

Applied Business: Unit 4 Managing & Leading People

KNOWLEDGE ORGANISER

Overview



Unit 4 Managing and Leading people

In this unit, you will explore how organisations, operating in a changing environment, use managers and employees to achieve objectives. This will include the importance of leadership, how employees and managers interact in the workplace and the impact that different organisational structures have on how managers and employees work in them.

You will study the role of management and contrast this with that of leadership. You will investigate the importance of business culture, the factors affecting the motivation of employees and why they might resist organisational change. You will study why styles of leadership are important to the way in which a business functions and how the chosen style depends on the motivational needs of employees. You will consider how empowerment can help motivate employees and how managers can use this, and leadership, to implement change.



P02 & P03: Factors affecting performance & Managers to lead and empower

Organisational structure- Organisational structure determines the assignment and coordination of roles, power and responsibilities within a business. It also defines how information flows between the different levels of management.

Financial methods of motivation – monetary incentives such as salaries, wages, bonus, commission

Non Financial methods of motivation – praise, promotion, recognition, Fringe benefits

Empowerment - Empowerment in business is a management practice of sharing information, rewards, and power with employees. This puts them at the heart of the organisation by giving them power and autonomy.

Motivation Theorists –

Maslow – here are five levels in Maslow's pyramid are: physiological (food and clothing), safety (job security), love and belonging needs (friendship), esteem, and self-actualization

Mc Clelland –states that every person has one of three main driving motivators: the needs for achievement, affiliation, or power

Locke- Goal setting involves the development of an action plan designed in order to motivate and guide a person or group toward a goal

Tannenbaum & Schmidt Leadership continuum – The demonstrates the relationship between the level of freedom that a manager chooses to give a team, and the level of authority used by the manager.

Johnson & Scholes Cultural Web – an approach to change organisational culture



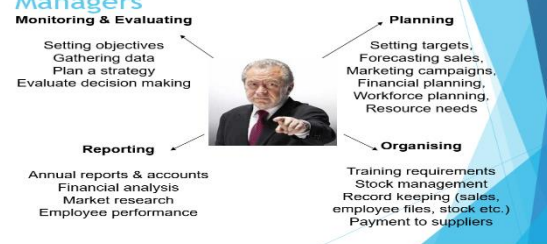
Key terms –

Motivation - Motivation refers to how driven and happy an employee is in their role. If an employee is motivated, they are more likely to do a good job and work hard. Motivation is very important for attracting employees, retaining employees and general levels of productivity in a business.

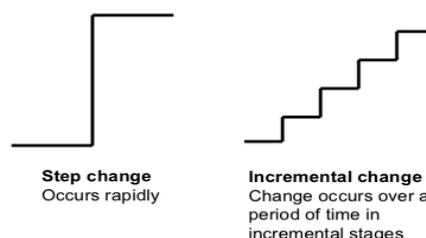
P01: Roles of Managers & Leaders in a changing environment

The key difference between an manager & a leader is that a manager will focus on planning, organising, and coordinating resources to manage tasks and deliver results. A leader will inspire, motivate, and influence those around them which will drive people to achieve their goals and objectives whilst working towards the bigger picture.

Examples of the roles of Managers



Two types of change



Key terms

The Force Field Analysis is a framework used to aid business decisions, often in the context of strategic planning, implementation or change management.

PEST Analysis is a simple and widely used tool that helps you to analyse the Political, Economic, Socio-Cultural, and Technological changes in your business environment

Leadership styles – Autocratic, democratic, paternalistic, Laissez - Faire

Key terms

Business Model Canvas is a business tool used to visualise all the building blocks when you want to start a business, including customers, route to market, value proposition and finance

FOCUS Model – is an acronym & It has five steps:

- Find the problem.
- Organise a team.
- Clarify the problem.
- Understand the problem
- Select a solution.

P04: Implement Organisational change

Organisational culture is the collection of values, expectations, and practices that guide and inform the actions of all team members.

Organisational change:

- cultural
- strategic
- structural
- procedural

'ADKAR' is an acronym for the five outcomes an individual needs to achieve for a change to be successful: **A**wareness, **D**esire, **K**nowledge, **A**bility and **R**einforcement.

The ADKAR Model helps organisations understand change from the position of both individuals and groups



Reasons for Changing Culture

Improved business performance:

- Declining profits and sales
- Inadequate returns on investment
- Low quality or standards of customer service

To respond to significant change:

- Market changes (growth, competitors)
- Political & legal environment
- Change of ownership (e.g. takeover / merger)
- Change of leadership (e.g. new CEO)
- Economic conditions (e.g. downturn)



Important Vocabulary

Environment

Manager

Leaders

Organisational change

Motivation

Empowerment

Cultural Web

ADKAR

Teams