

START

1 What is the difference between management and leadership?

2 Give one word that describes each of these ideas:

- a a leadership style that involves consulting with employees and evaluating their opinions
- b decision-making power
- c clear, agreed work targets

3 Management by objectives: state 2 reasons why an individual employee's objectives should be discussed and agreed, and not just set by the boss.

4 Explain two advantages of having a positive business culture at Quickpic.

11 State where you would place Jen and Robin's Transformational style and John Steinberg's Transactional style on a Leadership Continuum for Management Behaviour?

BUSINESS PROFILE

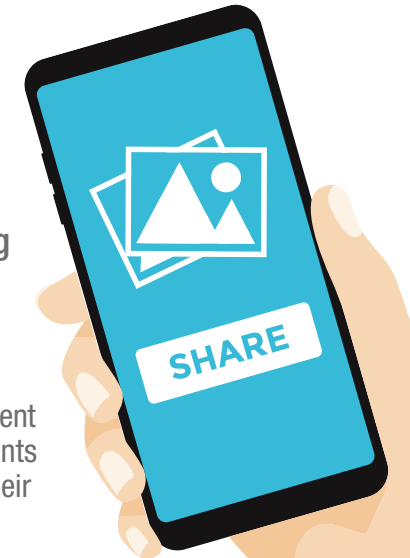
A The definitions and functions of management

Quickpic

Jen Brittar and Robin James are the founders of Quickpic, an instant messaging app. They launched it in 2010, with no intention of making any money from it. They had a vision of allowing people to enjoy sharing special photos and messages with their friends without the intrusion of messages from advertisers. It was an immediate hit, and within two years it had millions of regular users.

They ran a small organisation with a powerful positive culture, and a very open management style. Staff all understood Jen and Robin's vision and values, and discussed developments together, so that Jen and Robin, who believed in transformational leadership, trusted their staff to carry out their tasks with little supervision.

In five years, Quickpic was bought for \$500 million by Sharing, the global social network giant. Although John Steinberg, the autocratic founder of Sharing, wanted Jen and Robin to stay on as managers of Quickpic, he also wanted to change the way that they ran the business. He planned to use Quickpic as a source of advertising revenue, and to use more transactional leadership. His style was to control and monitor his business very closely, and Jen and Robin did not feel that Quickpic would reflect their values and ethos any more. Within a year, they left to find new creative ideas that they could explore and run as their own start-up again.



10 In 'Action-Centred Leadership' managers must balance three main responsibilities. Can you name them in the three overlapping circles below?



9 Which of these functions of leadership do you think will be most important for Jen and Robin as they start up a new creative business again:

- i. inspiring
- ii. energising
- iii. influencing stakeholders
- iv. envisioning
- v. determining best path/route to achieve success

8 What is the difference between Transactional and Transformational management?

5 Explain how the change in leadership style at Quickpic might affect the working practices for the staff there?

6 Explain why a flat workforce structure would be most suitable for a small, new organisation that Jen and Robin might start up?

7 Define 'business culture'.

PRINCIPLES OF MANAGEMENT SUGGESTED ANSWERS

1 Management requires planning, organising and coordinating work. Leadership requires inspiring and motivating others.

2 *a Democratic or Participative*
b Authority
c Objectives

3 As the foundation for effective communication so that the employee understands the objective and how it fits with the business goals.
So that employees take some responsibility for achievement of the objective.
So that employees can be motivated to achieve the objective.

4 Consistent working environment for all colleagues will support business goals. The culture is more likely to be suited to the customers.
Employees will be more loyal to the business and more positively motivated.

11 Transactional style would be at the left-hand side of the continuum, where the manager takes decisions and 'tells' or 'sells' them to the team.
Transformational style would be at the right-hand side of the continuum, where the manager empowers the team to take decisions and decide upon actions to achieve business objectives.

10



EXTENSION ACTIVITY

Now you have checked your answers to the consolidation questions, complete the extension activity below.

1 Identify the key management issues for Quickpic following the buyout.

2 Steinberg feels a change in business culture is essential if the business is going to achieve its objective. You are a management consultant. **Either** write a report, or prepare a presentation (which must be accompanied by speaker's notes), to recommend three management approaches Steinberg could adopt to encourage staff to embrace the change in culture and leadership.

9 Likely to be inspiring, envisioning and determining the best route to success.

8 Transactional management is based on setting goals for staff and organising their work tasks. Transformational management focuses on motivating and empowering staff to work towards a shared vision.

5 Transactional leadership will be less focused on job satisfaction and motivation for the employees. The focus will be on pay and performance rather than on achievement and empowerment.

6 Flat structures allow staff to work closely together in teams. There is less distance between employees and owners than in a tall hierarchy with many management layers, and they are likely to work together on a daily basis.

7 The style and way things are done in a business, dependant on its beliefs, values and attitudes.