Basic Management Principles

Areas to be covered

• The role of Pharmacy Manager
• X and Y Theory
• Basic Leadership styles
• Basic Management Functions
• Characteristics of a Good Manager
• Challenges Faced by the Manager
• The Decision Making Process
Effective pharmacy management. 4th edition. Kansas City, Missouri: Marion Merrell Dow Inc.; 1987. Section I: Ch.1,

A manager in a pharmacy could be:

- Manager of the pharmacy department in a hospital
- Manager of a specific department: e.g. outpatient or controlled drugs
- Manager of a community [retail] pharmacy
- Others??
Manager vs leaders

A manager will be appointed to a position and has the possibility of developing leadership skills and being recognised as a leader,

A leader is recognised by the people around them as someone who provides leadership for them in a particular situation whatever the individual’s official role.
Leadership
Definitions of Leadership

- **Peter Drucker**: "The only definition of a leader is someone who has followers."

- **Warren Bennis**: "Leadership is a function of knowing yourself, having a vision that is well communicated, building trust among colleagues, and taking effective action to realize your own leadership potential."

- **John W. Gardner**: Leadership is the process of persuasion and example by which an individual (or leadership team) induces a group to take action that is in accord with the leader’s purpose, or the shared purposes of all."
Leaders vs Managers

LEADERS
Innovate
Develop
Inspire
Long term view
Ask what and why
Originate
Do the right things!

MANAGERS
Administer
Maintain
Control
Short term
Ask how and when
Initiate
Do things right!
Leadership are born not made
Vs
Leaders are made not born
Which leader impressed you??

Which leader have not??
Managers Vs Technicians

In a business there are two different categories of people: the technicians and the managers.
Managers Vs Technicians

• Technicians are those individuals who possess expertise of a doing nature

• They are more concerned with the how of the job rather than the why

• They are not expected to delve into questions or policy
Managers Vs Technicians

• Managers have the responsibilities to develop, interpret, and implement the objectives plan and policies of the organisation.
• They are more concerned with the why instead of the how.
Managers Vs Technicians

Example: when planning to start an ADR monitoring program

As a manager you would think about?
As a technician you would think about?
The Challenge confronting the manager

The challenge confronting the professional manager is getting others to perform work productively and well to achieve success.

Professional versus personal management
The Challenge confronting the Manager

In order to bring this about the professional manager must:

(1) provide opportunities for employee to realise satisfaction from the work she does;

(2) create entwining goals so the success of the company will be the success of the employee.
X and Y theory

The management theorist McGregor saw basically two types of employee at work:

those who were responsible, and who could be trusted with responsibility,

and those who are the opposite.
X and Y theory

How do workers get the way they are?
X and Y theory

McGregor believe that workers reacted to the assumptions of their managers and these assumptions, described as either Theory X or Theory Y, influenced the behaviour of the workers.
McGregor believed that a manager with Theory X assumptions would cause that type of behaviour, and a manager with Theory Y assumptions would cause positive types of employee behaviour.
X theory in practice

- Close supervision
- Direction on what to do, when to do it, and how to do it
- Solving problem for employee
- Mostly downward communication
- Close control over all behaviour
- Use of rules and punishment to control behaviour
- Centralisation of authority in the supervisor role.
Y theory in practice

- Relatively loose supervision
- Delegation of authority to subordinate
- Mutual agreement upon subordinates’ objectives
- Two way communications
- Participation with subordinate by the supervisor
- Emphasis upon results, not how results achieved
Assumptions versus behaviour

Do you think that attitude and behaviour are synonymous?

Is it possible to feel one way about people yet treat them in another way?
X and Y and control

Theory X relies on external control, whereas Theory Y is oriented towards internal control.

Theory Y attempts to develop employee who will do the right things because they want to, not because they have to.
X and Y versus personality

What is the relation between personality of the manager and X or Y theory?
Which is better: X or Y?

Theory Y allows for more growth and development of employee rather than external control, the supervisor is freed to perform managerial duties other than just supervising employee.

Some employees need a more structured environment and would have difficulty working in a situation where they have to make decisions.
Main leadership styles

• Autocratic
• Democratic
• Abdicratic
• Situational
Strategic leader (organisational level)
Operational leader (operational level)
Team leader (team level)
Autocratic

• The supervisor makes most or all decisions, at least those of any importance.
• Allow employee little opportunity for participation and involvement
Autocratic

- Communications upwards are limited
- Autocratic leaders have strong confidence in their own ability and believe their way of doing things is best. Instructions tend to be clear and detailed to make sure employees do the job the right way.
Autocratic style would be effective in the following situation:

- in crises
- When employee lack initiative and a sense of responsibility
- When communication and coordination is of utmost important [e.g. military]
- If the leader is clearly recognised expert on the problem
- temporary or new employee
Autocratic

- When the quality of a decision is of critical importance and acceptance of the decision by subordinate is of little importance.
- If initial organisation and coordination are required.
Democratic manager delegate authority to subordinates, involve them in decision making, trust them to handle responsibility, and exert little direct control over their behaviour.
Democratic manager believe that employees have something to contribute to the organisation beyond their physical capabilities.
Democratic

Misconceptions about democratic supervision:

A. The supervisor should take every decision to subordinates for participation.

B. some believe that supervisors should allow employees to vote on decisions.
Democratic

The supervisor must be selective about participation which should only implemented under these general conditions:

• The decision must be of some importance or consequences to subordinates;
• Must be allowed for meaningful participation to occur
• Subordinate must be qualified to participate
• Subordinate must have adequate information about the problem.
Democratic style would be effective in the following situation:

• The leader is not a recognised expert in the problem
• Acceptance of the decision and its implementation by the group is critical factor
• The group has knowledge that the supervisor needs to solve the problem
Democratic style would be effective in the following situation:

- The supervisor’s authority or power base is low
- Resistance to decision is anticipated
- The employees are skilled and motivated
- The overall objectives of a decision are agreed upon.
Abdicratic

The person selected for the leadership position has failed to function properly. In such situation, one of the group, perhaps the former leader, takes over the leadership of the group.
There are several reasons why people would abdicate the leadership position.

- Find the role uncomfortable
- The role may place too great psychological burden on them
- May have very weak power base, and although they want to be effective leaders, have only their desires to work with
Situational Leadership

Leadership characterized by shifts in management style as appropriate for individual employees.

- The management style applied depends on the needs of each employee.
Situational Leadership (cont.)

• Advantages
  – Management style personalized for each employee
  – Improved communication
  – High employee morale
  – Improved production

• Disadvantages
  – Time consuming
  – Difficult to manage
When to use situational management
- Highly experienced manager
- Manager highly skilled in human relations
- Employees with range of needs for supervision
Leadership Questionnaire
Leaders should avoid making major shifts in their supervisory styles over short periods.

Leaders must match their style to fit the needs of the employee. i.e the leader will have to adapt the style to fit the person.

The application of Theory Y principles involves stretching employees.
1. Immobilisation: As rumours of the change circulate, the individual feels some sense of shock and possible disbelief—so much so that they deem it worthy of doing nothing.

2. Minimisation: As the change becomes clearer, people try to fit in the change with their own personal position and may try to believe that it will not affect them.

3. Depression: As reality begins to dawn, staff may feel alienated and angry; feelings of a lack of control over events overtake people, and they feel depressed as they try to reconcile what is happening with their own personal situation.

4. Acceptance/letting go: The lowest point in self-esteem finally sees people starting to accept the inevitable. Fear of the future is a feature of this stage.

5. Testing out: Individuals begin to interact with the change, they start to ask questions to see how they might work with the change.

6. Search for meaning: Individuals begin to work with the change and see how they might be able to make the change work for them—self-esteem begins to rise.

7. Internalisation: The change is understood and adopted within the individual's own understanding— they now know how to work with it and feel a renewed sense of confidence and self-esteem.
Characteristics of a Good Manager

• Must be able to make decisions;
• Must be willing to take risks;
• Must know people in general, people in particular. Understanding abilities, weaknesses, aptitudes, motivations;
Characteristics of a Good Manager

• Must cultivate good relations with other members of staff;
• Must get work done through other people by carefully delegating responsibility and giving authority.
Becoming a good leader: developing skills required
For you to do at home.............

Leadership Questionnaire
Visit the following website:
http://www.pharman.co.uk/cms/view.php/3783.html
Further readings

- Pharmacy management Journal
http://www.pharman.co.uk/cms/view.php/3723.html
Basic Management Functions

1. Planning
2. Directing
3. Organising
4. Coordinating
5. Controlling