







LEADERSHIP IN MANAGEMENT

AZNIRA ZAINAL NOOR FAIZAH YAHYA NOR FARAHAIN DZULKAFLI Leadership in Management

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Aznira binti Zainal, Noor Faizah binti Yahya, Nor Farahain binti Dzulkafli

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AZNIRA BINTI ZAINAL

NOOR FAIZAH BINTI YAHYA

NOR FARAHAIN BINTI DZULKAFLI

PREFACE

Leadership in Management is written for students pursuing their Diploma courses, based on the sub topics in the syllabus prescribed by the Ministry of Education for Polytechnic students at the Diploma level.

The concept in this e-book are explained skills and tips in a simple, clear with a few examples, pictures, tables. Every chapter also ended with the exercise for enhance student's in leadership knowledge. It is easy to understand by the student.

We are welcome for constructive comments and suggestion from lecturers and students for future improvements. We hope that the e-book is very useful to serve its purpose in helping the students to gain better understanding about the leadership in management.

ACKNOWLEDGEMENTS

Alhamdulillah, we have completed our e-book, Leadership in Management. Thank you to our family and friends for being the support team to complete this e-book. We also would like to thank you to our Head of Commerce Department, Madam Noraihan Binti Mamat Zambi and Head of Business Study Programme, Miss Azlina Binti Azmi for giving us this opportunity. Finally, thank you also to e-book team Politeknik Tuanku Sultanah Bahiyah especially Madam Fatim Fauziani Bt Hussin. It was very difficult in the beginning, but we are really happy when we succeeded in the end. Thank you again to everybody that give us encouragements and supports, and also for those who involved and contributed either directly or indirectly in the production of this e-book.

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LEADERSHIP IN MANAGEMENT

Leadership in business is the capacity of a company's management to set and achieve challenging goals, take fast and decisive action when needed, outperform the competition, and inspire others to perform at the highest level they can.

Leadership and management are the terms that are often considered synonymous. It is essential to understand that leadership is an essential part of effective management.



1.0 MOTIVATION

1.1 Definition of Motivation

Motivation is the process by which a person's efforts are energized, directed and sustained towards attaining a goal. It also can be defined as anything that causes, channels, and strengthens human behavior in order to get a desired product or achieve a goal. According to Robbins et. al (2016), motivation is the process that initiates, guides, and maintains goal-oriented behaviours. It is what causes you to act, whether it is getting a glass of water to reduce thirst or reading a book to gain knowledge.

Motivation involves the biological, emotional, social, and cognitive forces that activate behaviour. Motivational states come in various degrees of strength. The higher the degree, the more likely it is that the state has an influence on behaviour. This is often linked to forces acting from within the agent that result in goal-directed behaviour.

1.2 The Importance of Motivation

High motivation of employees will be able to produce productive employees, increase productivity, emphasize quality and bring good alternative results. Motivated employees can lead to increased productivity and allow an organisation to achieve higher levels of output. Automatically, it will emphasize the quality and bring the good alternative results to the organization. Imagine having an employee who is not motivated at work. They will probably use the time at their desk surfing the internet for personal pleasure or even looking for another job. This situation will give the negative impact to the organization.

1.3 Early Theories of Motivation

Motivation is an important concept in organizational behaviour and there have been several theories on motivation. Motivation is one of the important concepts in the context of organizational behaviour. Motivation is something that urges an individual to pursue his/her goal. An employee won't be able to give his best to the work if he/she isn't motivated enough.

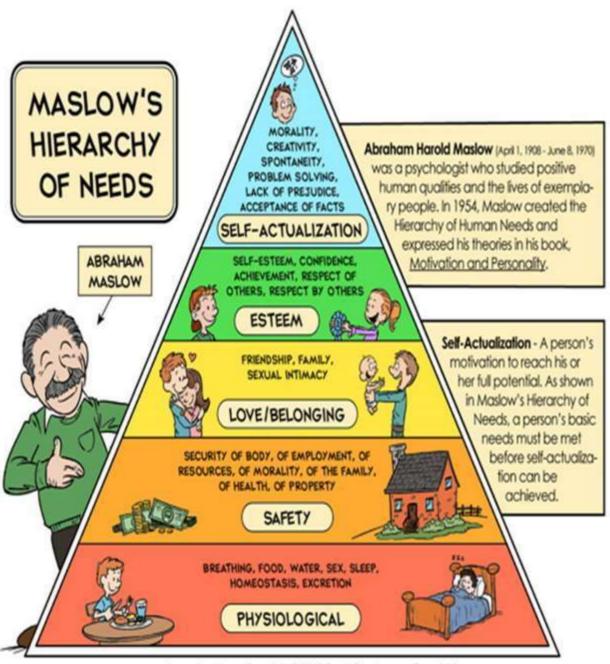
A truly motivated person will put his/her maximum efforts in achieving an objective that serves his/her organization as well as him/her well over a long period of time. So, the process of motivation requires vigour, right direction and perseverance. Various academicians over the years have given different theories of motivation. There are two most important early theories of motivation, Maslow's Hierarchy of Needs Theory and McGregor's Theory X and Theory Y.



1.3.1 Maslow's Hierarchy of Needs Theory

In order to better understand what motivates human beings, Maslow proposed that human needs can be organized into a hierarchy. This hierarchy ranges from more concrete needs such as food and water to abstract concepts such as self-fulfilment. According to Maslow, when a lower need is met, the next need on the hierarchy becomes our focus of attention.

These are the five categories of needs according to Maslow:



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i. Physiological Needs

The physiological needs are fairly apparent and include the needs that are vital to our survival. Some examples of physiological needs include food, water, breathing and homeostasis.

In addition to the basic requirements of nutrition, air, and temperature regulation, physiological needs also include such things as shelter and clothing. Maslow included sexual reproduction in this level of the hierarchy as well since it is essential to the survival and propagation of the species.

ii. Security and Safety Needs

As we move up to the second level of Maslow's hierarchy, the needs start to become a bit more complex. At this level, the needs for security and safety become primary.

People want control and order in their lives. So, the need for safety and security contributes largely to behaviours at this level. Some of the basic security and safety needs include financial security, health and wellness and also safety against accidents and injury

Finding a job, obtaining health insurance and health care, contributing money to a savings account, and moving into a safer neighbourhood are all examples of actions motivated by security and safety needs.

The safety and physiological levels of Maslow's hierarchy of needs make up what is often referred to as "basic needs."

iii. Social Needs

The social needs in Maslow's hierarchy include such things as love, acceptance, and belonging. At this level, the need for emotional relationships drives human behaviour. Some of the things that satisfy this need include friendships, romantic attachments, family, social groups, community groups and religious organizations.

In order to avoid problems such as loneliness, depression, and anxiety, it is important for people to feel loved and accepted by others. Personal relationships with friends, family, and lovers play an important role, as does involvement in groups such as religious groups, sports teams, book clubs, and other group activities.

iv. Esteem Needs

At the fourth level in Maslow's hierarchy is the need for appreciation and respect. Once the needs at the bottom three levels have been satisfied, the esteem needs begin to play a more prominent role in motivating behaviour.

At this level, it becomes increasingly important to gain the respect and appreciation of others. People have a need to accomplish things, then have their efforts recognized. In addition to the need for feelings of accomplishment and prestige, esteem needs include such things as self-esteem and personal worth.

People need to sense that they are valued by others and feel that they are contributing to the world. Participation in professional activities, academic accomplishments, athletic or team participation, and personal hobbies can all play a role in fulfilling the esteem needs.

People who are able to satisfy esteem needs by achieving good self-esteem and the recognition of others tend to feel confident in their abilities. Conversely, those who lack self-esteem and the respect of others can develop feelings of inferiority.

v. Self-Actualization Needs

At the very peak of Maslow's hierarchy are the self-actualization needs. Self-actualization refers to feeling fulfilled, or feeling that we are living up to our potential. One unique feature of self-actualization is that it looks different for everyone. For one person, self-actualization might involve helping others; for another person, it might involve achievements in an artistic or creative field. Essentially, self-actualization means feeling that we are doing what we believe we are meant to do.

1.3.1.1 Methods to Fulfill Employee Needs Based on Maslow's Hierarchy

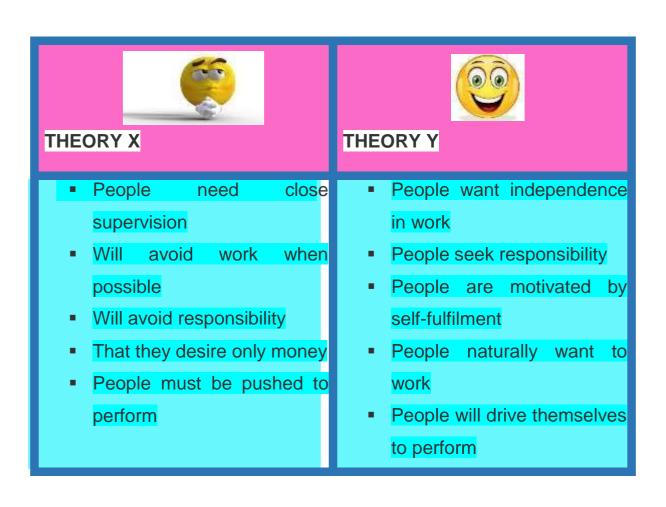
According to Ang Huat Bin (2015), below are the methods to fulfil employee needs based on Maslow's Hierarchy.

NEED	PROCEDURES
Physiological	 Implement a fair salary system Provide the necessary equipment to perform the task and working environment with good lighting, furniture etc.
Safety	 Create health and safety rules at the workplace Emphasize employee work safety
Social	 Encourage employee participation in social activities Encourage cooperation among employees in groups
Esteem	 Identify and give recognition to employees who have exhibited good performance Provide opportunities for employees to get promotions
Self-actualization	 Provide challenging project Encourage employee participation in the decision-making process

1.3.2 McGregor's Theory X and Theory Y

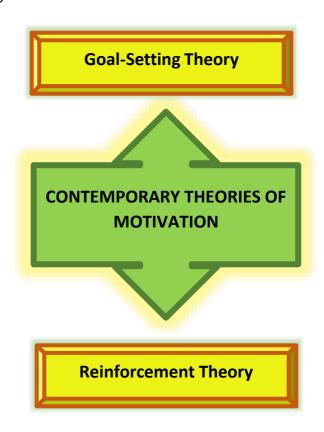
This theory was propounded by Douglas McGregor. According to this theory, human being has got two distinct point of views — negative and positive. So as per Theory X, the managers are of the view that employees don't like their job and so there is a need for a directing them, and in some cases, coercing them. Theory Y is just opposite and according to it the employees find their job as normal as any general activity (recreation, playing etc.). So, it is a positive outlook on the part of the managers.

That basically means that employees can be trusted with taking up the responsibilities. As per McGregor, challenging job and participative decision-making act as source of motivation for the employees.

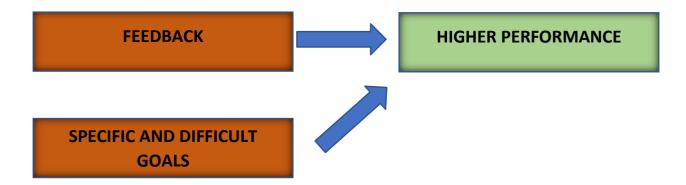


1.4 Contemporary Theories of Motivation

The following theories, Goal-setting Theory and Reinforcement Theory are considered contemporary or modern not only because they necessarily were developed recently, but because they represent the current state of the art in explaining employee motivation.

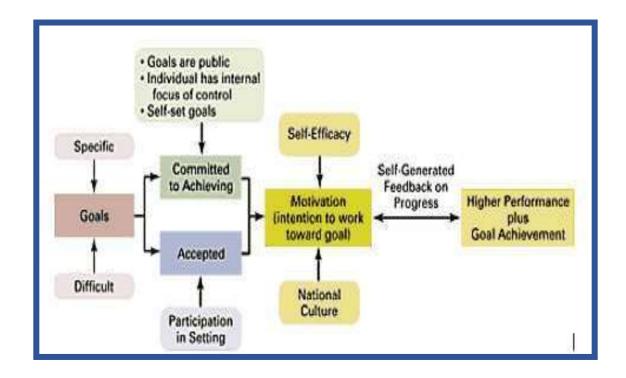


1.4.1 Goal-Setting Theory



The goal-setting theory was introduced by Edwin Locke. This theory argues that specific and difficult goals leads to better work performance. Such goals will ensure that employees are aware: what needs to be done and how much effort will be needed. The goal-setting theory indicates a clear understanding of the links between effort and performance, and between performance andoutcomes is desirables

One example of goal setting-theory is management by objective (MBO). In MBO, performance is measured strictly in relation to the goals set by managers and individual employee input. Management objectives and expectations are clearly defined with employees. The evidence that are challenging, concrete goals increase the performance and are more desirable to most workers than are loosely defined, non-challenging goals.



1.4.2 Reinforcement Theory

Reinforcement theory was introduced by B.F. Skinner. This theory explains how individuals' past experiences influence their current behavior. He believed that behavior is connected to results. In other words, an individual's past actions can influence his future actions. This theory ignores factors such as goals, expectation and needs. It focuses on the things that happened when individuals took certain action. An individual would demonstrate behaviours if rewards are given. They will not repeat the behaviours if rewards are not given.

Types of Reinforcement

Behaviour that elicits consequences is called as the operant behaviour and the reinforcement theory works on the relationship between the operant behaviour and the associated consequences. This process is called the Operant Conditioning and the change in the behaviour is caused due to the reinforcement given after the response.

This theory of motivation totally focuses on what happens to an individual when he/she takes some action. It is no way related to the internal state of an individual i.e., inner feelings and drives of an individual is ignored.

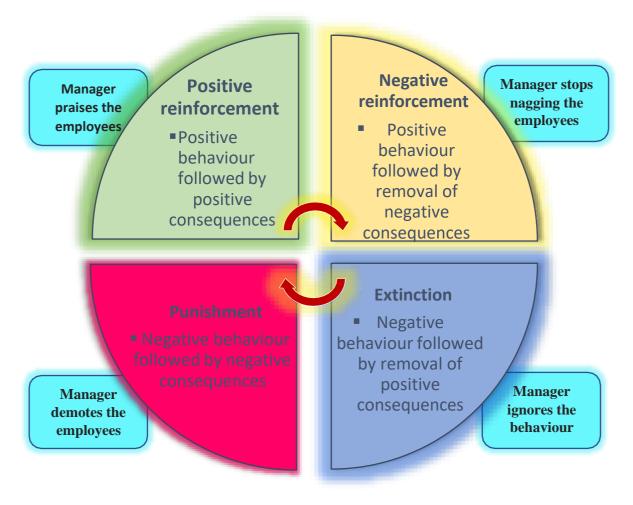
Thus, the external environment of the organization should be designed positively and effectively so as to motivate the employees. This theory is a strong tool for analyzing controlling mechanism for individual's behaviour.

Following are the methods for controlling the behaviour of the employees –

- Positive Reinforcement Positive reinforcement explains that, when an
 employee gives a positive and a required behaviour, the response towards
 them should be positive. This stimulates the occurrence of a behaviour.
 Reward to an employee who performs well reinforces his/her desire to
 perform better because of positive results of doing so.
- Negative Reinforcement Negative reinforcement takes place when certain deterrent(s) or obstruction(s) is removed and the employee(s) responds to a desired behaviour after such removal. For instance, an employee who commutes from a long distances wraps up a few projects faster than desired; but, when he is told by the manager to take the projects home for a couple of days and complete them, it stimulates him/her to work as expected. By removing the negative stimuli, the desired behaviour is reinforced.

- Punishment Punishment refers to imposing negative consequences or removing positive consequences with a view to preventing employee(s) from repeating undesirable and uncalled for behaviours. It can, therefore, be both positive and negative.
- **Extinction** Extinction refers to extinguishing a learned behaviour by withholding a positive reinforcement or reward that has encouraged the behaviour.

To conclude, the reinforcement theory revolves round a basic idea that consequences influence behaviour. Consequence that brings rewards propels a particular behaviour and consequences that give punishment diminish the occurrences of a behaviour. Last but not the least, the consequences that give neither reward nor punishment put an end to a behaviour. The theory helps the managers to choose the right method of motivation to motivate their employees basing upon the prevailing situation.



EXERCISE 1.1

Interpret how Mr. Kamal Mustafa, the CEO of Megah Holding Sdn. Bhd. can implement the Maslow's Hierarchy of Needs Theory that focuses in FIVE (5) basic





In your opinion, why motivation is important in organization? Discuss your answer with the suitable examples.

2.0 Leader & Leadership

Leader is someone who can influence others and who has managerial authority. Leader also can be defined as an ability/capability of an individual to influence others in order to act in the manner desired. Meanwhile, leadership is as process of leading the behavior of others towards completing an objective of the organization. Both leadership and management are essential for individual as well as organizational success.

2.1 Differences between Leadership and Management

Leadership differs from management in a sense that:

- Managers lay down the structure and delegates authority and responsibility, leaders provide direction by developing the organizational vision and communicating it to the employees and inspiring them to achieve it.
- 2. Management includes focus on planning, organizing, staffing, directing and controlling; leadership is mainly a part of directing function of management. Leaders focus on listening, building relationships, teamwork, inspiring, motivating and persuading the followers.
- 3. A leader gets his authority from his followers, a manager gets his authority by virtue of his position in the organization.
- 4. Managers follow the organization's policies and procedure, the leaders follow their own instinct.



- 5. Management is more of science as the managers are exact, planned, standard, logical and more of mind. Leadership, on the other hand, is an art. In an organization, if the managers are required, then leaders are a must/essential.
- 6. Management deals with the technical dimension in an organization or the job content; leadership deals with the people aspect in an organization.
- 7. Management measures/evaluates people by their name, past records, present performance; leadership sees and evaluates individuals as having potential for things that can't be measured, i.e., it deals with future and the performance of people if their potential is fully extracted.
- 8. If management is reactive, leadership is proactive.
- 9. Management is based more on written communication, while leadership is based more on verbal communication.

2.2 Characteristics of A Leader

Over the decades, many companies could not compete with global competition. Among the ones that did succeed, most could not sustain their position in the market. Leaders like Steve Jobs, Elon Musk, and Warren Buffet, with their vision, unshakable determination, and persistent hard work, led their respective companies to great heights. With their belief and strong leadership qualities, they gave a new dimension to the world of business. According to Brimhall (2013), here are the lists of several characteristics of a good leader that help leaders to achieve greater success.

Exemplary characteristics	A good leader has an exemplary character. It is of utmost importance that a leader is trustworthy to lead others. A leader needs to be trusted and be known to live their life with honesty and integrity. A good leader walks the talk and in doing so earns the right to have responsibility for others. True authority is born from respect for the good character and trustworthiness of the person who leads.
Enthusiastic about work	Enthusiastic can mean the difference in not just getting a job, but succeeding in a job and even advancing in your career. A positive and enthusiastic attitude is a critical component of workplace success. Employers promote employees who not only produce, but also motivate others in the workplace.

Confident	Confident managers allow employees to accomplish tasks, make decisions and assume responsibility. When something goes wrong, or is simply heading in the wrong direction, they step up and give guidance, focusing on results and clear goals to grow their employees' skills.
Able to function in orderly & purposeful manner	As a leader, must be able to function in an orderly and purposeful manner while leading the organization as all their actions will always be followed.
Tolerant to ambiguity and remain composed, calm & steadfast	Problems are indeed inseparable in human life. If there are any problems that arise the leader must use discretion, tolerance and calm in a situation.
Able to think analytically	A good leader as well as keeping the main goal in focus is able to think analytically. Not only does a good leader view a situation as a whole, but is able to break it down into sub parts for closer inspection. Not only is the goal in view but a good leader can also break it down into manageable steps and make progress towards it.
Committed to excellence	A good leader is committed to excellence. Second best does not lead to success. The good leader not only maintains high standards, but also is proactive in raising the bar in order to achieve excellence in all areas.



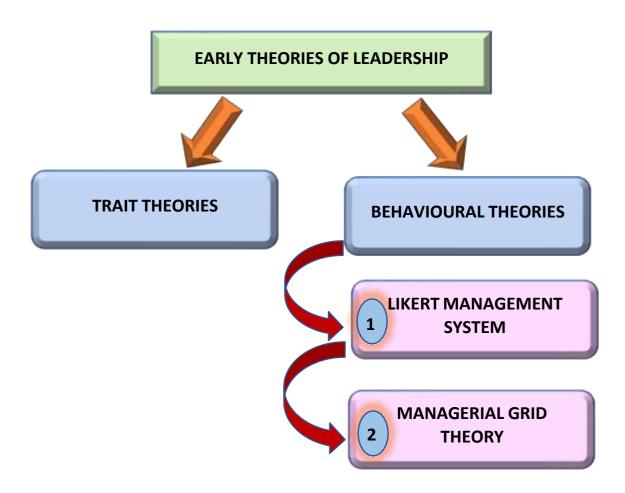


Tun Dr. Mahathir bin Mohamad who was born on 10 July 1925 is a Malaysian politician, author, and physician who served as the fourth and seventh Prime Minister of Malaysia. He held office from July 1981 to October 2003 and later from May 2018 to March 2020 for a cumulative total of 24 years, making him the country's longest-serving prime minister.

Discuss the leadership attributes of Tun Dr. Mahathir bin Muhammad.

2.3 Early Theories of Leadership

Early leadership theories focused on what qualities distinguished between leaders and followers, while subsequent theories looked at other variables such as situational factors and skill levels. The early theories of leadership are trait theories and behavioural theories. There are two popular theories under behavioural theories; Likert Management System and Managerial Grid.



2.3.1 Trait Theories

Trait theories focus on characteristics that differentiate leaders from non-leaders. Traits are individual inborn qualities or characteristics such as physical (appearance, height, weight); demographic (age, education, socioeconomic background); personality (introvert, extrovert, positive); skills and abilities (knowledge, competence, intelligence; and social characteristics (sociable, cooperative).

This theories assume that people have inherent qualities and traits that make them better suited to leadership. These include:

a) Drive

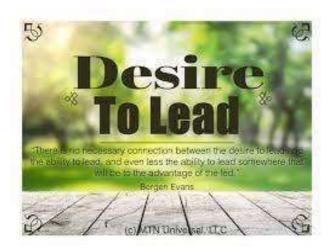
As a characteristic of drive, leaders must have high level effort, high desire for achievement, ambitious, a lot of energy, tirelessly persistent and initiative in handling their organization.



Leaders need to bring direction within the organization

b) Desire to lead

Leaders must have strong desire to influence and lead their staff. In addition, a leader need and willingness to take responsibility about their decision. Their decision can make any changes in organization.



The desire to lead is a success for the organization

c) Honesty & Integrity

Leaders build trusting relationship with followers by being truthful, non-deceitful and show high consistency between word and deed.



Honesty and integrity are the backbone of the organization

d) Self-confidence

In order to convince the followers, leaders should be absence of self-doubt and should show their self-confidence. Without self-confidence, the leader will findit is difficult to lead the organization.



Self-confidence is the strength of a leader

e) Intelligence

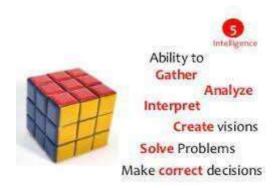
Leaders needs to be intelligent because they to gather, synthesize, and interpret large amount of information. Besides that, they are responsible to create visions, solve problems and make correct decision.



Intelligent is the keyword to manage organization

f) Job-relevant knowledge

As an effective leader, he/she must have a high degree of knowledge about company, industry and technical matters. Besides that, in-depth knowledge allows leaders, to make well-informed decision and will be able to understand the implications of the decision.



Master your work

g) Extraversion

Leaders must energetic and lively people. They should be sociable, assertive and rarely silent or withdrawn to manage their employee and organization.



Love your task

2.3.2 Behavioral Theories

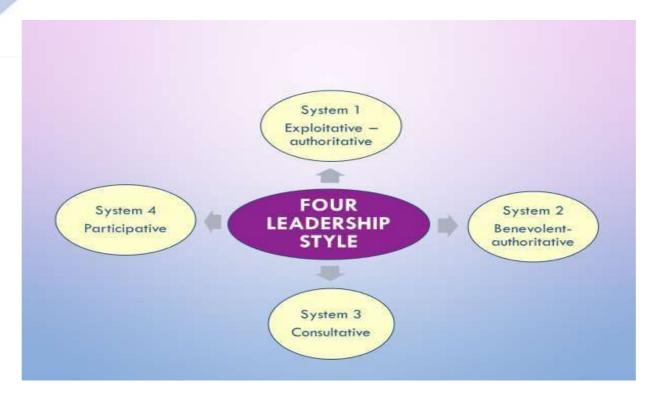
Behavioral leadership theory argues that the success of a leader is based on their behavior rather than their natural attributes. Behavioral leadership theory involves observing and evaluating a leader's actions and behaviors when they are responding to a specific situation. This theory believes that leaders are made, not born. Proponents of this theory suggest that anyone can become an effective leader if they can learn and implement certain behaviors. The behavioural theory emphasizes leadership functions and leadership styles. Studies on leadership styles focuses on task-oriented leadership, authoritarian leadership or centralization and democratic leadership.

In this chapter, behavioral theories divided by two. This is a Likert Management System and Managerial Grid Theory.

2.3.2.1 Likert Management System

Rensis Likert established management styles called Likert's management systems in the 1960s. To characterize the interaction, engagement, and roles of managers and subordinates in industrial contexts, he proposed four management systems. Rensis Likert and his colleagues at the University of Michigan in the United States studied the patterns and styles of managers for three decades and established a four-fold model of management systems.

There are four management systems or four leadership styles, according to Likert:



Likert Management System

i) System 1 : Exploitative – Authoritative

Manager have a responsibility, power and direction are in the hands of top management and subordinates carry out their instructions. Managers lack confidence in their subordinates, while subordinate are afraid of their managers. In this system, communication flow downwards from managers to their subordinate. While cooperation between managers and subordinates is poor.

ii) System 2 : Benevolent - Authoritative

In this system, managers have some trust and confidence in subordinates. Relationship between employer and employee like up to the master-servant relationship. Subordinates have the freedom to give the comments or feedback on the given orders and have some work flexibility, but still need to be very careful in doing their work. However, employer and employee lack of communication and little teamwork.

iii) System 3: Consultative

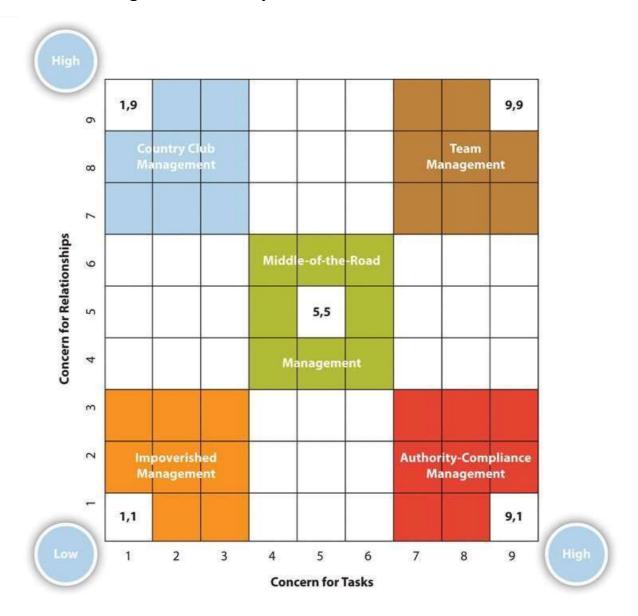
Managers set the goals and give direction after discussing with employees. Employees feel free to discuss job-related issues with managers and make decision regarding their job. In consultative system, two way communication and cooperation between teams are encouraged. Productivity is good and employee-related issues are moderate. Rewards are given to employees as a form of motivation.

iv) System 4: Participative

Participative system is the ideal system because management has full confidence in employees and encourage them to actively participate in decision making. Two way communication is practiced between employee and employer. Productivity is high and employee-related issues is low. Management considers employee are important part in organization and are given recognition and rewarded for good work.



2.3.2.2 Managerial Grid Theory



Managerial Grid Theory

The Blake Mouton Grid plots a manager's or leader's degree of task-centeredness versus their person-centeredness, and identifies five different combinations of the two and the leadership styles they produce. It's also known as the Managerial Grid, and was developed in the early 1960s by management theorists Robert Blake and Jane Mouton. The two dimensions that can be explain are:

☐ Human elements/concern for relationship on Y-axis
This is the degree to which a leader considers the needs of team members, their interests, and areas of personal development when deciding how best to accomplish a task.

☐ Production elements/concern for task on X-axis

This is the degree to which a leader emphasizes concrete objectives, organizational efficiency, and high productivity when deciding how best to accomplish a task.

i) Impoverished or Poor Management Style (1,1)

In this grid, managers have low concern for both elements of human or relationship and production or task. Managers abandon their leadership role. The other name of this grid called laissez-faire management system.

ii) Team Management or Democratic (9,9)

Managers have high concern for both production and employee morale and satisfaction. Most effective leadership behavior and most situation result in improved performance, low absenteeism and turnover and high employee satisfaction. This grid is the best combination because have high concern for both.

iii) Country Club or Comfortable Management (1,9)

Managers have high concern for employees but low concern for production. Managers create happy environment without a big commitment to achieve organizational goal. Perhaps some employees feel happy to be able to work comfortably without thinking of great responsibilities.

iv) Authority-compliance Management (9,1)

Managers have high concern for production and efficiency but low concern for employees. Managers do not prioritize employee needs, only prioritize on production. Employee needs unimportant and simply a means to an end. He provides his employees with money and expects performance back. Leader is very autocratic, has strict work rules, policies and procedures, and views punishment as the most effective means to motivate employees. This is authoritarian management style.

v) Middle of The Road Management Style (5,5)

The manager tries to balance the competing goals of the company and the needs of the workers. The manager gives some concern to both people and production, hoping to achieve acceptable performance. He believes this is the most anyone can do. Manager try to obtain a satisfactory morale among employees and production level not to high.

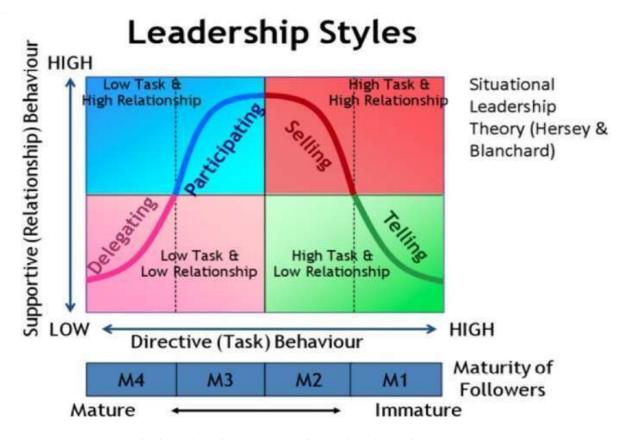
2.4 Contingencies Theories

The contingency theory of leadership puts forth the idea that the success of a leader hinges on the specific situation at hand. Certain factors come into play that define whether a particular leader or leadership style will be effective for the given situation. Those factors include the task, the personality of the leader and the composition of the group that is meant to be led. Its basic assumption is that leadership – success or failure – is situational.

This theory identifies various factors that can influence leader's behaviors that can be concentrates of two aspects:-

can be concentrates or two aspects.
☐ The most important factor that influences a leader's behavior in different situations
☐ The most effective leadership style that should be practiced in different situations
The two contingency models are:-
Hersey And Blanchard's Situational Leadership Theory
☐ Path-Goal Theory

2.4.1 Hersey and Blanchard Situational Leadership Theory



Hersey and Blanchard Situational Leadership Theory

This theory explain how to match the leadership style the situation and readiness of the group members. It is classified according to the amount of task and relationship behavior the leader engages in. The curved line represents subordinates' maturity level. The maturity level increases following the change in the curved line from right to left. An effective leader's behavior will change according to subordinate's maturity level, from immature to mature.

i) Phase 1 (Informing/Telling)

In this phase, task oriented is high while the relationship is low. Usually phase for new employees are hired and they need to understand organization rules and procedures and be given direction on how to perform their duties. Managers should detail to new employees their duties. New employees are normally anxious. Employee relationship is not emphasized as the new employees are not considered colleagues by managers.

ii) Phase 2 (Selling)

Employees maturity level has increased, managers must still provide direction from time to time. Relationship between manager-subordinate is now closer and there is increased mutual trust and respect. The leader's style should therefore be concerned with increasing the confidence and skills of followers so that they can ultimately take on more responsibility for their actions.

iii) Phase 3 (Participating)

Employees now are competent in performing their jobs, the manager is less concerned with task but still need continue to build a close relationship behavior with their subordinates. The leader will therefore only encourage and offer feedback when needed to motivate and develop the subordinate, but not as a comment on the task performance. It can be show in figure low in directing behavior and high on supporting behavior.

iv) Phase 4 (Delegating)

This phase described employee maturity reaches maximum with high competence and commitment. A Leadership style with low emphasis on task and relationship. This is very much a 'hands-off approach' as the subordinate is perfectly able and willing to perform the tasks independently and with great responsibility. The leader can further encourage autonomy, while keeping an eye on not overloading the follower with responsibility and not withdrawing completely from the follower's proximity.

2.4.2 Path-Goal Theory



Path-Goal Theory

Robert House introduced Path-Goal Theory. In this theory the leader's job need to assist followers in attaining their goals, provide support or direction needed and to ensure that their goals are compatible with the organization's or group's goals.

In this model is explains that, there are four leadership behavior

- ☐ Directive leader
- Supportive leader
- ☐ Participative leader
- ☐ Achievement-oriented leader

i) Directive Leader

In this behavior, direction comes from leader with specific guidance on how to accomplish tasks, lets subordinates know what is expected of them, sets performance standards for them, and controls behaviour when performance standards are not met. This style is suited for inexperienced employees who need guidance and need to be checked regularly.

ii) Supportive Leader

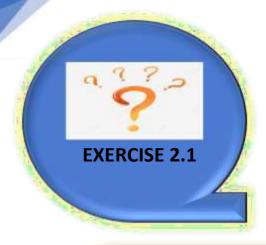
The leader is friendly towards subordinates and displays personal concern for their needs, welfare, and well-being. Managers are friendly, open and approachable. Employees are treated with respect and given support when necessary. This style is effective for employees have personal issues, lack confidence or demotivated.

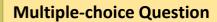
iii) Participative Leader

The leader uses discussion and consensus decision making with group members and shares information with subordinates. Manager obtains employees opinion, idea, encourages participation and open discussion. He consults his subordinates on important decisions related to work, task goals, and paths to resolve goals. Suitable for employees highly involved and have specialist knowledge

iv) Achievement-oriented Leader

The leader sets challenging goals and encourages employees to reach their peak performance. The leader believes that employees are responsible enough to accomplish challenging goals. Managers stresses on high quality performance and improvement over current performance. This style is most effective if employees can work independently and capable of problem solving

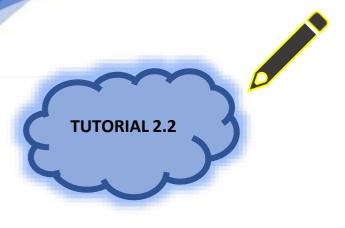




- 1. Which of the following is the orientation of the Likert Management System?
 - A) Exploitative-Authoritative
 - B) Task and human
 - C) Participation
 - D) Negotiation
- 2. Authoritarian management leadership style or dictatorship is located in management grid
 - A) 9,9
 - B) 9,1
 - C) 1,9
 - D) 1,1
- 3. Who introduced human and production concepts in the leadership style?
 - A) Hersey and Blanchard
 - B) Robert Blake and Jane Mouton
 - C) Fred Fiedler
 - D) Rensis Likert

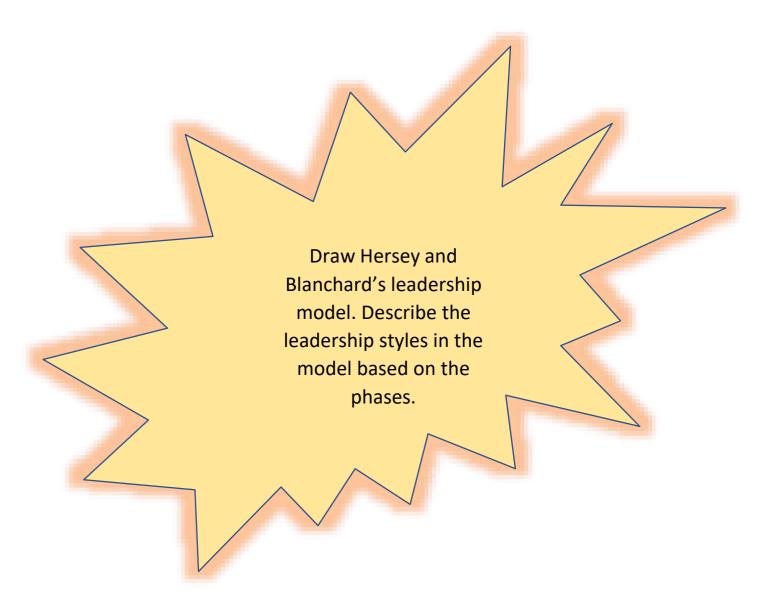
Multiple-choice Question

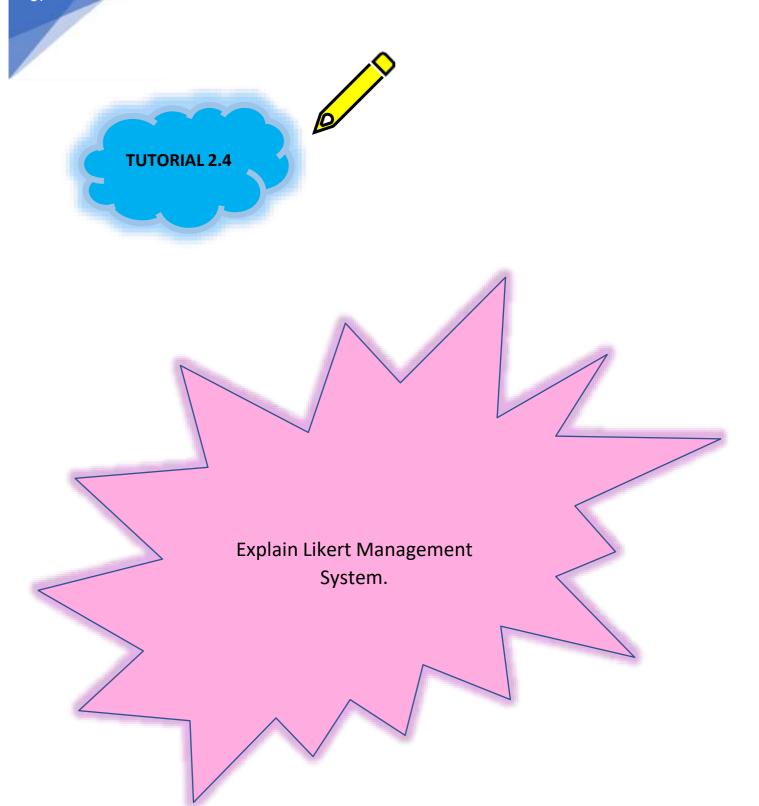
- 4. Which phases of the Hersey-Blanchard Situational Leadership Theory have low relationship behaviour?
 - I First Phase (Informing)
 - II Second Phase (Selling)
 - III Third Phase (Participating)
 - IV Fourth Phase (Delegating)
 - A) I and II
 - B) II and III
 - C) III and IV
 - D) I and IV
- 5. There are two behavioural theories of leadership _____and ____
 - A) Goal setting theory, Reinforcement theory
 - B) Managerial Grid Theory, Goal setting theory
 - C) Reinforcement Theory, Three Needs Theory
 - D) Likert Management System, Managerial Grid Theory











3.0 COMMUNICATION



Describe what managers need to know about communicating effectively.

3.1 Introduction

Communication is a part of our life. Through communicate we can understand others and getting job done. In leadership, communication is one of the treasure keys to be a successful and great leader. As we know, leadership is a process to influence people to fulfill the leader wants and subsequently to gain followers. To adhere the process, the leader must empower communication skills and techniques.

In this subtopic will be explained further on definition and importance of organizational communication; communication process, types of communications and the barriers commonly faced during communication process occurred.



Illustration of Communication in Organization

3.2 Definition of Communication

Communication can be defined as a transfer of understanding and meaning between two parties, involve the sender and receiver. Communication also can be thought as a process of exchanging ideas, opinions, and information that have certain objectives and are presented personally or non-personally using symbols, or signals with the objective of achieving organizational goals (Bernard). According to Gray & Smeltzer, the communication involves the transfer of information, ideas, belief, or emotion between one individual and another.

Organizational Communication

The sending and receiving of messages among interrelated individuals within a particular environment or setting, to achieve organization goals.

3.3 Importance of Communication

Communication is one of the important factors in **perform functions of management** (Planning, Organizing, Leading and Controlling) in effectively. Effective managers admit the importance of receiving feedback from employees and members in organization to improving business procedures or handle customer and client's complaints. As manager, to ensure their business survive and endure in industry, **socialization** is one of the mechanisms. Businesses as well as individuals' employees need to socialize and communicate.

Communication in crucial in **shaping attitudes**. By communicate, managers able to give work instructions, share decisions, guidance and counselling the member of organization in forming the desired attitudes, skill and knowledge. Communication conveys in various forms. Whether in non-verbal such as document, report and journal or in verbal communication for instance brainstorming and discussion. These will be one of the **sources in decision making**.



Individual Level

- Understanding the mission, goals, values and procedure of the organization.
- Clearing up umbiguity in the what's. how's and why's
- Sense of "making a difference"



Group Level

- Creating common culture permits employees to act with empowerment.
- Reducing day-to-day conflict.

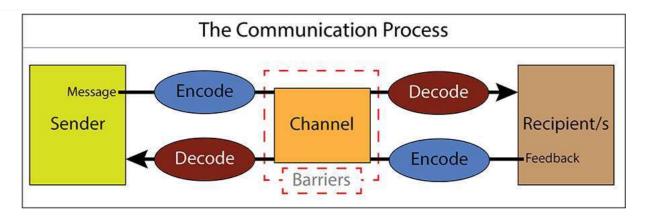


Organizational Level

- Coordinating organizational resources.
- Sense of belonging and commitment.
- Direct impact on effort and efficiency.

Importance of Organizational Communication

3.4 Communication Process



Communication Process

The figure above shows the components in a complex communication process. There are **seven (7)** components involve; sender, encode, channel, decode, receiver, feedback and disturbance or barriers.

The communication process consists of two main phases: transmission phase and feedback phase. Transmission phase is when information is share between two or group of individuals. Transmission phases begin with the **sender**, the person who starts the communication process and usually has intentions to share an information with others. Sender will decide what information and message they want to communicate. Message is the information that a sender wants to share. It is the actual physical product from the source that conveys some purpose. Message conveys through words (speak or written) and expression (paint or gestures).

Next, the sender translates the messages into symbols or language, a process called **encoding**. There are four conditions that affect the encoded message: skills (speaking, reading, listening, and reasoning), attitudes, knowledge and social cultural system.

After encoding, sender will choose the best and appropriate channel to convey the messages. **Channel** refers to the medium by which a message travel. For instance, if the information is suitable to delivered in graphical form (e.g. showing monthly sales report), transfer via phone call channel is not suitable.

There are two types of channels: formal and informal. Formal channel refers to the channel established by the organization and transmit messages that pertain to the job-related activities. Meanwhile, informal channel is referring to personal or social messages.

After the messages have transfer via the best channel, now come to the decoding process. **Decoding** refers to the process of translating a received message. The symbols in the message must be convert into a form that can be understood be the receiver. Once decoded, a message transmitted to the receiver.

Receiver refers to the person who receives the message from sender. This is the initiation for feedback phase. **Feedback** refers to the checking to see how successfully a message has been transferred. The receiver's action towards the message delivered by the sender determines a common understanding is assured.

In communication process, there will be **disturbance** or barriers (also called noise) in delivering message. These are anything that disturbs or confuses with communication and can occur at any stage of the process.

3.5 Types of Communication



- The encoding of messages into words, either written or spoken.
- Most preferred types of communications used by organization.
- Sender and receiver share information using dialogue, through talking/chatting.

Non-verbal Communication

- The encoding of messages by means of facial expressions, body language and style of dress.
- Communication in which message are transmitted without using language to generate meaning.

Electronic ommunication

- E-communication, or electronic communication, refers to the transfer of writing, signals, data, sounds, images, signs or intelligence sent via an electronic device.
- For examples of e-communication are email, text messages, social media messaging and image sharing.

3.5.1 Verbal Communication

Verbal communication involves words either spoken or written. The written communication can be formed in letters, memos, policy, manuals, reports and newsletter. In organizational structure, the members will disclose the information by broadcasting messages. The advantages of written communication are providing a permanent record, easy to circulate and verify; and reduces the risk of misunderstanding message. However, there are some disadvantages of written communication. For examples, it is costly to prepare, time-consuming and illiterate people will not be able to understand the messages and will delayed in response.

3.5.2 Non-verbal Communication

Non-verbal communication is referred to use behaviours, body languages and facial expressions in covey the message. There are some categories; kinesics, vocal cues (or paralanguages), proxemics and object language.

a) Kinesics

Kinesics behaviour also known as body language, body movement or motions. It involves body postures, gestures, facial expressions and eye movement.

b) Vocal cues (or paralanguages)

This communication focus on the vocal's aspect of communication. For example, intonation, voice quality, speech rate, laughing, yawning and silence.

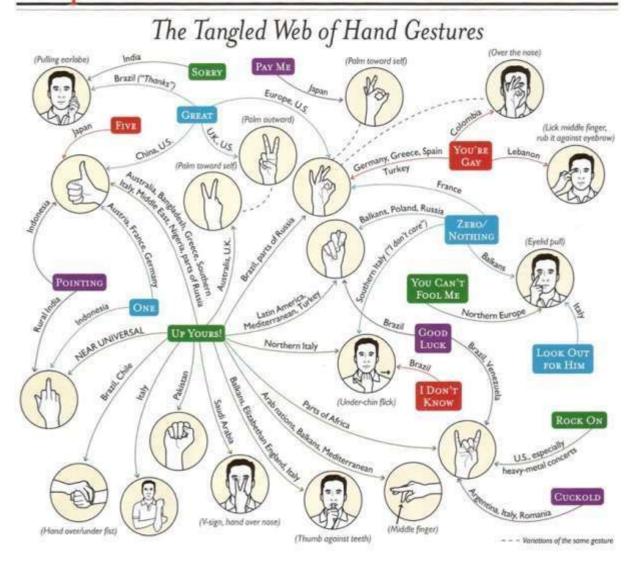
c) Proxemics

A study of how people perceive space, seating arrangements and conversational distance.

d) Object language.

Display of material things such as clothes, room decorations, physical appearance such as hair styles etc.

Etiquette 101: Hand Gestures



The Hand Gestures

3.5.3 Electronic Communication.

Electronic communication can be divided into 3 categories: network communication, wireless communication and knowledge management systems.

a) Network communication applications

Application	Explanation
 The instantaneous transmission of message on computer that are linked together. 	 Fast and cheap. Can be used to send the same messages to many people at one time. Quick and convenience way to communicate & share information. Able to attach any files which enables receiver to print a hard copy of a document.
 Instant Messaging (IM) The interactive, real-time communication where it required every participant or user to logged on to the computer network at the same time 	 Requires user to logged on to the organization network at the same time.
 A digitize system of aspoken message, transmit over the network, and stores the message on a disk for the receiver to retrieve later. 	 Allow the transmission of information at any time. Receivers have an option whether to save, delete or route the messages to other parties.

4. Fax Machines

- A machine that can transmit document containing both text and graphics over ordinary telephone lines.
- Senders able to scan and digitize the documents needed to be send.
- Receivers can read the scanned information and reproduces it in hard-copy form.
- Can be easily and quickly shared by the organization's member.

5. Electronic Data Interchange

- Is a way for organizations to exchange business transaction documents using direct computer-tocomputer networks.
- Usually used EDI with vendors, suppliers, and customers

- Saves time and money
- Able to eliminate the cost of printing and handling documents.
- Able to create inter-organizational communication network.

6. Intranets

- Refers to an organizational communications network that uses Internet technology BUT is accessible only to organizational employees.
- Enable employees to share information easily and quickly.
- Able to do collaboration on documents and projects easily.
- Employees can access company policy manuals and employee's specific materials.

7. Extranets

 Refers to an organizational communications network that uses Internet technology and allows authorized users inside the organizations to communicate with certain outsiders (e.g.: customers, vendors, suppliers). Faster and more convenient communication with dealer

8. Electronics Meetings

 The process of sharing and communicating information with colleagues using electronic devices.

Divided into **TWO** applications:

Teleconferencing

An application that allows a group of people to confer simultaneously using telephone or e-mail group communication software.

Videoconferencing

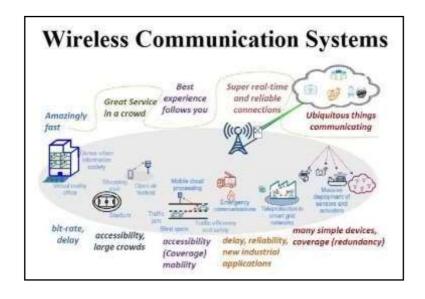
An application that allows participants to see each other over video screens and simultaneously communicating with each other.

9. Internet-based Voice

- Refers to a popular website that allows users to chat with each other.
- Used widely in conferencing or instant messaging.
- Examples: Skype, Yahoo Messenger, WhatsApp, Line, KakaoTalk etc.

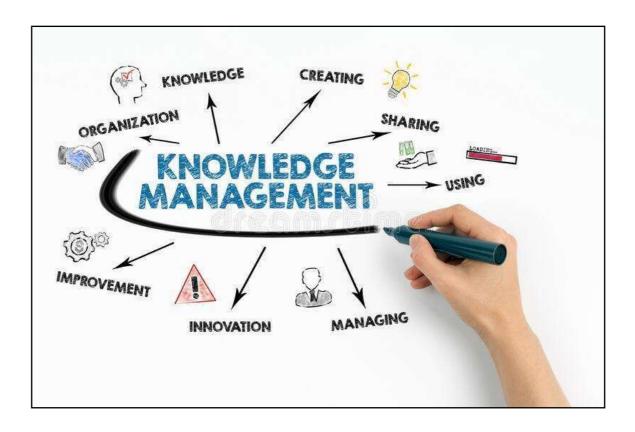
b) Wireless Communication

Wireless communication is a type of data communication that is performed and delivered wirelessly. This type of communication functions by using 2G, 3G, 4G LTE. For examples, smartphone, tablet computer, notebook and mobile phone.



b) Knowledge Management System

Knowledge management system is a company specific virtual information system that allow workers to share their knowledge and expertise and find others to help solve ongoing problem. This system focused on cultivating a learning culture which organizational members systematically gather knowledge and share it with others. The knowledge usually shared using computer-based application. In organization, this system is a method for improvement of business process performance.



3.6 Barriers in Communication

Barriers	Description
Filtering	 The deliberate manipulation of information to make it appear more favorable to the receiver.
Selective perception	 Receiving communications on the basis of what one selectively sees and hears depending on his or her needs, motivation, experience, background and other personal characteristics.
Information overload	 When the amount of information one has to work with exceeds one's processing capacity.
Emotion	 How the receiver feels when a message is received.
Language or semantic factors	 Words have different meaning to different people. Receiver will use their definition of words being communicated.
Gender	 Male and female react to communication might be different. Both have different communication styles.

Barriers in Communication

3.7 Method to Overcome Communication Barriers

Method	Explanation
Uses feedback	 Check the accuracy of messages that has been communicated – or what you think you heard.
Simplify language	 Use words that the intended audience (receiver) understand.
Listen actively	 Listen for the full meaning of the message without prejudgment or presumption – or thinking about what about you are going to say.
Constrain emotions	 When your emotions are running high, do not communicate until you have calmed down.
Watch non-verbal cues	 Be aware that your actions speak louder than words. Keeps the non-verbal and verbal communication consistent.

Method to Overcome Communication Barriers



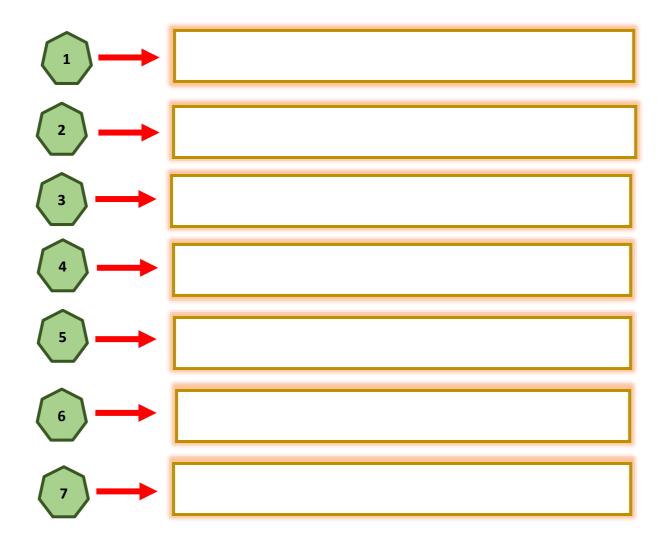
EXERCISE 3.1





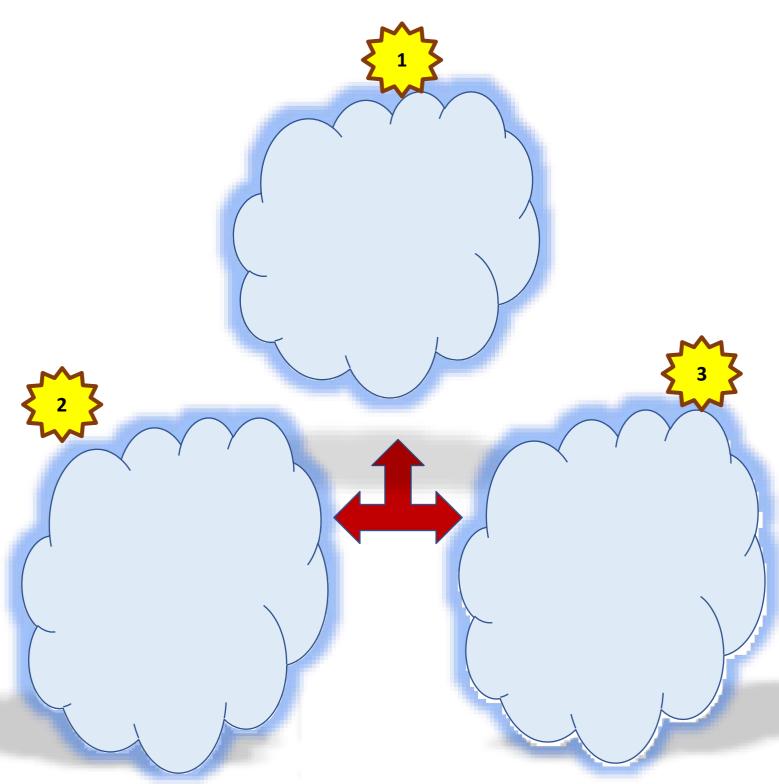


• List down **SEVEN (7)** components involved in communication process.





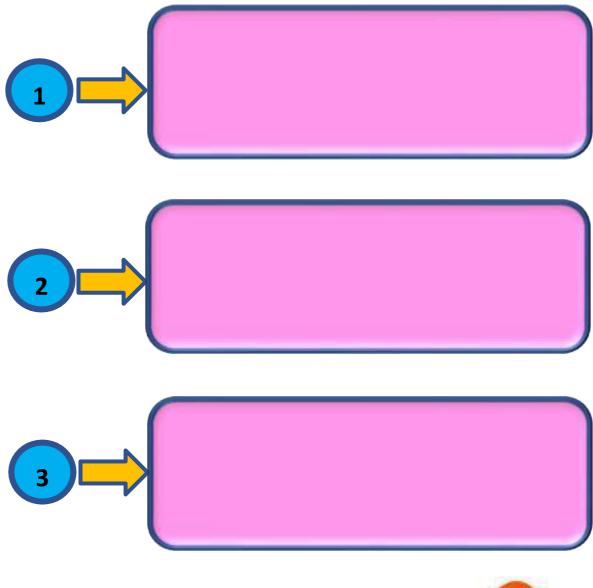
• Explain **THREE (3)** barriers in communication.





TUTORIAL 3.1

• Determine **THREE (3)** ways to overcome the communication barriers.





ANSWER CHAPTER 1

EXERCISE 1.1

- Physiological
- Implement a fair salary system
- Provide the necessary equipment to perform the task and working with good lighting, furniture etc.
- Safety
- Create health and safety rules at the workplace
- Emphasize employee work safety
- Social
- Encourage employee participation in social activities
- Encourage cooperation among employees in groups
- Esteem
- Identify and give recognition to employees who have exhibited good performance
- Provide opportunities for employees to get promotions
- Self-actualization
- Provide challenging project
- Encourage employee participation in the decision making process

DISCUSSION

- It leads to high level performance of an organization
- A motivated employee stays in the organization more and their absenteeism is quite low
- Willingness of employee to work hard
- Drives to the best result to the goals
- Helpful in building good labour relation
- Improvement of skill and knowledge
- Is important tool of management
- Improves relation between manager and employees
- Decreases wastage and accidents
- Leads to profitable operation
- High level of productivity
- The best remedy for resistance to change
- Effective use of human resources
- Satisfaction of employees
- Minimizes disputes and strike

ANSWER CHAPTER 2

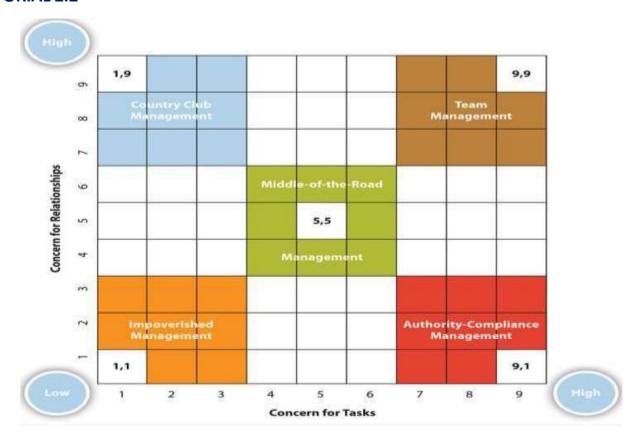
- Integrity & honesty
- Without these traits, a leader would be corrupt and untrustworthy, Mahathir warned. For some leaders, the temptation of using their position of power for their own advantage is too much to resist. For all leaders, that same temptation is sure to present itself, and so we must ensure that we maintain our honesty and integrity if we want to be effective leaders who serve a noble purpose.
- A willingness to work hard
- This might seem like stating the obvious, but how many of us truly give even close to our all to whatever goal we set for ourselves? When we look at successful people, they work all the time in order to achieve their ambition. That doesn't mean that we should work ourselves to death even successful leaders know the importance of unwinding but just imagine what we could achieve if we raised our game by just 20 per cent. The results we want don't come by desire alone we need to work for them. Yet, we also know that hard work alone is not enough. It has to be coupled with an authentic spirit and sincerity.
- A hunger for knowledge and awareness of change
- As Tun Mahathir advised, we need to be aware of changes and adapt accordingly, or risk being left behind. As we grow more experienced, we might encounter the pitfall of thinking we know it all and yet, we no longer talk about change in years or decades but in months. This is why lifelong learning is so important. But most important is to remain open and approach challenges and opportunities with a curious mind this is how we become informed and able to move with the times.
- Humility
- This is such a critical component of leadership, and yet one that's often overlooked. Especially in this part of the world, humility joins the ranks of understanding and compassion as being 'weak', such is the adherence to the Great Man theory of leadership that has become outdated. As Mahathir said in his speech:
 - "Being humble does not make a leader weak. Instead it binds him with the people, those who supported him and makes him their leader. If a

leader loses touch with his people and supporters, he ceases to be a leader."

- Lead by example
- More often than not, leaders are effective communicators, and can therefore talk a good game. However, as the life of any great leader shows (Mahathir's included), their actions tell a far more powerful story than their words. In the end, words are easy – we can all say what we can, should and must do, and we can all describe our visions, aims and objectives.

EXERCISE 2.1

- 1. A
- 2. B
- 3. B
- 4. D
- 5. D



- Impoverished or Poor Management Style (1,1)
- Managers have low concern for both elements of human or relationship and production or task.
- Managers abandon their leadership role.
- The other name of this grid called laissez-faire management system.
- Team Management or Democratic (9,9)
- Managers have high concern for both production and employee morale and satisfaction.
- Most effective leadership behavior and most situation result in improved performance, low absenteeism and turnover and high employee satisfaction.
- This grid is the best combination because have high concern for both.
- Country Club or Comfortable Management (1,9)
- Managers have high concern for employees but low concern for production.
- Managers create happy environment without a big commitment to achieve organizational goal.
- Perhaps some employees feel happy to be able to work comfortably without thinking of great responsibilities.
- Authority-compliance Management (9,1)
- Managers have high concern for production and efficiency but low concern for employees.
- Managers do not prioritize employee needs, only prioritize on production.
- Employee needs unimportant and simply a means to an end. He provides his employees with money and expects performance back.
- Leader is very autocratic, has strict work rules, policies and procedures, and views punishment as the most effective means to motivate employees.
- This is authoritarian management style.

- Middle of The Road Management Style (5,5)
- The manager tries to balance the competing goals of the company and the needs of the workers.
- The manager gives some concern to both people and production, hoping to achieve acceptable performance. He believes this is the most anyone can do.
- Manager try to obtain a satisfactory morale among employees and production level not to high.



- Phase 1 (Informing/Telling)
- In this phase, task oriented is high while the relationship is low.
- Usually phase for new employees are hired and they need to understand organization rules and procedures and be given direction on how to perform their duties.
- Managers should detail to new employees their duties. New employees are normally anxious.
- Employee relationship is not emphasized as the new employees are not considered colleagues by managers.

- Phase 2 (Selling)
- Employees maturity level has increased, managers must still provide direction from time to time.
- Relationship between manager-subordinate is now closer and there is increased mutual trust and respect.
- The leader's style should therefore be concerned with increasing the confidence and skills of followers so that they can ultimately take on more responsibility for their actions.
- Phase 3 (Participating)
- Employees now are competent in performing their jobs, the manager is less concerned with task but still need continue to build a close relationship behavior with their subordinates.
- The leader will therefore only encourage and offer feedback when needed to motivate and develop the subordinate, but not as a comment on the task performance.
- It can be show in figure low in directing behavior and high on supporting behavior.
- Phase 4 (Delegating)
- This phase described employee maturity reaches maximum with high competence and commitment.
- A Leadership style with low emphasis on task and relationship. This is very much a 'hands-off approach' as the subordinate is perfectly able and willing to perform the tasks independently and with great responsibility.
- The leader can further encourage autonomy, while keeping an eye on not overloading the follower with responsibility and not withdrawing completely from the follower's proximity.

- System 1: Exploitative Authoritative
- Manager have a responsibility, power and direction are in the hands of top management and subordinates carry out their instructions.
- Managers lack confidence in their subordinates, while subordinate are afraid of their managers.
- In this system, communication flow downwards from managers to their subordinate. While co-operation between managers and subordinates is poor.
- System 2: Benevolent Authoritative
- In this system, managers have some trust and confidence in subordinates.
- Relationship between employer and employee like up to the masterservant relationship.
- Subordinates have the freedom to give the comments or feedback on the given orders and have some work flexibility, but still need to be very careful in doing their work.
- However, employer and employee lack of communication and little teamwork.
- System 3: Consultative
- Managers set the goals and give direction after discussing with employees.
- Employees feel free to discuss job-related issues with managers and make decision regarding their job.
- In consultative system, two way communication and cooperation between teams are encouraged.
- Productivity is good and employee-related issues are moderate. Rewards are given to employees as a form of motivation.

- Participative system is the ideal system because management has full confidence in employees and encourage them to actively participate in decision making.
- Two way communication is practiced between employee and employer. Productivity is high and employee-related issues is low.
- Management considers employee are important part in organization and are given recognition and rewarded for good work.

ANSWER CHAPTER 3

EXERCISE 3.1

Organizational Communication:

The sending and receiving of messages among interrelated individuals within a particular environment or setting, to achieve organization goals.

EXERCISE 3.2

- Sender
- Encoding
- Channel
- Decoding
- Receiver
- Feedback
- Disturbance

EXERCISE 3.3

- Filtering
- The deliberate manipulation of information to make it appear more favorable to the receiver.
- Selective perception
- Receiving communications on the basis of what one selectively sees and hears depending on his or her needs, motivation, experience, background and other personal characteristics.
- Information overload
- When the amount of information one has to work with exceeds one's processing capacity.
- Emotion
- The receiver feels when a message is received.
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- Words have different meaning to different people. Receiver will use their definition of words being communicated.
- Gender
- Male and female react to communication might be different. Both have different communication styles.

- Uses feedback
- Check the accuracy of messages that has been communicated or what you think you heard.
- Simplify language
- Use words that the intended audience (receiver) understand.
- Listen actively
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- Constrain emotions
- When your emotions are running high, do not communicate until you have calmed down.
- Watch non-verbal cues
- Be aware that your actions speak louder than words.

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"A Leader Is One Who Knows The Way, Goes The Way And Shows The Way."- John C. Maxwell



