

Chapter 18 : Leadership

1. Distinction between management and leadership

No distinction between management and leadership in an organisation. Managers are leader because of the role they play. However, leaders are not necessary the same as manager and they may do some as following

- Leaders can be visionaries - change business to survive and grow
- Leaders tend to be good caring through the process of change. - understand starting point and end point.
- Leaders are excellent at motivating people around them.

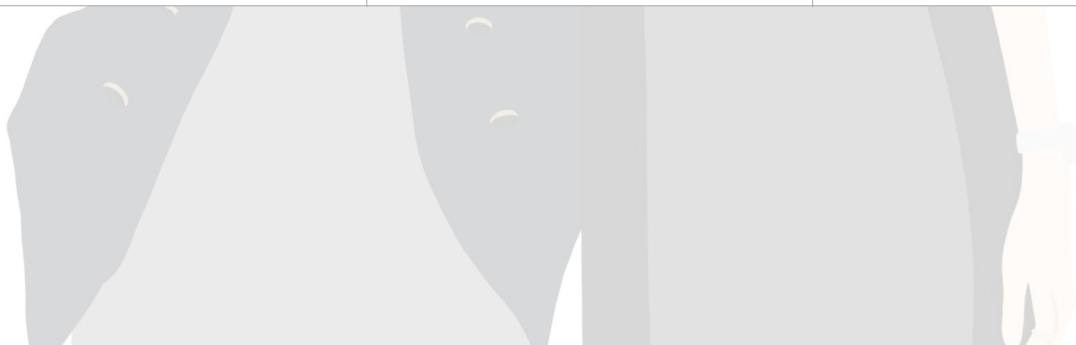
2. Characteristic of leaders

- 2.1) Positive self image, a genuine ability and realistic ambitions.
- 2.2) Able to get core of problems and have visions and commitment to suggest solution.
- 2.3) They are experts in a particular fields and well read in every field. - intelligent and excellent communication.
- 2.4) Ability to sense change and can response to it.

3. Leadership styles

Leadership styles	Advantages	Disdvantages
1. Autocratic leadership Where a manager make all decision without consultation.	• Move troops quickly and for orders to be obeyed instantly.	• Little teamwork. • The need of high level go supervision and poor motivation to employees.
2. Paternalistic leadership Where leader makes decisions but take into account the welfare of employees.	• Similar to autocratic but think about employee's' welfare.	• They do not give subordinates control over decision.

<p>3. Democratic leadership</p> <p>Where a manager allows others to participate in decision making.</p> <p>- Persuasive : Leader already made decision but takes time to persuade others that is good idea.</p> <p>- Consultative : leaders consult others about their views before making decision. (whether to launch new products)</p>	<ul style="list-style-type: none"> • It increases public involvement in social and political. • Increasing income and educational standards as people have greater. Freedom and better quality of working life. • People with knowledge and experience lead to better decision making. • People in decision making are more committed and motivated. 	<ul style="list-style-type: none"> • It takes a long time to make decision.
<p>4. Laissez-faire leadership</p> <p>Employees are encouraged to make their own decisions with certain limits.</p>	<ul style="list-style-type: none"> • Leaders gives little guidance and allows others freedom to make decision. • It is effective if workers are skilled, experienced, motivated, and capable to work. 	<p>It is not effective, If workers</p> <ul style="list-style-type: none"> • lack of experience to do. • Do not capable to set deadline and managing their own projects. • Lack of motivation. • Deadline may be missed



4. Difficulties in developing entrepreneur to leader

1.) Adapting the mindset

- Entrepreneurs usually have a desire for control over their life but leader have to relinquish some control and learn to delegate and focus on different things.

2.) Stress

- Running larger business causes greater stressful.
- Some stakeholders have different needs that may cause conflicts. Consumers-worker-owner

3.) Sharing ownership and control

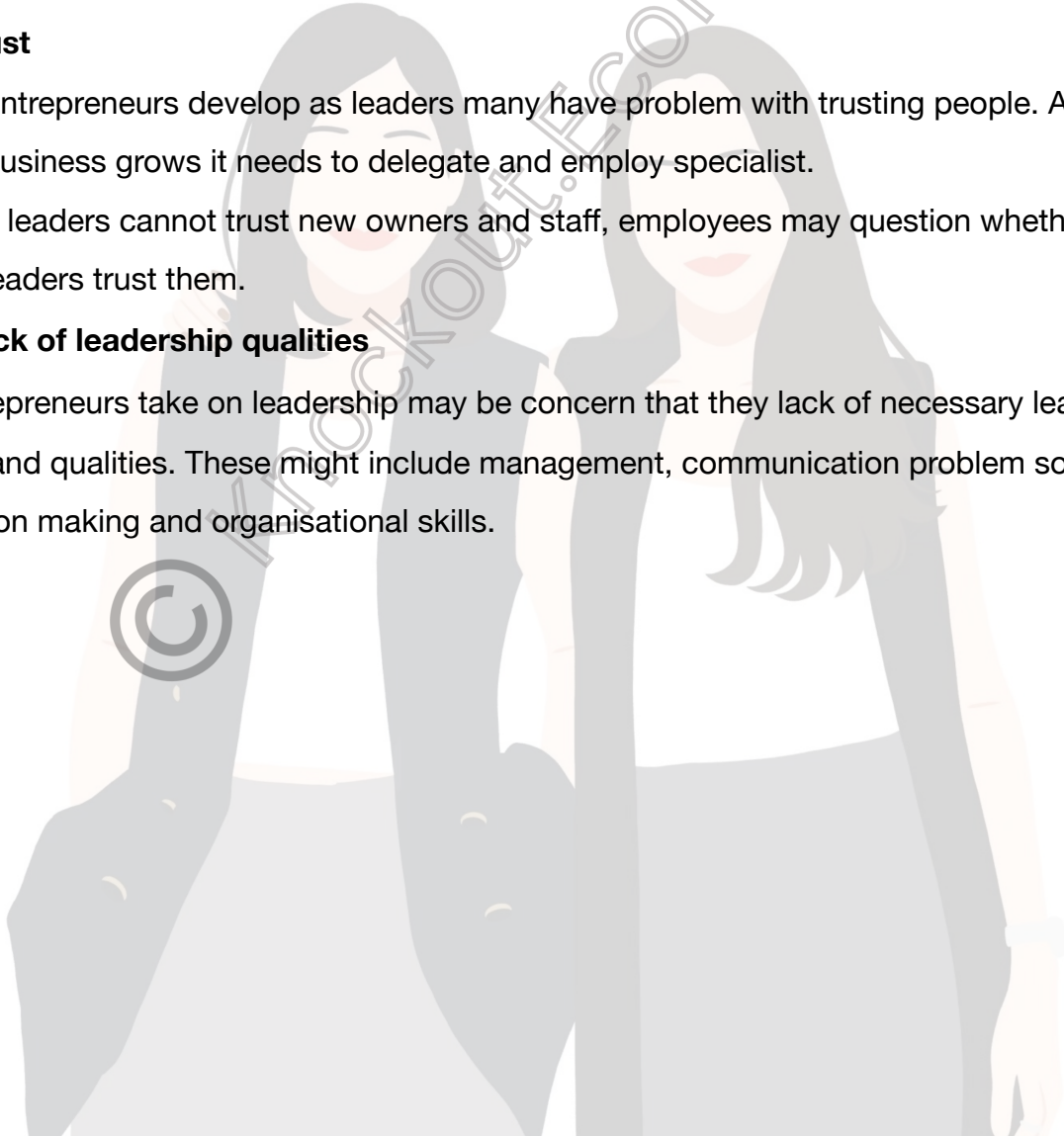
- Some entrepreneurs may struggle with the loss of control when businesses expands

4.) Trust

- Entrepreneurs develop as leaders many have problem with trusting people. As business grows it needs to delegate and employ specialist.
- If leaders cannot trust new owners and staff, employees may question whether the leaders trust them.

5.) Lack of leadership qualities

- Entrepreneurs take on leadership may be concern that they lack of necessary leadership skills and qualities. These might include management, communication problem solving, decision making and organisational skills.



5. Overcoming difficulties

1.) Delegation and trust

2.) Earn respect : Leader can earn respect from all stakeholders if the organisational culture is open, positive and accepted.

3.) Maturity and experience : some people born with leadership, and some of them can learn through maturity, learning from mistakes.

4.) Education : standing specialist courses to improve management, negotiations communication, and decision making skills.

5.) Reducing stress : being calm leader rather than stress leader.

