

MANAGEMENT STYLES

This section of the course will inform / review the student of management styles and the benefits / possible problems with each style.

Management styles and understanding what type of manager you are or you are being managed by -

Autocratic

An **Autocratic** or authoritarian manager makes all the decisions, keeping the information and decision making among the senior management. Objectives and tasks are set and the workforce is expected to do exactly as required. The communication involved with this method is mainly downward, from the leader to the subordinate, critics such as Elton Mayo have argued that this method can lead to a decrease in motivation from the employee's point of view. The main advantage of this style is that the direction of the business will remain constant, and the decisions will all be similar, this in turn can project an image of a confident, well managed business. On the other hand, subordinates may become dependent upon the leaders and supervision may be needed.

There are two types of autocratic leaders. Directive Autocrat: Makes decisions unilaterally; closely supervises subordinates. Permissive Autocrat: Makes decisions unilaterally; gives subordinates latitude in carrying out their work.

Paternalistic

A more **Paternalistic** form is also essentially dictatorial, however the decisions tend to be in the best interests of the employees rather than the business. A good example of this would be David Brent or Michael Scott running the business in the fictional television show *The Office*. The leader explains most decisions to the employees and ensures that their social and leisure needs are always met. This can help balance out the lack of worker motivation caused by an autocratic management style. Feedback is again generally downward, however feedback to the management will occur in order for the employees to be kept happy. This style can be highly advantageous, and can engender loyalty from the employees, leading to a lower labour turnover, thanks to the emphasis on social needs. It shares similar disadvantages to an authoritarian style; employees becoming dependent on the leader, and if the wrong decisions are made, then all employees may become dissatisfied with the leader. The leader always leads themselves into brushing the floor.

Democratic

In a **Democratic** style, the manager allows the employees to take part in decision-making: therefore everything is agreed by the majority. The communication is extensive in both directions (from subordinates to leaders and vice-versa). This style can be particularly useful when complex decisions need to be made that require a range of specialist skills: for example, when a new ICT system needs to be put in place, and the

upper management of the business is computer-illiterate. From the overall business's point of view, job satisfaction and quality of work will improve. However, the decision-making process is severely slowed down, and the need of a consensus may avoid taking the 'best' decision for the business. It can go against a better choice of action. As the autocratic leaders, democratic leaders are also two types i.e. permissive and directive.

Laissez-faire

In a **Laissez-faire** leadership style, the leader's role is peripheral and staff manage their own areas of the business; the leader therefore evades the duties of management and uncoordinated delegation occurs. The communication in this style is horizontal, meaning that it is equal in both directions, however very little communication occurs in comparison with other styles. The style brings out the best in highly professional and creative groups of employees, however in many cases it is not deliberate and is simply a result of poor management. This leads to a lack of staff focus and sense of direction, which in turn leads to much dissatisfaction, and a poor company image.

We could perhaps include "accountable hierarchies" as a sub group here. Please see "Elliot Jacques" in reference to this

MANAGEMENT TECHNIQUES

In the leadership of groups and general business management modules, there is an exciting and rather interesting mix in terms of practice and theory, while at the same time coming out as a more better topic for the current group leadership and management entrepreneurs to consider as a topic of study.

Coming across a management style of business groups, which suits the personalities of the members and the overall nature if the business is very important and meticulously worthy of any time investment.

This is due to the reason self-awareness, from a personal point of view and also having the ability to be able to set and identify strengths and deep weaknesses of the various approaches that enables one to effectively develop their personalized development and utmost effect in management.

As many have their specific business management techniques, there are more traditional and basic group leadership styles that come as the basic approaches in business management.

Firstly, the autocratic management style brings about the authoritarian approach in the line of management, which then continues to install the trust in this leadership approach as clearly opposed to the more individual or any staff contribution to this approach.

It involves setting the record straight and depicting to the employees who the leader is and what kind of management the establishment has.

It is very result oriented since the decisions are dictated, and represent effective leadership approach. The problem with this line of management technique is that the group members are left out of the process of decision-making.

HOW TO USE BASIC GROUP LEADERSHIP STYLES

In another approach of business management techniques for basic group management, democratic management cannot be ignored. It is an alternative to autocracy, as the group members are effectively involved in the consultations prior to a final decision being reached.

As some consider the democratic technique to be so motivating as well as enjoyable for one to work in, it also has some drawbacks. Many theorists have thought that giving members a chance to say so much in the process of decision-making might bring about inefficiencies within the decision-making.

The approach also takes time and might not be effective in organizations that have huge numbers of employees.

Another approach to group leadership in its basic form can be done through the use of the laissez-faire kind of arrangement, this in essence is a more literal hands on kind of leadership where the business and group running lies within the group members themselves, amidst allowing a huge degree in terms of autonomy more than it can be.

As much as it can be wholesome in many a creative industry, this kind of group leadership could bring forth an eventual group fragmentation as well as lacking in professionalism.

No matter the group management leadership technique, the most important thing is the output that is generated at the end of group excursion, since leadership is goal oriented.

Requirements of the Brokerage

The elements and operations of a brokerage can often and most often determine the success of the licensee who elects to conduct business under the brokerage name. Brokers should be aware of their company elements and the constant need to change and adapt relative to the needs of the marketplace and their licensees. Salespersons need to be aware of the elements of a brokerage to confirm that they are always associating themselves with the company that gives them the best advantage for success in the practice of Real Estate.

Elements of the physical location –

Nevada requires a physical office zoned commercial for which the brokerage reports as its place of business. The brokerage name must be clearly displayed on the building or office directory. Some multi zoned locations such as residential and commercial dual zoned locations can be accepted as a place of business for the brokerage but certain conditions must be met. The multi-zoned building must have a separate entrance for the brokerage and the building must still meet the signage requirements. Neighboring states such as California do not require the physical location zoned commercial to conduct business as a brokerage. Therefore, brokers often work out of their homes to minimize overhead.

Brokerages in Nevada have selected a wide variety of locations for which business is conducted. Traditionally, the more extravagant the office space and physical location the lower the commission structure offered to licensees. Brokerages with high office expenses have to find ways maximize return and one method is to create higher yields per transaction through lower commission structures and or higher document management fees. The broker pricing structure becomes a numbers game based on overhead structure versus average agent annual return.

The minimal office has become a more prevalent option as of late. The recent shift in the real estate economy has forced real estate companies to analyze the most important attributes of the company. A minimal office is designed to meet the minimum necessities of a brokerage deemed necessary by Nevada law. Per the aforementioned requirements, the minimal office would include:

- A small office space zoned commercial where records can be kept
 - This office space is often just large enough for the records and storage as law does not require a specific size minimum
- The brokerage name would be posted on the building or office directory
- The broker would need access to the office / files during business hours

The traditional office

When selecting a physical office location, a broker must consider the following in their search:

- Location
 - Suburban
 - Central or inner city
 - Demographic of average client
- Access to highway or highway to an expressway
- Shopping and other pulls for client traffic

When considering location access to roads and highways / expressways the brokerage should take the following variables into account:

- Does the location have easy ingress and egress
- What is the actual speed of traffic versus the posted speed
- Is there a center road barrier
- What signage is possible and what other signage competes
- Address the benefits of a easy location and surrounding amenities

When considering location, the brokerage may want to consider the real estate market that directly surrounds the office. Specifically:

- What are the physical boundaries this office intends to serve
- What is the population of the surrounding zip codes
- What is the housing turnover rate in the communities within a close radius
- What percentage of the housing within the close radius intends to sell within the next 4 years
- What price range is the surrounding area and what is the average days on market period for the surrounding area

The layout of the office –

Real Estate offices vary greatly in the arrangement of the working space for sales associates and office staff. Some of the most common plans are the following:

- Separate office or cubicles and dividers
- Standing counter
- Minimum number of desks
- Open area or bull pen

Most real estate office floor plans have several elements in common. They usually have a conference room to provide privacy for consultations with prospective purchasers and listers of property and closing. Most also have a separate / private manager's office and a room for the technology resources of the office.

Dividers? / Cubicles? Or Separate Offices?

The traditional real estate office layout has now become the exception to the rule. The shift to working from home and from other virtual office locations has become the norm. Many offices are now set up as shared desk locations that thus the private desk of old has been replaced with mutual workstations. The need for physical space to hold records and property files has been replaced with digital copies and portable devices allowing the licensee to be more mobile and thus less demand for a private offices.

The Standing Counter

One concept is the use of a long counter, as desk height, extending along one wall or around the perimeter of a room. Sales associates are allocated a desk space about 3 feet, a work chair, a telephone and a computer. The licensee conducts day to day business from this work station but meets the client in a conference room or shared private office to discuss business related activity. A counter plan is one the of the least expensive way to set up a working office and yet is highly effective. The disadvantages of the past with such a design included lack of privacy and lack of storage space but in the digital world the demand for storage space has dwindled. The standing counter method is projected to be much more popular as the digital age reaches its pinnacle and the profit margins of brokerages depend even more on smaller offices and places of business.

The Minimum Number of Desks

The major factor to consider when allocating a minimum number of desks are:

- The expectations of your sales staff
- The habits of your sales staff
- The demographics of your sales staff

More and more sales associates are working from home as discussed in the standing counter section. The risk in over assessing the number of desks needed is the allocation of large space when less space will work thus increasing overhead due to poor planning. The underestimation of the amount of desks / space needed could quickly prevent the brokerage from expanding if the market calls for expansion.

Identity of the Office

The identity of the brokerage is more than the physical office but the identity can be enhanced by everything from the office location to the layout and floor plan of the office. The broker location, office configuration, identity, graphics and furnishings are all essential to your marketing plan. Each of these decisions tells the public and sales

associates who you are. Be sure that all of these considerations project consistency and continuity.

After Physical Set Up

Introducing the brokerage and its sales staff to the neighborhood is an important part of initial networking. Establishing this relationship to the community will allow for a concentric pattern of local referrals. Brokerages should start close to the office and work outward. Mailers are great but person to person contact is always best. Get to know the other businesses in the neighborhood and surrounding shopping areas or commercial center. There should be no reason why the other commercial businesses and employees don't know the brokerage and its business model.

After the initial burst of hospitality and set up

In summary, the brokerage needs to finish what has started.

- Keep up a farming system to assign specific target areas
- Create and maintain spheres of influence
- Organize the database and update it with electronic information
- Use an electronic database system to build your contact base
- Design a marketing plan that uses some kind of constant contact or constant exposure
- Continue to delegate duties to officer personnel and licensees