

# Pathways to Management and Leadership

Level 5: Management and  
Leadership

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**Unit 501**

Principles of Management & Leadership  
in an Organisational Context

## Pathways to Management and Leadership

### Unit 501: Principles of Management & Leadership in an Organisational Context

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# About this workbook

## The unit

The main purpose of this workbook is to support you as you study for the Chartered Management Institute Level 5 Qualification — Management and Leadership, so it specifically focuses on the content of the syllabus for Unit 501, Principles of Management and Leadership in an Organisational Context. This is about the way in which you lead and motivate your team to achieve organisational goals.

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 Level 5 in Management and Leadership then, if you choose to do so, you will be assessed by your approved centre on your knowledge and understanding of the following learning outcomes:

1. Understand factors which impact on an organisation's internal environment
2. Understand the application of management and leadership theories
3. Understand the knowledge, skills and behaviours to be effective in a management and leadership role.

## The aims of this workbook

This workbook aims to help you learn how to:

- Determine the nature, structure and purpose of an organisation and the impact of its values and culture on decision making within it
- Distinguish between leadership and management considering the impact of different leadership styles, how those styles need to be adapted for different situations and the influence of culture and values on those styles
- Identify the knowledge, skills, behaviours and communication required to be effective in a management and leadership role
- Determine an approach to build a culture of mutual trust, respect and support with people.

This workbook is about how you can:

Apply these aims to gain a greater understanding of your organisational context to develop and sharpen your leadership effectiveness to enhance your personal effectiveness as a leader and a manager.

## Syllabus coverage

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

<b>Unit 501 Principles of Management and Leadership in an Organisational Context Syllabus coverage</b>		<b>Addressed within section</b>
1.1	Examine the impact of legal status on the governance of an organisation	1
1.2	Analyse the purpose of an organisation's mission and vision statements	1
1.3	Examine the impact of organisational structures on management roles	1
1.4	Discuss the impact of organisational values and ethics on management decision making	1
2.1	Evaluate the relationship between management and leadership	2
2.2	Analyse the impact of management and leadership styles on individuals and teams	2
2.3	Discuss the influence of culture and values on management and leadership styles	2
2.4	Examine how management and leadership styles are adopted in different situations	2
3.1	Assess the knowledge and skills required for a management and leadership role	3
3.2	Evaluate the factors that impact on the selection of communication techniques required to be effective in a management and leadership role	3
3.3	Identify the behaviours required to be effective in a management and leadership role	3
3.4	Develop an approach for building a culture of mutual trust, respect and support with teams and individuals	3



## Getting started

The Principles of Management and Leadership in an organisational context lay the foundation of the leadership and management role and as such are key for a manager to be effective in their 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 their 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. They also need to be aware of the different leadership and management theories, styles and approaches to be able so that they can adapt them to different situations.

Finally, an effective manager should understand the knowledge, skills, behaviours and communication techniques 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 within an organisational context that are required for those within or coming out in a management role, with the aim of sharpening their professional edge and enhancing their personal leadership effectiveness.

## How to use the workbook

The workbook provides 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 Level 5 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 whether 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 two 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 resources such as CMI Checklists, CMI Models, Leader Videos and journal articles are available via ManagementDirect. You will also find titles for further reading in the Further Resources at the end of this workbook.

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# Section 1 Understand factors which impact on an organisation's internal environment

## Learning outcomes and assessment criteria (about 1.5 hours)

By the end of this section you will understand the factors which impact on an organisation's internal environment. In this Section, you will:

1.1	Examine the impact of legal status on the governance of an organisation
1.2	Analyse the purpose of an organisation's mission and vision statements
1.3	Examine the impact of organisational structures on management roles
1.4	Discuss the impact of organisational values and ethics on management decision making

## The impact of legal status on the governance of organisations

Governance is the way the rules, norms and actions are structured, sustained, regulated and people held accountable. In other words, it is the process that ensures authority, decision making and accountability within organisations. Seifi & Crowther (2017: 8) suggest that good governance embeds the four key principles of: (1) Transparency; (2) Accountability; (3) Responsibility; (4) Fairness.

According to Seifi & Crowther (2017: 9) the benefits of good governance include:

- increasing the market value of organisations
- increasing competitive power
- attracting new investors & stakeholders
- increased equity
- higher credibility
- new investment opportunities
- attracting talented people / staff
- reaching into new markets.

The amount of formality of governance is usually determined by the internal rules of an organisation and, externally, by its business partners.

As such, governance may take many forms, driven by many different factors that will include its legal status, structure and the organisation type i.e. whether it is a public, private or third sector organisation.

As alluded to above the legal status of an organisation has a key impact on its governance; for example, a non-profit organisation may be governed by a small board of directors and pursue specific aims set down by those directors.

This legal status and its impact on the governance of different organisations is now further explored across private, public and charitable organisations.

There are two broad categories of privately owned organisations in the UK i.e. those not owned by the state. The distinction is made by the status of the organisation in the eyes of the law (its legal status). We will now explore the two categories of *non-incorporated* and *incorporated* organisations. The distinction between these categories are their differing legal identities.

Within *non-incorporated* organisations the legal entity is the person. The most common of this category of organisation are:

The **Sole Trader** that is the most simplistic type of an organisation that is owned and managed by *one person* who makes sole decisions in relation to the organisation and has total control and accountability over the governance and management of the organisation.

A **Partnership** is a type of organisation that is structured around two or more *partners*. All *partners* will have equal say in the decision making, accountability and ownership of the organisation and directly influence its governance and management apart from when the other *Partners* agree to elevate one of their number to position of 'Senior Partner'.

Within *incorporated* organisations the legal entity is the organisation itself. The most common of this category of organisation are:

A **Public Limited Company (PLC)** is a type of organisation that is owned by its *Shareholders* that can influence the organisational decision making. As such it has '*Shares*' that are publicly listed on the stock market and are available for public purchase and sale. It will usually have a '*Board*' that can be very influential in its accountability structures and its management and governance.

A **Private Limited Company (Ltd)** is a type of organisation that in similarity to the PLC (as described above) also has *Shareholders*. The difference being that these people are often company *Founders* or *Directors* that constitute the *Board* and directly influence the decision making, accountability, governance and management of the organisation. Again, in similarity to the PLC this type of organisation has '*Shares*'. The difference to the PLC being that these are not publicly available for purchase or sale on the stock market.

Having looked briefly at some different types of private organisations we can now turn to publically owned organisations.

**Public Sector Organisations** (NHS Trusts, Local Authorities, Police Services and Government Agencies) are all types of organisations that are owned and operated by the government (UK or devolved governments) for the benefit of the country and the public. They generally have *Trustees* who are very influential in organisational accountability and its governance and management. However, the government can also be very influential in accountability and decision making regarding the performance of the organisation particularly when this originates from or is driven by public opinion.

Having looked briefly at publically owned businesses we can now turn to charitable organisations.

**Charitable Organisations** (Charities, Voluntary, Not for Profit) are types of an organisation that are owned and operated through a *Charitable Trust* and in similarity to Public Sector Organisations will have *Trustees*.

The difference in this type of organisation is that the Trustees have total control over the accountability, governance and management of the organisation that can often be highly influenced by the opinions of other stakeholders.

### Activity

#### 1.1 What kind of organisation do you work in?

(about 10 minutes)

Find out what type of organisation you work for?

### Feedback

You will have determined whether your organisation is an incorporated or unincorporated organisation and which of the previously mentioned categories it falls within. Hopefully this will assist you in better understanding your own organisation in how it works and its governance.

Now we move onto explore the purpose of an organisation's vision and mission statements.