one in a position to take over the business.

Where an autocratic leader is useful?

* Situations where it is important to obey orders without question.
* Fire fighters, combat troops & police often have to deal with emergencies where there is no time to consult.
	+ People are trained to work this way but still work as a team.
* It rarely works in a business setting.

Democratic Leadership

* Managers & employees work together to make decisions.
* Everyone meets, discusses a situation, & listens to everyone’s opinion.
* New ideas are encouraged.
* The democratic leader will make the final decision but explains their reasons why to everyone.

Democratic Leader

* Assumes people aren’t lazy & want to work.
* Workers will be more productive & creative because they are given more responsibility.
* Even with no one to look over their shoulders workers still take initiative in their work.
* By showing your workers you have confidence in them they’re more likely to have confidence in themselves.
* GM chose a democratic style of leadership.

Free-Rein Leadership

* Leader sets goals for their managers & employees & then leaves them alone to do their jobs.
* This style shows the most trust & confidence in workers.
* AKA: Hands-off Leadership

Hands-Off Leadership (free-rein)

* You don’t just put other people in charge & leave them alone.
* You deal with big decisions & keep your managers informed.
* You must be available to them if they have a question or if problems occur.

Delegating

* Giving managers and employees the power to run things & make decisions.

Reasons for a leader to delegate:

* You don’t have the time to run everything yourself.
* You can focus on more important work.
* It gets your employees more involved.
* It gives your employees a chance to develop their own potential.

Reasons NOT to Delegate to you

* If you are lazy.
* Lack of confidence.
* You don’t want the responsibility.
* Don’t delegate to managers that are irresponsible.

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1. In what situations is an autocratic style of leadership useful?
2. Give reasons for a manager to delegate authority.

History of Leadership

* 20 – 30 years ago autocratic leadership was the main style used in most American companies.
* As companies realized the value of giving workers more power, they started using a more democratic or free-rein style.

American Workers in the *Past*

* Had too many managers running things.
* Every decision went through many managers before anything could be done.
* Things were slowed down and very costly.

American Workers *Now*

* Teams manage themselves.
* This allowed companies to get rid of many management jobs and replace them with a team leader.

Self-Managed Teams

* Started in Japan & came to the US later.
* Japanese companies had stressed people working in teams & making decisions as a group.
* Japanese methods were so successful that American companies started copying them.
	+ Before – American companies had emphasized people working as individuals on specific jobs.
	+ Decisions were left up to managers

Self-Managed Teams

* Leader is a team player rather than a boss.
* Team leader makes decisions with the team rather than alone.
* Each person learns a range of jobs rather than just one.
* Projects are goal oriented not task oriented.

Organization of Self-Managed Teams

* Self-managed teams are organized in 2 ways:
	+ Each team member has a special skill
	+ The team selects one team leader
* There are no hierarchies, bosses or titles.
* The team approach encourages & fosters creativity & opportunity.

Advantages of Self-Managed Teams

* More goal-oriented than risk-oriented.
* Faster & more efficient.
* Team members have a chance to learn each other’s jobs & obtain new skills.
* Simplify the decision-making process.
* Team members learn to participate & cooperate with each other.
* Self-managed teams learn to solve their own problems.