

## Unit 27: Principles of Management and Leadership

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<b>Level:</b>	3
<b>Unit type:</b>	Optional (Group B1)
<b>Credit value:</b>	7
<b>Guided learning hours:</b>	42

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### Unit introduction

The role of the manager is an important and evolving position in day-to-day service delivery. As a manager, success is based on the ability to monitor and adhere to a set of standards, engage in problem solving and lead and inspire teams. Management is not necessarily an attribute that people are born with, but it is a skill that can be learned.

In this unit, you will develop your knowledge of the decision-making process, looking at how managers get and use information to make effective decisions and find solutions to problems. You will look at the difference between leadership and management and consider the need for differing leadership styles in a range of situations.

All care settings have objectives and meeting them is of utmost importance. In the final part of this unit, you will learn how performance management and measurement helps you to meet these objectives.

### Learning outcomes and assessment criteria

To pass this unit, learners need to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

Learning outcomes	Assessment criteria
1 Understand the principles of effective decision making	1.1 Explain the importance of defining the objectives, scope and success criteria of the decisions to be taken 1.2 Explain the importance of obtaining sufficient valid information to enable effective decision making

Learning outcomes		Assessment criteria	
		1.3	Explain the importance of aligning decisions with business objectives, values and policies
		1.4	Explain how to validate information used in the decision-making process
2	Understand leadership styles and models	2.1	Explain the influence of leaders on their teams
		2.2	Evaluate the suitability and impact of different leadership styles in different contexts
3	Understand the role, functions and processes of management	3.1	Analyse a manager's responsibilities for planning, co-ordinating and controlling work
		3.2	Explain how managers ensure that team objectives are met
		3.3	Explain how a manager's role contributes to the achievement of an organisation's vision, mission and objectives
		3.4	Explain the operational constraints imposed by budgets
4	Understand performance measurement	4.1	Explain the relationship between business objectives and performance measures
		4.2	Explain features of a performance measurement system
		4.3	Explain how to set key performance indicators (KPIs)
		4.4	Explain the tools, processes and timetable for monitoring and reporting on business performance
		4.5	Explain the use of management accounts and management information systems in performance management
		4.6	Explain the distinction between outcomes and outputs

## Unit content

### What needs to be learned

#### **Learning outcome 1: Understand the principles of effective decision making**

##### **Defining objectives, scope and success criteria of decisions**

- Objectives are statements of specific outcomes to be achieved, and they must be specific, measurable, achievable, realistic, time-bound (SMART), providing:
  - a focus for the decision-making process
  - a basis for identifying success criteria
  - clarity for decision makers
  - effectiveness of decisions taken
  - a reference point for the final decision
  - consideration of alternative approaches
- Scoping decisions to be taken:
  - level of decisions (strategic, tactical or operational administrative)
  - decision makers (individual, group, organisational)
  - consideration of those making decisions, e.g. knowledge, experience, skills alignment with organisational needs
  - appropriateness of objectives and success criteria identified, and provides appropriate level of data, e.g. benchmarking.
- Success criteria:
  - measures determining best options, e.g. time to fulfil objectives impacts on service provision and practice cost
  - factors when measuring performance.
- Means of ensuring well-defined links between objectives and final decision.

##### **Accessing valid information to enable the decision-making process**

- Validity of information based on all relevant factors:
  - accuracy
  - reliability
  - timeliness
  - fit for purpose
  - relevant.

##### **Importance of aligning decisions with business objectives, values and policies**

## What needs to be learned

- Business objectives (statements of specific outcomes that are to be achieved, performance targets).
- Business values (core principles, standards, behavioural norms in conducting the organisation's business).
- Importance of aligning decisions:
  - defining organisational image and culture
  - consistency with business strategy
  - achievement of business objectives
  - potential conflict between departments
  - individuals' understanding of contribution to business performance
  - staff engagement and motivation.

### **Methods used to validate information**

- Methods confirming accuracy:
  - triangulation (comparison of information from different sources)
  - spellcheck (grammatical errors and misspellings)
  - evidence to support information
  - comprehensive (wide range) confirming accuracy.
- Relevance:
  - purpose of information
  - intended audience
  - timeliness
  - published.
- Credibility of source:
  - trustworthy and valid
  - evidence of quality (peer reviewed, organisational support, multiple levels of approval)
  - author credentials (education, experience, reputation, job title)
  - local and wider needs.
- Reasonableness test:
  - fairness
  - objectivity
  - balanced
  - no conflict of interest.

### **Learning outcome 2: Understand leadership styles and models**

### **Influence of leaders on teams**

- Leaders:
  - lead people by example
  - inspire people to convert challenges into opportunities
  - enable problem solving
  - provide vision
  - innovate through developing people
  - persuade people to make changes
  - inspire trust
  - develop power with people.

### **Suitability and impact of leadership styles in different contexts**

- Autocratic, e.g. direct supervision of staff, decision making mainly by leader, minimal consultation (top-down, one-way communication), minimal delegation, power lies with the leader, McGregor Theory X approach:
  - impact, e.g. quick decision-making potential for increased productivity and quality, reduced inefficiencies, staff demoralisation, possible environment of fear and mistrust, high absenteeism and staff turnover stifles creativity.
- Paternalistic, e.g. parent-child relationship, minimal delegation, decision making by leader, concern for staff welfare and needs (positive working conditions and fringe benefits), staff follows the direction of the leader:
  - impact, e.g. employee trust and loyalty, employee retention, positive relationship between staff and management, employee motivation, restricts creativity and individualism, staff completely dependent on leader (little staff empowerment).
- Democratic, e.g. shared power and decision making, emphasis on delegation and consultation, open discussion and debate (two-way communication), final decision by the leader:
  - impact, e.g. high job satisfaction and morale, high productivity encourages creativity and innovation, staff personal and professional development, slow decision-making process, decisions based on compromise, potential communication failures and incomplete projects.
- Laissez faire, e.g. power and decision making given to staff, high level of delegation, high degree of autonomy, leader provides guidance and support:
  - impact, e.g. high job satisfaction and morale, staff empowerment, poor role definition for managers, potential for low productivity.
- Contextual factors:

## What needs to be learned

- type of setting (formal/informal)
- experience and technical expertise of staff
- local and organisational culture (formality of working relationships, staff empowerment)
- type of organisation (size structure)
- pressures (time, cost, resource availability, level of risk)
- staff motivation and initiative
- nature of the business and industry (products, services, creativity, innovation, technologically driven, professionalism)
- impact of trade unions and staff associations
- availability of experts.

## Learning outcome 3: Understand the role, functions and processes of management

### Responsibilities for planning, co-ordinating and controlling work

- Planning:
  - types of planning (strategic, tactical, operational)
  - environmental analysis (SWOT, PEST)
  - stakeholder engagement
  - decision making, forecasting
  - SMART objectives and targets.
- Co-ordinating:
  - identifying tasks and activities
  - resource planning (people, physical, financial)
  - staffing (recruitment and selection, training, development), organising and allocating resources
  - assigning roles and responsibilities
  - establishing lines of communication.
- Controlling work:
  - management by objective (MBO)
  - establishing performance standards (benchmarking)
  - implementing performance management systems (frequency, timing, performance measures)
  - measuring individual and organisational performance
  - comparison of actual performance with expected standards and goals (management by exception (MBE))

## What needs to be learned

- corrective or preventative actions.

### **Meeting team objectives**

- Ensure that team objectives are met:
  - leading and inspiring
  - providing direction, guidance and necessary resources
  - effective team communications
  - performance development reviews (one-to-one meetings, 360-degree appraisals)
  - meeting training and development needs (personal development plans)
  - action planning
  - setting milestones.

### **Meeting organisational vision mission and objectives**

- Management responsibilities in operational and tactical planning to support strategy and achieve organisational objectives:
  - ensuring sufficient resources to meet planned activity levels
  - managing individual and organisational performance to meet targets (coaching, mentoring, performance measures, staff development and training)
  - managing change to avoid unintended negative outcomes
  - developing appropriate organisational culture and values to support strategy
  - managing human and financial resources
  - developing and maintaining operational procedures and policies to support operational activities.

### **Operational constraints**

- Constraints, e.g. restrictions that prevent an organisation from maximising its performance and reaching its goals.
- Operational constraints – staffing:
  - reduction in staff or inability to increase staff numbers
  - limited access to external expertise
  - lack of training and development opportunities
  - staff attrition
  - staff capacity (no overtime)
  - demotivated staff.

## What needs to be learned

- Operational constraints – production:
  - lack of investment in machinery and technology
  - inability to implement an effective quality-assurance system
  - inadequate supply of parts and raw materials
  - inability to meet new orders due to limited capacity
  - under-utilisation of machinery and equipment.

## Learning outcome 4: Understand performance measurement

### Relationship between business objectives and performance measures

- Business objectives (specific outcomes, business vision, business strategy).
- Types of performance measures.
- Quantitative or qualitative ways to define and describe performance.
- Quantifiable indicator of performance.
- Manage and monitor progress towards achieving objectives.

### Features of a performance measurement system

- Performance measurement system (PMS):
  - a set of performance measures used to quantify efficiency and effectiveness of actions
  - provides information to identify the best strategies for meeting organisation goals and objectives
  - aligns management processes with strategic objectives.
- Features of a PMS:
  - results oriented, e.g. focuses primarily on outcomes and outputs linked to organisational goals and objectives
  - selective, e.g. concentrates on most important performance measures relevant to the organisation, balances financial and non-financial performance measures
  - useful (provides information of value to organisation and its decision makers)
  - accessible (provides periodic information about results), has supporting infrastructure for collecting, recording and analysing data
  - reliable (has provided accurate, consistent information over time).

### Setting key performance indicators (KPIs)

- Key performance indicators:
  - performance measures identified by the organisation as critical success factors in achieving its mission and objectives
  - relating to aspects of business that can be controlled.

## What needs to be learned

- Setting KPIs:
  - establishing organisational goals and objectives
  - map business processes
  - establish roles, responsibilities and key success factors
  - consult with relevant stakeholders
  - use historical data to identify performance trends
  - set KPIs most critical for business success
  - set target and review date

### **Tools, processes and timetables for monitoring and reporting on business performance**

- Business performance:
  - outcomes in relation to goals
  - accomplishment of tasks measured against standards actual versus planned.
- Tools and processes:
  - planning and budgeting (monitor spending against goals)
  - KPIs, e.g. linked to objectives, critical success factors
  - balance scorecard using four perspectives (financial, customer, internal processes, learning and growth)
  - benchmarking, e.g. comparing with external best practice, better understanding of the performance context.
- Performance dashboards:
  - overview of performance areas, uses of visuals graphs, traffic light and text
  - answer specific business performance questions.
- Customer relationship management (CRM):
  - manage relationship and interaction with customers and users of services
  - use of technology and software applications.
- Performance appraisals:
  - assess job performance of individuals
  - 360-degree review
  - timetable depending on nature of activities, weekly/monthly reports
  - combined timeframes.

## What needs to be learned

### **Use of management accounts and management information systems in performance management**

- Relevant legislation, e.g. Data Protection Act 1998 as amended, Freedom of Information Act 2000.
- Management accounts:
  - financial and non-financial accounting data related to key business processes and activities
  - prepared on a frequency to match the business needs
  - forward-looking and predictive.
- Uses:
  - supports decision making
  - helps to identify risks and consequences of actions
  - uses historical data to inform target setting, provides information used in performance dashboards
  - assists business planning and strategy development.
- Management information systems (MIS):
  - computerised information processing systems designed to support and improve the quality and efficiency of business operations and human decision making
  - systems that turn raw data into information for management levels
  - uses, e.g. store and manage performance data, provides information to support performance evaluation, tracks progress.

### **Distinguishing between outcomes and outputs**

- Outcomes:
  - changes to be achieved
  - hard outcomes (more observable, measurable)
  - soft outcomes (less tangible/subjective).
- Outputs:
  - result of activity
  - services and/or products offered, facilities provided
  - linked to objectives.

## Essential information for tutors and assessors

### Essential resources

There are no special resources needed for this unit.

### Assessment

This unit is internally assessed. To pass the unit, the evidence that learners present for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria.

This unit must be assessed in accordance with the assessment strategy (principles) in *Annexe A* of the associated qualification specification.

Assessment of all learning outcomes (knowledge) may take place in or outside of a real work environment.

Centres are responsible for deciding on the assessment activities that will enable learners to produce valid, sufficient, authentic and appropriate evidence to meet the assessment criteria.

The unit is assessed by a portfolio of evidence. Further information on the requirements for portfolios is included in *Section 4 Assessment requirements*.

Wherever possible, centres should adopt a holistic and integrated approach to assessing the skills units in the qualification. This gives the assessment process greater rigour, minimises repetition and saves time. The focus should be on assessment activities generated through naturally occurring evidence in the workplace rather than on specific tasks. Taken as a whole, the evidence must show that learners meet all learning outcomes and assessment criteria over a period of time. It should be clear in the assessment records where each learning outcome and assessment criterion has been covered and achieved.

## Suggested resources

This section lists resource materials that can be used to support the delivery of the qualification.

### Textbooks

Brent M and Dent F – *The Leader's Guide to Managing People*

(FT Publishing International', 2013) ASIN B00H83R18Q (Kindle edition)

Gopee N and Galloway J – *Leadership and Management in Healthcare* (Sage, 2017)

ISBN 9781473965027

Pardy D – *Introducing Leadership* (Routledge, 2016) ISBN 9781138933095

Thomas A, Walton A and McKibbin J – *Leadership and Management in Health and Social Care: NVQ Level 4* (Heinemann, 2008) ISBN 9780435500207

Tilmouth T and Quallington J – *Level 5 Diploma in Leadership for Health and Social Care and Children and Young People's Services* (Hodder Education, 2012)

ISBN 9781444156089

### Websites

[www.businessballs.com](http://www.businessballs.com)

A website that offers free learning and development resources.

[www.managers.org.uk](http://www.managers.org.uk)

Chartered Management Institute

[www.legislation.gov.uk](http://www.legislation.gov.uk)

Website for current government legislation

[www.management.about.com](http://www.management.about.com)

Offers free learning and development resources relating to management and leadership, and leadership theories.

[www.mindtools.com](http://www.mindtools.com)

Offers free online skills training on topics such as management and leadership.

[www.skillsforcare.org](http://www.skillsforcare.org)

Skills for Care website

[www.skillsforcare.org.uk/Documents/Learning-and-development/Care-Certificate/Standard-6.pdf](http://www.skillsforcare.org.uk/Documents/Learning-and-development/Care-Certificate/Standard-6.pdf)

Standard 6 of the Care Certificate

[www.skillsforcare.org.uk/Documents/Standards-legislation/Manager-Induction-Standards/MIS-standards.pdf](http://www.skillsforcare.org.uk/Documents/Standards-legislation/Manager-Induction-Standards/MIS-standards.pdf)

Skills for Care Manager Induction standards.