

## LEADERSHIP AND LEADERSHIP STYLES

### Management by goals (how to engage, empower and encourage your people to reach their full potential)

Management by Objectives (MBO) is a management method aimed at focusing activities and using the resources held by the organisation towards achieving the goals set as priorities. Most often, these goals result directly from the company's strategy. Thus, this system allows for linking the goals of individual employees with the goals of the company and the coherence of activities of the entire organisation.

The idea of management by objectives was introduced by Peter Drucker in 1954 in the book "Management practice". George Odiorne, Drucker's student, developed this idea further in his book Management Decisions by Objectives<sup>1</sup>.

Management by objectives is a 5-step process. These are:

#### 1. Revise organisational goals

At this stage, the organisation will establish or revise its goals for the next period. Most organisations will benefit from a 3-month (quarterly) planning period.

The goals that an organisation sets result from its vision and strategy. This means that the goals answer the question: what can the organisation realistically achieve in the next period to get closer to its vision?

#### 2. Set employee goals

In this step, we translate the organisational goals set out in step 1 into goals for each employee. It will be a multi-stage process for large organisations. This means that once an organisation has set its goals, each division will set its goals for a given period. Subsequently, subunits of these subunits will set their goals. Thus, goal setting cascades through the organisation until each employee has goals for a given period<sup>2</sup>.

It should be noted that the goals are not communicated to employees, they are set with the participation of employees. This means that each employee will work with their manager to agree on their goals. This is usually done by

---

<sup>1</sup> Amstrong M. (2000), Zarządzanie zasobami ludzkimi, Kraków.

<sup>2</sup> Reinfuss R. (2011), MBO prosta i skuteczna technika zarządzania twoją firmą.

looking at the employee manager's goals and seeing how the employee can contribute to achieving those goals.

According to the SMART concept, each goal should be:

**Specific** - precise, concrete, detailed and well-defined. Provides information directly pointing to the desired result. A well-formulated goal should communicate what the supervisor would like to happen and what his vision of the target state is.

**Measurable** - This is a goal that we are able to monitor and measure. Goals must not be too difficult to achieve, because then subordinates lose their motivation. Nor can they be too easy, because then they are not a challenge. If goals are too distant in time, it is difficult for superiors to motivate themselves and subordinates to achieve them.

**Ambitious** - The goal must not be too easy to achieve, it must challenge employees and motivate them to action. **Realistic**. This is a goal that can be achieved with the resources you have. Achieving each strategic goal of the organisation requires resources such as employee competencies, financial resources, equipment, procedures, etc.

**Relevant** – important (for the organisation). This criterion is especially important from the point of view of the HRM, it concerns the priorities of the organisation and linking the employee's activities with its strategy.

**Time-Bound** - timed. This means that the target is to have a clearly formulated deadline for implementation. Deadlines, in themselves, are very motivating, and the lack of them reduces motivation, because then there is no external pressure, e.g. in the form of negative consequences for failure to complete the task on time. Deadlines are important especially for more complex and design goals, when the implementation of one goal triggers other goals.

### 3. Monitoring

A key feature of SMART goals is that they are measurable. This allows us to check progress to make sure it is in line with the goal. The manner of achieving these goals will be agreed between the employee and his supervisor.

There are advantages to monitoring your progress. This gives the employee and manager an opportunity to remedy the situation should progress wander

off course. In the worst case, when a problem cannot be solved, this allows for proactive contingency planning.

#### 4. Evaluation

At the end of this period, it's time to check how well each employee has achieved their goals. Since all the goals set were SMART, it's easy to see if each employee has achieved their goals or not.

#### 5. Award

Employees are remunerated for their achievements at the end of the period. This is usually done through paid incentives (bonuses).

A meeting where the manager discusses the Employee Award is also an excellent opportunity for feedback. This two-way feedback can help both the manager and the employee improve their performance. It can also lead to better goal setting as the organisation moves to the next management cycle of goals. Management by objectives (MBO) has many benefits for the entire organisation. From the perspective of managers, it significantly improves the planning of activities of the entire team or organisation in the short and long term. It also allows you to set priorities. MBO introduces a transparent organisational structure and responsibility for individual goals. The MBO system is often also a great motivator for employees who, while pursuing specific goals, have a very tangible argument to apply for a bonus, promotion or other form of remuneration. MBO guarantees fair treatment of all employees and the unification of remuneration of individual merits according to the same criteria.

The goal setting process itself also deepens commitment and is motivating. Each employee can propose his or her own goal to the supervisor or a method of achieving the goal proposed by the leader, being sure that he or she is achieving goals in line with his own ambitions, talents and predispositions. Management by objectives thus strengthens the potential of employees.

### Personal responsibility and liability of the (female) entrepreneur

Women running a business, compared to men, are more burdened with family and parental responsibilities. Very often, the period when women start their own businesses or are promoted to managerial positions overlaps with the period of starting a family and motherhood. Then they face a huge challenge - how to combine family life and further their career? There is an accumulation

of new challenges related to family and parental (personal) responsibility and the need to develop new skills necessary for business development, responsibility for financial results and team management (entrepreneur / manager responsibility).

This problem is not noticed by most organisations and institutions. Women are left to their own devices to make these difficult choices. The enormity of the responsibility and excitement of finding a balance in a short time often leads to a great deal of guilt. As a result, many gifted women give up promotion and slow down their careers significantly. If they are able to return to high-performance business after a few years, they have a chance to apply for positions in management boards and supervisory boards in the future. In many cases, however, this is not the case. Therefore, dialogue and wise support are needed. Women in senior positions have a moral obligation to show solidarity with their younger colleagues, led by example, share their experiences, tell what happened to them along the way and how they coped, and this is also their personal responsibility for their younger colleagues.

The personal responsibility of business women is not only responsibility for the family, but also for the company and employees. Feeling the inner need for actions or changes necessary at the moment should apply to every employee, regardless of their position. In the case of an entrepreneur or manager, responsibility has a broader scope, as it includes responsibility for the results of all employees, or at least of a given team. That is why international companies are starting to implement support programs for women in Poland, which are already used abroad. Many Polish companies do not have such programs, and some do not have any talent development programs. Others, in turn, offer training, but for people who have been promoted, but there is no training to perform a new function in the organisation. A wise supervisor should help a talented woman plan individual stages of her professional career to build her potential and make her feel personally responsible for her success, the success of her colleagues, and, consequently, the entire organisation.

## Leadership, success in teams and the dynamics of cooperation

Nowadays, it is desirable to combine leadership with management and keep them in balance. Effective management and effective leadership are guaranteed by a well-organised and motivated team that is successful. The advantage of either side may lead to a lack of inspiration or disorganisation of

subordinates. An effective, experienced manager is able not only to combine these roles, but also to choose the right proportions depending on the needs. Sometimes leadership skills are needed more to inspire a team to act, but in many cases management competencies are the foundation of effective collaboration<sup>3</sup> .

Leadership is of utmost importance in building teams to be successful. The leader should be aware that it is impossible to create an effective team in one day. Bruce Tuckman divided the group process into phases:

- forming - team formation
- storming - lapping and conflict
- norming - normalising the formation of rules and rules in the team
- performing - action, cooperation
- adjourning - suspension, parting.

The role of the leader in the formation of the group is to observe what phase the team is currently in. Thanks to this, he has the opportunity to act and lead the group in such a way that it works most effectively.

It is difficult to determine exactly how much time it takes to build a team and go through all the stages of the group process. It depends on the character traits of the group, on the knowledge and experience of team members, on the complexity of the project, and on the leader's experience. There shouldn't be talk of closing a group process. As soon as there is a change, the group process can start all over again. The leader should watch carefully how the change affects the group emotionally. The changes may include changing one of the elements of the project, the arrival of a new person to the team or a person leaving the team, a longer departure of the leader, etc.<sup>4</sup> .

Creating space and conditions for effective and efficient teamwork is a big challenge for contemporary organisations and their leaders. In team building, the following activities seem important: clear definition of a challenge or goal, determination of the expected results, estimation of the necessary resources (people, their competences, tools, time or budget), as well as specifying the

---

<sup>3</sup> B. Łapiński, M. Gołaszewski, Przywództwo a zarządzanie – różnice, [http://coachu.pl/669- Przywodztwo\\_a\\_zarzadzanie\\_roznice.htm](http://coachu.pl/669-Przywodztwo_a_zarzadzanie_roznice.htm)

<sup>4</sup> Od jednostki po sprawny zespół – rola przywódcy w tworzeniu się grupy: <https://poradnikprzedsiębiorcy.pl/-jak-byc-dobrym-przywodca-cz-7-od-jednostki-po-sprawny-zespol-rola-przywodcy-w-tworzeniu-sie-grupy>



framework for the functioning of the team (the role of a leader, team autonomy, principles of its functioning)<sup>5</sup> .

This means that an effective and efficient team should, above all, have a leader, clearly set goals and have established responsibilities of team members. Established team structure and rules as well as team communication procedures are also important. The above-mentioned elements enable the acquisition and use of skills necessary in teamwork. Building team skills are various projects, among which the following can be mentioned: conducting effective meetings, creating an appropriate atmosphere for teamwork, listening, asking questions and influencing team members, obtaining a feedback effect, negotiating differences and making optimal decisions, acquiring and transferring information, as well as presenting the team's position.

A well-chosen team is characterised by a positive dynamic of cooperation. It is a reflection of the environment in which the team operates and the nature of the work performed. In addition, the key to team dynamics is the personalities in the team and how they are related. For a team that is to function optimally, the way in which employees interact with each other is fundamental to the team's success. The personality type that characterises a person affects the psychological role they are subject to in a team and the way they interact with each other, which ultimately affects the dynamics of the team. The leader's job is to recognize and properly select these personalities. Being aware of each person's psychological role and balancing the roles in the team gives an idea of the team's ability to be successful.

Understood in this way, leadership increasingly takes into account corporate social responsibility (CSR), treating it as a key area of the positive potential of the organisation. Proper understanding of the new challenge manifests itself in conscious modern management, which assumes making a profit while taking into account the interests of stakeholders. Thus, the new requirements call for the inclusion of social and environmental costs in business operations, and sometimes an involvement that goes beyond traditional business plan development and resource management. The sooner the company manager understands that CSR should be a way of thinking about running an organisation, the more fruitful the impact of the CSR concept will be on

---

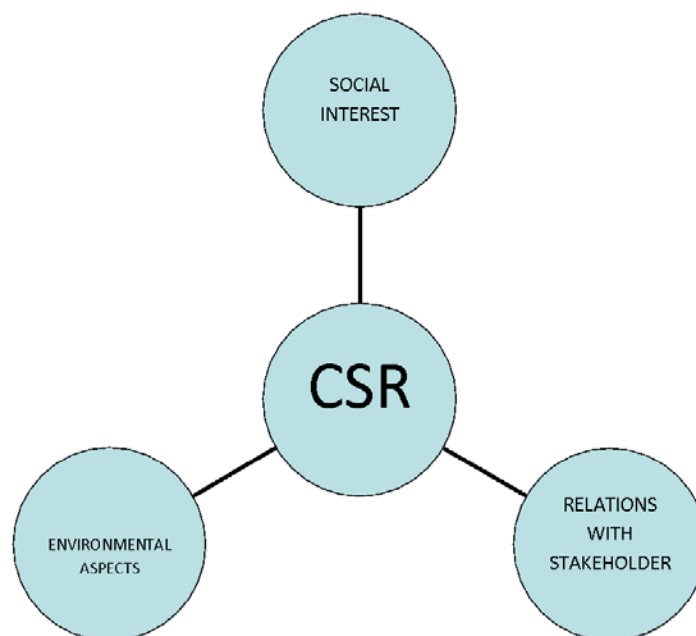
<sup>5</sup> Puszcz H., Zaborek M.: Efektywność zespołu. Analiza jakości działania grupy pracowniczej. „Personel i Zarządzanie”, Nr 10/ 2016, s.34-36.

people, society, the natural environment, market conditions and processes, and thus on the organisation itself.

## Corporate social responsibility and environmental safety

Spa Corporate social responsibility (CSR) is a management strategy, according to which companies voluntarily take into account social interests, environmental aspects or relations with various groups of stakeholders, in particular with employees, in their activities (Figure 1). Being socially responsible means investing in human resources, in environmental protection, relations with the company's environment and informing about these activities, which contributes to an increase in the company's competitiveness and shaping conditions for sustainable social and economic development.

Figure 1.



A socially responsible entrepreneur expresses her responsibility by:

- providing employees with access to private medical care, which is one of the most frequently offered non-wage benefits by employers,
- working out mutually beneficial solutions with contractors (e.g. fair prices of raw materials), thanks to which each of the companies will have a chance to develop,
- taking into account the needs and expectations of consumers (researching consumer needs, e.g. a survey that customers will be able to complete after purchasing a product or using a service),
- creating your "green" image (e.g. segregating waste or repairing equipment instead of ordering a new one).

Environmental social responsibility addresses people, planet and profit issues that lead to a sustainable competitive advantage. Creating socially responsible and sustainable employment practices helps organisations meet current needs without compromising their ability to meet future needs.

Corporate social responsibility has a wide range of tools, the choice of which depends on each entrepreneur. He/she decides which tools will be appropriate for his company and the environment in which it operates. These tools include:

1. Social campaigns - enable enterprises through the media to influence the attitudes of society. Such campaigns are aimed at helping those in need (e.g. transferring some of the profits from the sale of a specific product to social purposes or pro-environmental activities) or increasing social awareness on a specific topic (e.g. environmental protection, consumer education). The theme of the action should be related to the activities of the enterprise.
2. Management systems - introducing transparent and effective management systems, i.e. Quality Management System ISO 9000 (quality management system), Environmental Management System ISO 14000 (environmental management system), Social Accountability SA 8000 (social responsibility management).
  - a. Quality Management System ISO 9000 (quality management system): ISO 9000 standards are widely recognized as the basis for building quality management systems in all organisations, regardless of the type of their activity. These standards contain terminologies, requirements and guidelines for introducing, improving and controlling a quality management system. The



management principles according to ISO 9000 include: customer orientation, leadership, people involvement, process approach, system approach to management, continuous improvement, making decisions based on facts, mutual relations with suppliers.

3. Social reports - publications presenting the method of company management and the implementation of the company's strategy, taking into account socially responsible activities. Company transparency is the essence of reporting. Reports should identify the reporting period, include statements of policy, objectives and strategy, and provide an overview of performance that allows comparisons to be made over the years. The report should take into account the interests and needs of a wide group of stakeholders<sup>6</sup>.

b. Environmental Management System ISO 14000 (Environmental Management System): ISO 14000 is a series of international standards for environmental management. The current standard was issued in 2004. The Polish version, issued by the Polish Committee for Standardisation, dates from 2005 and has the PN-EN ISO 14001: 2005 designation.

c. As ISO claims, "international standards for environmental management are intended to provide organisations with the elements of an effective environmental management system (EMS) that can be integrated with other management requirements and can help organisations achieve their environmental and economic goals<sup>7</sup>.

d. Social Accountability SA 8000 (social responsibility management).

4. Pro-ecological activities - activities aimed at environmental protection, investments minimising the impact on the environment. These include initiatives such as the implementation of environmental policy, sustainable management of raw materials, waste segregation, environmental education of employees and customers, as well as the implementation of ecological technological processes and ecological products and services.

5. 5. Activities for the local community - projects for the environment in which the company operates. They take the form of: activities consisting in supporting local institutions and people, cooperation with local organisations, programs

---

<sup>6</sup> Czym jest ISO 9000?, <http://www.referencje-firm.pl/czym-jest-iso9000/>

<sup>7</sup> ISO 14000 - Standard zarządzania środowiskowego, <http://www.referencje-firm.pl/iso-14000-standard-zarzadzania-srodowiskowego/>

for children and youth, ecological activities, as well as investment activities (e.g. building roads).

6. Product labelling - includes eco-labeling and social labelling. It consists in informing the consumer about the ecological aspects of the product (environmental, health) and social aspects. Product labelling distinguishes them from those available on the market and enables consumers to make informed choices. At the same time, producers should provide reliable information about the composition of products and the content of individual ingredients.

7. Supply chain management - applying the principles of corporate social responsibility at every stage of deliveries, implementing standards for contractors.

8. Programs for employees - investments in employee development through programs improving employee qualifications (courses, training), integration programs, programs for equalising opportunities (flexible forms of employment, equal opportunities for people over 45, people with disabilities).

9. Employee volunteering - consists in voluntary work (e.g. performing specific work, allocating a certain number of working hours) of company employees to pro-social initiatives (institutions, organisations, campaigns).

The research of the Institute for Democracy and Private Enterprise research shows that companies applying CSR principles benefit from the following numerous advantages compared to other enterprises:

a. Economic benefits:

- have higher current liquidity;
- make better use of fixed assets and human capital;
- have a higher return on sales;
- they invest more per 1 employee.

b. Benefits of the social environment:

- increasing the level of work culture and safety;
- reducing the negative impact of enterprises on the environment;
- achievement of social goals impossible to achieve without business support.

c. Environmental benefits:

- conduct of SMEs in accordance with best practices;
- rational management of natural resources and waste;
- engaging business partners in the chain of environmental responsibility and initiating joint pro-ecological activities;
- popularising pro-ecological ideas.

d. Benefits for employees:

- timely payment of remuneration;
- high work culture and safety;
- constant professional development thanks to the availability of training;
- additional medical care;
- high-quality social facilities;
- equal opportunities for men and women in terms of positions and remuneration.

In Poland, an interesting example of the application of CSR principles is Jastrzębska Spółka Węglowa, which independently created a CSR strategy. As a socially responsible company, JSW relies on the use of transparent business practices and building positive relations with stakeholder groups, i.e. all persons and entities that make up the company and with whom the company interacts. Eight areas related to Corporate Social Responsibility have been defined (chart below): CSR MANAGEMENT, SUPPLIERS, LOCAL SOCIETY, MARKET, WORKPLACE, PRODUCTS AND SERVICES, NATURAL ENVIRONMENT, REPORTING AND COMMUNICATION.

Chart: CSR areas



The company's business activities were carried out in 2010-2020, taking into account the impact of its decisions and actions on the society and the environment, through transparent and ethical behaviour that took into account the expectations of stakeholders, complied with the law and contributed to sustainable socio-economic development.

Responsible approach of JSW S.A. means:

- running a business in accordance with legal requirements and other accepted obligations,
- care for internal management systems,
- open and honest relationships with customers and suppliers,
- sustainable sourcing of raw materials,
- limiting the impact on the natural environment by implementing an environmental program, preventing pollution and breakdowns as well as minimising the negative impact on the environment and striving to constantly improve the condition of the environment,
- ensuring safe working conditions, improving activities in the area of health and safety, and in particular taking measures to ensure the use of safe technological processes, striving to prevent accidents, occupational diseases and potentially accidental incidents,
- conducting a responsible personnel policy,
- setting and following ethical standards,
- ensuring social dialogue and reliable communication.

**Responsible HR policy means:**

- Rational investment in human capital at the disposal of the Company. Supporting vocational education.
- Developing the competencies of leaders by implementing managerial training programs.
- Shaping an organisational culture focused on efficiency and knowledge exchange.
- Taking care to maintain and develop the key competences of employees.
- Conducting activities increases employee satisfaction.

- Providing employees with an extended scope of preventive health care and the use of a wide package of non-wage benefits.
- Open communication supporting the awareness of employees as strategic partners and supporting identification.
- Creating the image of the Company as a good employer<sup>8</sup>.

In the case of this company, the focus was on wide-ranging cooperation both within the company and with its environment. Both this cooperation and CSR are of great importance and bring measurable benefits for the Company itself, its surroundings and the environment.

### Methods related to interpersonal competencies, teamwork and participation

In the organisation, it is important to support the development of employees' competences, both hard and soft. However, taking into account interpersonal competencies, understood as social skills that we use in relationships with other people in order to: achieve the expected effectiveness (approach related to the need for power and status) initiate and maintain positive relationships with other people (approach related to the need for approval and acceptance), it seems justified to pay more attention to improving the team's soft skills. They include, but are not limited to:

- communicativeness,
- creativity,
- ability to cooperate,
- self-management in time.

They are as important as hard skills - they ensure effective teamwork and participation. There are several methods (ways) to ensure the development of these competences among employees.

#### 1. Interpersonal workshops

---

<sup>8</sup> CSR w dokumentach biznesowych JSW S.A., <https://www.jsw.pl/raport-csr/csr/csr-w-dokumentach-biznesowych/>



Their primary goal is to shape skills such as assertiveness, coping with stress or skillful public speaking. In the effective work of the team, it is important that employees are able to cooperate, communicate efficiently and resolve conflicts.

## 2. Coaching – personal and vocational development

It is a method of individual employee improvement. It is based on the simultaneous development of professional and social competences. Coaching is based on setting goals that serve to achieve personal and professional success, which often results in greater efficiency in your daily work.

## 3. Individual employee development

When employees know what stage of their career they are currently at and what they can achieve when they follow it, it is easier for them to set specific goals for themselves. A well-defined career path will make the job more rewarding and bring benefits to both the company and the employee. So it is helpful to present your employer with your professional goals. The employer, on the other hand, should outline the specific scope of tasks in a given position and indicate the goals that the company is pursuing and which will help the employee achieve.

## 4. Integration trips - a way to make a good team

As the company grows, it also employs more and more people. New employees sometimes find it difficult to find their place in its structure. Integration trips facilitate establishing contacts and mutual communication. They also give the team the opportunity to get to know each other on a different basis, thanks to which the cooperation of different cells can be much more effective. Knowing who has what tasks also cuts the time it takes to solve potential problems.

## 5. A friendly common area at the workplace

A good atmosphere in the workplace is a very important aspect - it is a huge advantage for new employees of the company. A well-arranged kitchen with access to a spring water dispenser, a coffee machine, as well as tables for sharing meals, facilitates establishing relationships. In modern companies, there are also more and more rooms for shared relaxation, where employees can spend their breaks for a momentary rest or games that involve a group of people.

## Additional information

### Glossary

**Leadership** - The ability to influence individuals or a group to achieve certain outcomes.

**CSR - corporate social responsibility** - According to this concept, the company voluntarily takes into account social interests, environmental aspects and relations with various groups, in particular with employees, in its activities.

**Interpersonal competencies** - social skills that we use in relationships with other people in order to achieve the expected effectiveness (approach related to the need for power and status) and to initiate and maintain positive relationships with other people (approach related to the need for approval and acceptance).

### Practices / references /sources

S Adler R. B., Rosenfeld L. B., Proctor II R. F. (2006), Relacje interpersonalne: proces porozumiewania się, Warszawa.

Amstrong M. (2000), Zarządzanie zasobami ludzkimi, Kraków.

B. Łapiński, M. Gołaszewski, Przywództwo a zarządzanie – różnice, [http://coachu.pl/669- Przywodztwo\\_a\\_zarządzanie\\_roznice.htm](http://coachu.pl/669-Przywodztwo_a_zarządzanie_roznice.htm)

Bandach M. (2013), Trening umiejętności społecznych jako forma podnoszenia kompetencji społecznych, „Ekonomia i Zarządzanie”, Vol. 5, nr 4.

Baskiewicz N. (2013), Kobiety w zarządzaniu organizacjami, „Studia Ekonomiczne”, Nr 161.

Fastnacht D., Miękkie kompetencje w zarządzaniu, „Zeszyty Naukowe Wyższej Szkoły Zarządzania Ochroną Pracy w Katowicach”, Nr 1(2)/2006.

Hamilton, C. (2010), Communicating for results: a guide for business and the professions, Belmont, CA: Wadsworth.

Od jednostki po sprawny zespół – rola przywódcy w tworzeniu się grupy:  
<https://poradnikprzedsiębiorcy.pl/-jak-byc-dobrym-przywodca-cz-7-od-jednostki-po-sprawny-zespol-rola-przywodcy-w-tworzeniu-sie-grupy>

Puszcz H., Zaborek M., Efektywność zespołu. Analiza jakości działania grupy pracowniczej. „Personel i Zarządzanie”, Nr 10/ 2016.

Reinfuss R. (2011), MBO prosta i skuteczna technika zarządzania twoją firmą.