Pathways to Management and Leadership

Level 3: Principles of Management and Leadership

SAMPLE

Unit 301

Principles of Management and Leadership

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Principles of Management and Leadership

Contents

About this workbook

The unit

The main purpose of this workbook is to support you as you study for the Chartered Management Institute Level 3 qualification — Principles of Management and Leadership, so it specifically focuses on the content of the syllabus for Unit 301 Principles of Management and Leadership. This is about how organisations operate.

This workbook provides underpinning knowledge and develops understanding to improve your skills as well as to prepare for future assessment. If you are studying towards the Level 3 qualification, then you will be assessed by your approved centre on 'your knowledge and understanding of' the following learning outcomes:

1. Understand how organisations operate

2. Understand the management role

3. Understand the application of management and leadership approaches

4. Understand the knowledge, skills and behaviours to be an effective manager.

The aims of this workbook

This workbook aims to help you learn about:

- How organisations operate and the role of the manager in supporting the operation

- Leadership styles and management theories which support effective management practice

- The knowledge, skills and behaviours required to lead and manage individuals and teams to success.

Syllabus coverage

The table below shows which sections of the workbook address the assessment criteria of the qualification syllabus.

Unit 301 Principles of Management and Leadership Syllabus coverage		Addressed within section
1.1	Outline the governance of different types of organisations	1
1.2	Explain the factors which influence an organisation's culture	1
1.3	Explain the purpose of organisational mission, vision and value statements	1
1.4	Outline the purpose of organisational strategies	1
2.1	Summarise the role of the manager	2
2.2	Explain the role of the manager in communicating organisational strategy to individuals and teams	2
2.3	Explain levels of accountability and authority in the management role	2
2.4	Outline the legal and organisational frameworks which apply to the management role	2
3.1	Explain the differences between management and leadership	3
3.2	Summarise recognised management and leadership approaches	3
3.3	Explain how management and leadership approaches can be adapted in different work based situations	3
4.1	Explain the knowledge and skills required to be an effective manager	4
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4.3	Explain the impact of knowledge, skills and behaviours on the team, colleagues and customers	4

Getting started

The Principles of Management and Leadership are key for a manager to be effective in the role. Recognising and understanding what they are, how they might help and what might need to be developed to meet the responsibilities of the role are all valuable activities for the manager to undertake.

To begin with a manager needs to understand how the organisation operates, to think about the type of organisation it is and how it is governed. To do this you need to understand the factors which influence the culture and the purpose of an organisation's mission, vision, values and strategies.

The role of a manager can vary but it will often involve communicating organisation strategy to both individuals and teams. The manager needs to understand the levels of accountability and authority that go with the role and should also be aware of the legal and organisational frameworks which apply.

The manager should be able to explain the differences between managing and leading and be aware of key approaches to both so that these can be adapted in different work based situations.

Finally, an effective manager should understand the knowledge, skills and behaviours required within the role and the impact of those on the team, colleagues and customers.

This workbook sets out to explore the principles of management and leadership for those within or starting out in a management role, with the aim of increasing effectiveness

How to use the workbook

The workbooks provide ideas from writers and thinkers in the management and leadership field. They offer opportunities for you to investigate and apply these ideas within your working environment and job-role.

Structure

Each workbook is divided into sections that together cover the knowledge and understanding required for that unit of the Level 3 Principles of Management and Leadership. Each section starts with a clear set of objectives that identify the background knowledge to be covered and the management skills in the workplace that enable you to demonstrate this knowledge. You do not have to complete the sections in the order they appear in the workbook, but you should try to cover them all to make sure that your work on the unit is complete. There are self-assessment questions at the end of each section that allow you to check your progress. You may want to discuss your answers to the self-assessment questions with your line manager or a colleague.

Activities

Throughout the workbooks there are activities for you to complete. These activities are designed to help you to develop yourself as a

manager. Space is provided within the activities for you to enter your own thoughts or findings. Feedback is then provided to confirm your input or to offer more ideas for you to consider.

To get the best from the workbooks, you should try to complete each activity fully before moving on. However, if the answer is obvious to you because the issue is one you have encountered previously, then you might just note some bullet points that you can then compare quickly against the feedback. You may sometimes find it difficult to write your complete response to an activity in the space provided. Don't worry about this — just keep a separate notebook handy, which you can use and refer to as needed.

Try not to look at the feedback section before completing an activity. You might like to try covering up the feedback with a postcard or piece of paper while you are working through an activity.

Timings

Timings are suggested for each section and activity, although it is important that **you** decide how much time to spend on an activity. Some activities may occupy only a few moments' thought, while others may be of particular interest and so you might decide to spend half an hour or more exploring the issues. This is fine — the purpose of the activities is to help you reflect on what you are doing, and to help you identify ways of enhancing your effectiveness. It is always worth writing something though, even if it's brief — the act of writing will reinforce your learning much more effectively than just referring to the feedback.

Scenarios

There are scenarios and examples throughout each workbook to illustrate key points in real workplace settings. The scenarios cover a wide range of employment sectors. As you work through, you might like to think of similar examples from your own experience.

Planning your work

The reading and reflection, scenarios and activities in each section of the workbooks are designed to take around three hours to complete (although some may take longer). This is a useful indicator of the minimum length of time that you should aim to set aside for a study session. Try to find a quiet place where you will not be interrupted and where you can keep your workbooks, notes and papers reasonably tidy. You may also like to think about the time of day when you work best — are you a 'morning person' who likes to get things done at the start of the day, or do you work better in the evening when there may be fewer disturbances?

Preparing for assessment

Further information on assessment is available in the Qualification Support section of ManagementDirect, CMI's online resource portal. If you have any further questions about assessment

procedures, it is important that you resolve these with your tutor or centre co-ordinator as soon as possible.

Further reading

Suggestions for further reading and links to management information are available via ManagementDirect. You will also find titles for Supporting Resources at the end of each section and Further Reading at the end of the workbook.

Section 1 Understand how organisations operate

By the end of this section you will understand how organisations operate and by completing this section you will be able to:

1.1	Outline the governance of different types of organisations
1.2	Explain the factors which influence an organisation's culture
1.3	Explain the purpose of organisational mission, vision and value statements
1.4	Outline the purpose of organisational strategies

In this section, you will start by understanding the different types of organisation that require governance. In doing so you will gain an understanding of what governance is and how it will depend upon the organisation's legal requirements and structure. An organisation's culture is influenced by a number of factors and in this section; you will consider a number of good practice models and frameworks that can be used to understand these factors. You will also learn the purpose of organisational mission, vision and values statements, each have a different role in aligning and communicating messages to organisational stakeholders. Finally, you will consider the purpose of organisational strategies and how these can be developed and implemented.

The different types of organisations

An organisation in terms of its legal framework and structure generally belongs to one of the following categories, each with its own consideration for ownership, management and governance

Category	Features
PLC (Public Limited Companies)	This type of organisation is owned by its shareholders. It generally has a board to manage the operation. It has shares that are publicly listed on the stock market and available to anyone to buy and sell. The board can be very influential in how the organisation is managed and governed but the shareholders at times can influence decision making.

Ltd Companies	This type of organisation also has shareholders but these are often founders/directors. The shares are not available to buy and sell on the stock market. The founders/directors constitute a board and are very influential in how the organisation is managed and governed.
Partnerships	This type of organisation is structured around two or more partners. They may have equal ownership or one or of the partners may have a greater influence in how the organisation is managed and governed.
Sole traders	This type of organisation owned and managed by a single person. They have total control in how the organisation is managed and governed.
Public sector organisations (NHS Trusts, Local authorities, government agencies)	Public sector organisations are owned and operated by the government for the benefit of the country and the public. They generally have trustees who are very influential in how the organisation is managed and governed. The government can also be very influential at times and react to public opinion of the organisation's performance.
Third sector (charities/voluntary/not for profit)	Third sector organisations are owned and operated through a charitable trust and will also have trustees. The trust/trustees will have total control over how the organisation is managed and governed. They can be influenced by the opinions of other stakeholders.

Activity

Activity 1.1 Organisational types

(about 20 minutes)

What would you say was similar in the way different types of organisation are managed and governed?

What would you say was different and why?

Similarities could be:

- *Legal compliance*
- *Responsibilities for ethical and effective leadership and management*
- *Accountability to stakeholders*

Differences could be:

- *The level of authority to manage the operation*
- *The degree of influence of stakeholders*
- *Visibility of decision making*
- *Methods of communication to stakeholders*

Having understood the different types of organisation and where they may be similar and different in how they are owned, operated and managed, we can now consider some examples of how they could be specifically governed and what does governance mean?

Governance of organisations

Governance can be defined as the process of ensuring authority, decision making and accountability within an organisation. The governance of an organisation will depend on its legal framework and structure, and whether the organisation is a public, private or third sector organisation. For example, the organisation's governance may be shaped by the following stakeholders

- Shareholders (sometimes called members)
- Trustees
- Investors
- Boards.

Corporate governance, generally applies to private sector organisations with shareholders/investors and a board of directors

but many of the principles would apply to public and third sector organisations.

The CMI Checklist 187 Directors' Duties, available on ManagementDirect, includes a helpful link to the UK Corporate Governance Code, published by the Financial Reporting Council. The code provides the following helpful definition of the purpose of corporate governance.

> '*The purpose of corporate governance is to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the company.'*

It also defines corporate governance as

> '*Corporate governance is the system by which companies are directed and controlled. Boards of directors are responsible for the governance of their companies. The shareholders' role in governance is to appoint the directors and the auditors and to satisfy themselves that an appropriate governance structure is in place. The responsibilities of the board include setting the company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship. The board's actions are subject to laws, regulations and the shareholders in general meeting'*

The code then examines the differences between governance and operational management

> '*Corporate governance is therefore about what the board of a company does and how it sets the values of the company. It is to be distinguished from the day to day operational management of the company by full-time executives'*

The code identifies the following as underlying principles of governance:

- Accountability
- Transparency
- Probity
- Focus on the sustainable success of an entity over the longer term.

A definition of governance from the public sector comes from the International Federation of Accountants (IFAC) and the Chartered Institute of Public Finance and Accountancy (CIPFA) who have produced a framework the *International Framework: Good Governance in the Public Sector*. In this framework document, they define governance as follows

> '*Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The fundamental function of good governance in the public sector is to ensure that entities achieve their intended outcomes while acting in the public interest at all times.'*

Source: http://www.cipfa.org/policy-and-guidance/standards/international-framework-good-governance-in-the-public-sector

Organisational Purpose

Johnson, Scholes and Whittington (2005) developed a helpful model that helps understand the link between corporate governance and organisational purposes. As well as corporate governance, the model highlights the impact of

- Business ethics
- Stakeholders
- Cultural context

All 4 factors help an organisation define its expectations and purposes
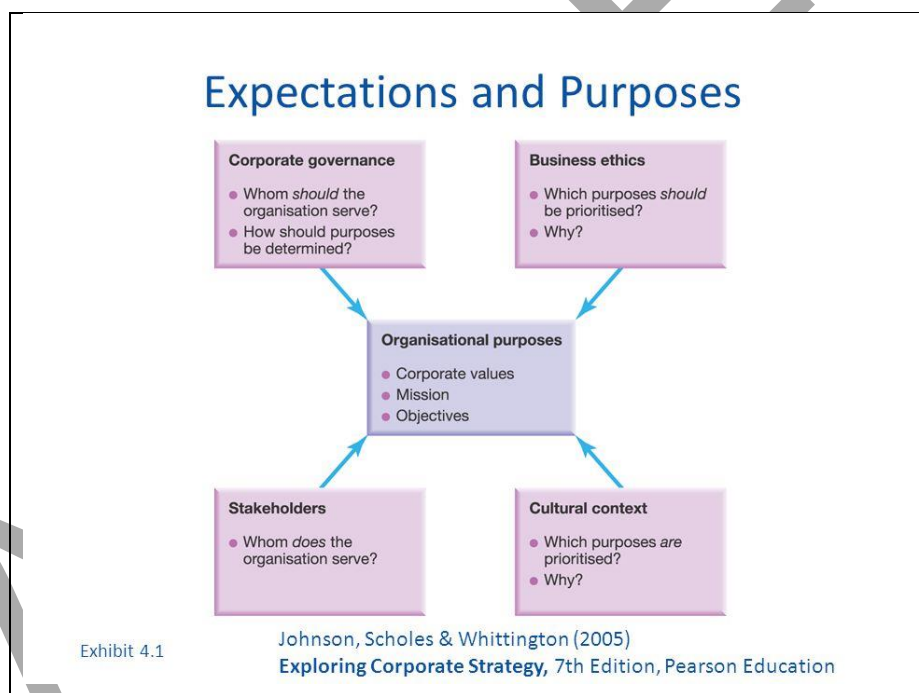
Source: Organisational Purpose
Johnson, Scholes and Whittington 2005

Activity

Activity 1.2 Organisational governance

(about 20 minutes)

What would you say was the role of a board of directors in ensuring organisational governance?

Feedback

The UK Corporate Governance Code, published by the Financial Reporting Council identifies the following as the role of a board in ensuring organisational governance

Main Principle

- *Every company should be headed by an effective board which is collectively responsible for the long-term success of the company.*

Supporting Principles

- *The board's role is to provide entrepreneurial leadership of the company within a framework of prudent and effective controls which enables risk to be assessed and managed.*

- *The board should set the company's strategic aims, ensure that the necessary financial and human resources are in place for the company to meet its objectives and review management performance.*

- *The board should set the company's values and standards and ensure that its obligations to its shareholders and others are understood and met.*

- *All directors must act in what they consider to be the best interests of the company, consistent with their statutory duties.*

Source: https://www.frc.org.uk/Our-Work/Publications/Corporate-Governance/UK-Corporate-Governance-Code-2014.pdf

Scenario

You might like to read the following Insights article available on ManagementDirect. This provides a helpful example of corporate governance in practice:

CMI backs UK Governments measures to improve corporate governance

Having outlined how governance could work for different types of organisations it would be helpful now to consider the factors which influence an organisations culture.