

PROCUREMENT LEADERSHIP

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SAMPLE WORK

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CHAPTER 1

OVERVIEW OF PROCUREMENT LEADERSHIP

Leadership is a process by which an executive can direct, guide and influence the behaviour and work of others towards accomplishment of specific goals in a given situation. Leadership is the ability of a manager to induce the subordinates to work with confidence and zeal.

Leadership is the potential to influence behaviour of others. It is also defined as the capacity to influence a group towards the realization of a goal. Leaders are required to develop future visions, and to motivate the organizational members to want to achieve the visions.

According to Keith Davis, “Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and motivates it towards goals.”

Characteristics of Leadership

1. It is a inter-personal process in which a manager is into influencing and guiding workers towards attainment of goals.
2. It denotes a few qualities to be present in a person which includes intelligence, maturity and personality.
3. It is a group process. It involves two or more people interacting with each other.
4. A leader is involved in shaping and moulding the behaviour of the group towards accomplishment of organizational goals.
5. Leadership is situation bound. There is no best style of leadership. It all depends upon tackling with the situations.

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The role a of leader and the activity of leadership

Following are the main roles of a leader in an organization:

1. **Required at all levels-** Leadership is a function which is important at all levels of management. In the top level, it is important for getting co-operation in formulation of plans and policies. In the middle and lower level, it is required for interpretation and execution of plans and programmes framed by the top management. Leadership can be exercised through guidance and counselling of the subordinates at the time of execution of plans.
2. **Representative of the organization-** A leader, i.e., a manager is said to be the representative of the enterprise. He has to represent the concern at seminars, conferences, general meetings, etc. His role is to communicate the rationale of the enterprise to outside public. He is also representative of the own department which he leads.
3. **Integrates and reconciles the personal goals with organizational goals-** A leader through leadership traits helps in reconciling/ integrating the personal goals of the employees with the organizational goals. He is trying to co-ordinate the efforts of people towards a common purpose and thereby achieves objectives. This can be done only if he can influence and get willing co-operation and urge to accomplish the objectives.
4. **He solicits support-** A leader is a manager and besides that he is a person who entertains and invites support and co-operation of subordinates. This he can do by his personality, intelligence, maturity and experience which can provide him positive result. In this regard, a leader has to invite suggestions and if possible implement them into plans and programmes of enterprise. This way, he can solicit full support of employees which results in willingness to work and thereby effectiveness in running of a concern.
5. **As a friend, philosopher and guide-** A leader must possess the three dimensional traits in him. He can be a friend by sharing the feelings, opinions and desires with the employees. He can be a philosopher by utilizing his intelligence and experience and thereby guiding the employees as and when time requires. He can be a guide by supervising and communicating the employees the plans and policies of top management and secure their co-operation to achieve the goals of a concern. At times

he can also play the role of a counsellor by counselling and a problem-solving approach. He can listen to the problems of the employees and try to solve them.

Qualities of a Leader

A leader has got multidimensional traits in him which makes him appealing and effective in behaviour. The following are the requisites to be present in a good leader:

1. **Physical appearance-** A leader must have a pleasing appearance. Physique and health are very important for a good leader.
2. **Vision and foresight-** A leader cannot maintain influence unless he exhibits that he is forward looking. He has to visualize situations and thereby has to frame logical programmes.
3. **Intelligence-** A leader should be intelligent enough to examine problems and difficult situations. He should be analytical who weighs pros and cons and then summarizes the situation. Therefore, a positive bent of mind and mature outlook is very important.
4. **Communicative skills-** A leader must be able to communicate the policies and procedures clearly, precisely and effectively. This can be helpful in persuasion and stimulation.
5. **Objective-** A leader has to be having a fair outlook which is free from bias and which does not reflect his willingness towards a particular individual. He should develop his own opinion and should base his judgement on facts and logic.
6. **Knowledge of work-** A leader should be very precisely knowing the nature of work of his subordinates because it is then he can win the trust and confidence of his subordinates.
7. **Sense of responsibility-** Responsibility and accountability towards an individual's work is very important to bring a sense of influence. A leader must have a sense of responsibility towards organizational goals because only then he can get maximum of capabilities exploited in a real sense. For this, he has to motivate himself and arouse and urge to give best of his abilities. Only then he can motivate the subordinates to the best.
8. **Self-confidence and will-power-** Confidence in himself is important to earn the confidence of the subordinates. He should be trustworthy and should handle the situations with full will power.

9. **Humanist**-This trait to be present in a leader is essential because he deals with human beings and is in personal contact with them. He has to handle the personal problems of his subordinates with great care and attention. Therefore, treating the human beings on humanitarian grounds is essential for building a congenial environment.
10. **Empathy**- It is an old adage “Stepping into the shoes of others”. This is very important because fair judgement and objectivity comes only then. A leader should understand the problems and complaints of employees and should also have a complete view of the needs and aspirations of the employees. This helps in improving human relations and personal contacts with the employees.

Importance of Procurement Leadership

Leadership is an important function of management which helps to maximize efficiency and to achieve organizational goals. The following points justify the importance of leadership in a concern.

1. **Initiates action**- Leader is a person who starts the work by communicating the policies and plans to the subordinates from where the work actually starts.
2. **Motivation**- A leader proves to be playing an incentive role in the concern’s working. He motivates the employees with economic and non-economic rewards and thereby gets the work from the subordinates.
3. **Providing guidance**- A leader has to not only supervise but also play a guiding role for the subordinates. Guidance here means instructing the subordinates the way they have to perform their work effectively and efficiently.
4. **Creating confidence**- Confidence is an important factor which can be achieved through expressing the work efforts to the subordinates, explaining them clearly their role and giving them guidelines to achieve the goals effectively. It is also important to hear the employees with regards to their complaints and problems.
5. **Building morale**- Morale denotes willing co-operation of the employees towards their work and getting them into confidence and winning their trust. A leader can be a morale booster by achieving full co-operation so that they perform with best of their abilities as they work to achieve goals.
6. **Builds work environment**- Management is getting things done from people. An efficient work environment helps in sound and stable growth. Therefore, human

relations should be kept into mind by a leader. He should have personal contacts with employees and should listen to their problems and solve them. He should treat employees on humanitarian terms.

7. **Co-ordination-** Co-ordination can be achieved through reconciling personal interests with organizational goals. This synchronization can be achieved through proper and effective co-ordination which should be primary motive of a leader.

Management versus Leadership

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. As a crucial component of management, remarkable leadership behaviour stresses upon building an environment in which each and every employee develops and excels. Leadership is defined as the potential to influence and drive the group efforts towards the accomplishment of goals. This influence may originate from formal sources, such as that provided by acquisition of managerial position in an organization.

A manager must have traits of a leader, i.e., he must possess leadership qualities. Leaders develop and begin strategies that build and sustain competitive advantage. Organizations require robust leadership and robust management for optimal organizational efficiency.

Differences between Leadership and Management

Leadership differs from management in a sense that:

1. While managers lay down the structure and delegates authority and responsibility, leaders provides direction by developing the organizational vision and communicating it to the employees and inspiring them to achieve it.
2. While 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. While a leader gets his authority from his followers, a manager gets his authority by virtue of his position in the organization.

4. While 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. While management deals with the technical dimension in an organization or the job content; leadership deals with the people aspect in an organization.
7. While 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.

The organizations which are over managed and under-led do not perform up to the benchmark. **Leadership accompanied by management sets a new direction and makes efficient use of resources to achieve it.** Both leadership and management are essential for individual as well as organizational success.

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Leading in four directions

- i. **Upwards**-Refers to influencing those hierarchically more senior people within the organisational structure - that is, senior management.
- ii. **Across**-Refers to influencing stakeholders outside of the team or function within which you are working. A typical approach to stakeholder influencing might be the management approaches described by Mendelow (1991).
- iii. **Direct reports/Staff**: Refers to influencing those who directly work for you.
- iv. **Teams**-Refers to influencing teams of individuals either within the purchasing function or within cross-functional teams. It specifically refers to your colleagues and peers, as opposed to staff who report to you.

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CHAPTER 2

LEADERSHIP THEORIES AND MODELS

Various Leadership approaches

- *Positional Power* (e.g., based on job title, rank)
- *The Leader* [e.g., Traits, Transformational & Charismatic leadership]
- *The Led* [e.g., Follower characteristics]
- *The Influence Process* (e.g., Leader-Member Exchange)
- *The Situation* (e.g., Path-Goal Theory)

Various Leadership styles

Different types of leadership styles exist in work environments. Advantages and disadvantages exist within each leadership style. The culture and goals of an organization determine which leadership style fits the firm best. Some companies offer several leadership styles within the organization, dependent upon the necessary tasks to complete and departmental needs.

i. Authoritarian/Autocratic

An **authoritarian leadership style** is being used when a leader dictates policies and procedures, decides what goals are to be achieved, and directs and controls all activities without any meaningful participation by the subordinates. This leader has full control of the team, leaving low autonomy within the group. The leader has a vision in mind and must be able to effectively motivate their group to finish the task. The group is expected to complete the tasks under very close supervision, while unlimited authority is granted to the leader. Subordinate's responses to the orders given are either punished or rewarded.

Managers possess total authority and impose their will on employees. No one challenges the decisions of autocratic leaders. Countries such as Cuba and North Korea operate under the autocratic leadership style. This leadership style benefits employees who require close supervision. Creative employees who thrive in group functions detest this leadership style.

Communication Patterns of Authoritarian Leadership

- Downward, one-way communication (i.e. leaders to followers, or supervisors to subordinates)
- Controls discussion with followers
- Dominates interaction
- Independently/unilaterally sets policy and procedures
- Individually directs the completion of tasks
- Does not offer constant feedback
- Rewards acquiescent obedient behaviour and punishes erroneous actions
- Poor listener
- Uses conflict for individual gain

Effects of Authoritarian Leadership Communication Styles

- Increase in productivity when leader is present
- Produces more accurate solutions when leader is knowledgeable
- Is more positively accepted in larger groups
- Enhances performance on simple tasks and decreases performance on complex tasks
- Increases aggression levels among followers
- Increases turnover rates
- Successful when there is a time urgency for completion of projects
- Improves the future work of those subordinates whose skills are not very applicable or helpful without the demands of another

Downfalls of Authoritarian Leadership:

- Long term use can cause resentment from subordinates. Use this form of leadership sparingly and when absolutely necessary
- It has been found by researchers that these type of leaders lack creative problem solving skills
- Without proper instruction and understanding from subordinates, confusion may arise

ii. Democratic/Participative

Often called the democratic leadership style, participative leadership values the input of team members and peers, but the responsibility of making the final decision rests with the participative leader. Participative leadership boosts employee morale because employees make contributions to the decision-making process. It causes them to feel as if their opinions matter. When a company needs to make changes within the organization, the participative leadership style helps employees accept changes easily because they play a role in the process. This style meets challenges when companies need to make a decision in a short period.

Characteristics of Democratic Leadership

Some of the primary characteristics of democratic leadership include:

- Group members are encouraged to share ideas and opinions, even though the leader retains the final say over decisions.
- Members of the group feel more engaged in the process.
- Creativity is encouraged and rewarded.

Researchers suggest that good democratic leaders possess specific traits that include:

- Honesty
- Intelligence
- Courage
- Creativity
- Competence
- Fairness

Strong democratic leaders inspire trust among followers. They are sincere and base their decisions on their morals and values.

Followers tend to feel inspired to take action and contribute to the group. Good leaders also tend to seek diverse opinions and do not try to silence dissenting voices or those that offer a less popular point of view.

Benefits of Democratic Leadership

Because group members are encouraged to share their thoughts, democratic leadership can lead to better ideas and more creative solutions to problems.

Group members also feel more involved and committed to projects, making them more likely to care about the end results. Research on leadership styles has also shown that democratic leadership leads to higher productivity among group members.

Downsides of Democratic Leadership

While democratic leadership has been described as the most effective leadership style, it does have some potential downsides. In situations where roles are unclear or time is of the essence, democratic leadership can lead to communication failures and uncompleted projects. In some cases, group members may not have the necessary knowledge or expertise to make quality contributions to the decision-making process.

Democratic leadership works best in situations where group members are skilled and eager to share their knowledge. It is also important to have plenty of time to allow people to contribute, develop a plan and then vote on the best course of action.

iii. Laissez-fair/delegative leadership

A laissez-faire leader lacks direct supervision of employees and fails to provide regular feedback to those under his supervision. Highly experienced and trained employees requiring little supervision fall under the laissez-faire leadership style. However, not all employees possess those characteristics. This leadership style hinders the production of employees needing supervision. The laissez-faire style produces no leadership or supervision efforts from managers, which can lead to poor production, lack of control and increasing costs.

Characteristics of Laissez-Faire Leadership

Laissez-faire leadership is characterized by:

- Very little guidance from leaders
- Complete freedom for followers to make decisions

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- Leaders provide the tools and resources needed
- Group members are expected to solve problems on their own
- Power is handed over to followers, yet leaders still take responsibility for the groups decisions and actions

Benefits of Laissez-Faire Leadership

Like other leadership styles, the delegative style has both a number of benefits and shortcomings. Laissez-faire leadership can be effective in situations where group members are highly skilled, motivated and capable of working on their own. Since these group members are experts and have the knowledge and skills to work independently, they are capable of accomplishing tasks with very little guidance.

The delegative style can be particularly effective in situations where group members are actually more knowledgeable than the group's leader. Because team members are the experts in a particular area, the laissez-faire style allows them to demonstrate their deep knowledge and skill surrounding that particular subject.

This autonomy can be freeing to some group members and help them feel more satisfied with their work. The laissez-faire style can be used in situations where followers have a high-level of passion and intrinsic motivation for their work.

While the conventional term for this style is 'laissez-faire' and implies a completely hands-off approach, many leaders still remain open and available to group members for consultation and feedback.

Downsides of Laissez-Faire Leadership

Laissez-faire leadership is not ideal in situations where group members lack the knowledge or experience they need to complete tasks and make decisions. Some people are not good at setting their own deadlines, managing their own projects and solving problems on their own. In such situations, projects can go off-track and deadlines can be missed when team members do not get enough guidance or feedback from leaders.

In some situations, the laissez-faire style leads to poorly defined roles within the group. Since team members receive little to no guidance, they might not really be sure about their role within the group and what they are supposed to be doing with their time.

Laissez-faire leaders are often seen as uninvolved and withdrawn, which can lead to a lack of cohesiveness within the group. Since the leader seems unconcerned with what is happening, followers sometimes pick up on this and express less care and concern for the project.

Some leaders might even take advantage of this style as a way to avoid personal responsibility for the group's failures.

When goals are not met, the leader can then blame members of the team for not completing tasks or living up to expectations.

If group members are unfamiliar with the task or the process needed to accomplish the task, leaders are better off taking a more hands-on approach. Eventually, as followers acquire more expertise, leaders might then switch back to a more delegative approach that gives group members more freedom to work independently.

iv. Transactional leadership definition

Transactional leadership focuses on results, conforms to the existing structure of an organization and measures success according to that organization's system of rewards and penalties. Transactional leaders have formal authority and positions of responsibility in an organization. This type of leader is responsible for maintaining routine by managing individual performance and facilitating group performance.

This type of leader sets the criteria for their workers according to previously defined requirements. Performance reviews are the most common way to judge employee performance. Transactional, or managerial, leaders work best with employees who know their jobs and are motivated by the reward-penalty system. The status quo of an organization is maintained through transactional leadership.

***The transaction leadership style is a form of management which focuses on the basic management process of controlling or supervising, organizing, and short-term planning or assessing of performance. It was first described by Max Weber in 1947 and then later by