

# CHAPTER 1: QUALITIES OF LEADERSHIP

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## LEARNING OUTCOME

- A1a** : **Explain** the role of effective leadership and **identify** the key leadership traits effective in the successful formulation and implementation of strategy and change management.
- A1b** : **Apply** the concepts of entrepreneurship and ‘intrapreneurship’ to exploit strategic opportunities and to innovate successfully.
- A1c** : **Apply** in the context of organisation governance and leadership qualities, the key ethical and professional values underpinning governance.



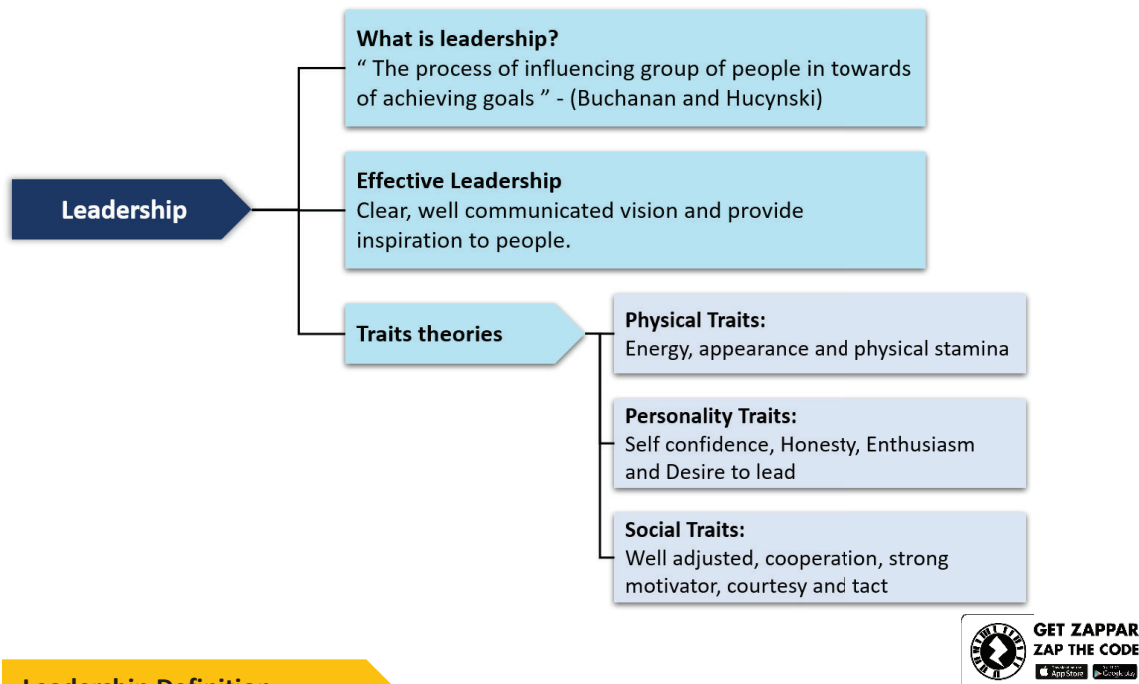
## 1.1 Role of Effective Leadership and Key Leadership Traits

### Learning Outcome (ACCA Study Guide Area A)

**A1a: Explain** the role of effective leadership and **identify** the key leadership traits effective in the successful formulation and implementation of strategy and change management.

#### 1.1.1 Role of effective leadership

**Diagram 1.1.1: Explain** the role of effective leadership and **identify** the key leadership trait



John C Maxwell defines leadership, “A leader is one who knows the way, goes the way, and shows the way.” Irrespective of how a leader is defined, he can prove to be a difference between success and failure. A good leader has a futuristic vision and knows how to turn his ideas into real-world success stories.

Examples of how "leadership" is viewed from different lenses:

- A political leader, pursuing a passionate, personal cause
- An explorer, cutting a path through the jungle for the rest of his group to follow
- An executive, developing the company's strategy to beat the competition.

Leaders help themselves and others to do the right things. They set direction, build an inspiring vision, and create something new. Leadership is about mapping out where you need to go to "win" as a team or an organisation; and leadership itself is dynamic, exciting, and inspiring. Yet, while leaders set the direction, they must also use management skills to guide their people to the right destination, in a smooth and efficient way.

## Leadership Roles

Leadership involves:

- Establishing a clear vision
- Sharing that vision with others so that they will follow willingly
- Providing the information, knowledge and methods to realise that vision
- Coordinating and balancing the conflicting interests of all members and stakeholders.



A leader steps up in times of crisis and thinks and act creatively in demanding situations. Unlike management, **leadership cannot be taught**, although it may be learned and enhanced through coaching or mentoring. An example of how leadership skills drives an organisation to great heights is Jack Welch who hired managers who shared his vision, inspired employees and achieved success for General Electric Co.

### Example of Leadership: Jack Welch

*As the CEO of General Electric Co from 1981 to 2001, Jack Welch inspired employees to continuously reinvent themselves. He believes that “Leaders aren’t just born, they’re made”.*

#### Reading Material 1



Effective Leadership –  
Example Jack Welch

<http://bit.ly/2HmOxq9>

**Are Leaders born or made?** ‘Psychology Today’ states – The best estimates offered by research are that leadership is about one-third born and two-thirds made, although having inborn qualities such as being assertive, extroverted, empathic and having the degree of social intelligence that allows a person to size up social situations and understand social processes does contribute to being a good leader.

*According to Susan Ward (Mar, 2019), Steve Jobs is a classic example of someone not born to be leader. Legendary for developing the revolutionary iPod, iPhone and other APPLE products, Steve Jobs’s leadership traits are synonymous with visionary, genius, innovator and iconic only develops after he shifted his management styles from an intolerant boss to an empathetic one.*

#### Reading Material 2






The Evolution of a Leader -  
Steve Jobs

<http://bit.ly/35ATO8I>

### 1.1.2 Traits of an Effective Leader

The traits of an effective leader or the distinguishing qualities that differentiate a successful leader can be identified according to Yukl G. (2013) in his description of the “Trait Approaches” to leadership. Among one of the early theories on Leadership, the earlier Traits Approach studies individual leaders and assumes that the traits are markers of that personality. Recent studies are linking clusters of personality traits to successful leaders in different situations. The traits that are associated with effective leadership include:



		
<p><b>Physical Traits</b></p>	<p><b>Personality Traits</b></p>	<p><b>Social Traits</b></p>
<p>Physical traits include <b>extraordinary abilities</b> such as <b>tireless energy, drive and appearances.</b></p>	<p>The personality traits refer to <b>self-confidence, assertiveness, adaptability, intuitive and uncanny foresight.</b></p>	<p>Leaders who have <b>irresistible persuasive powers, charisma and capability to motivate naturally attract followers.</b></p>

One famous Charismatic CEO is Oprah Winfrey. She is a mogul in the entertainment industry. From the host of The Oprah Winfrey Show, which was the highest rated talk show of in history, she is currently the Chairman and Chief Executive Officer of Harpo Productions. Winfrey is also the Chairman, Chief Executive Officer and Chief Operating Officer of the Oprah Winfrey Network (an American television channel). She has, for instance, the ability to inspire others toward higher levels of performance and to instil deep levels of commitment, trust, and satisfaction.

Each of the above core trait recently identified by Locke and his associates traces a significant part of its existence to life experiences. Thus, a person is not born with self-confidence. It goes without saying that none of these ingredients are acquired overnight.

### Other Indicators to Assess Effective Leadership

Different indicators have used to research and assess effective leadership including performance, follower satisfaction, improved group processes and even the career success of the personality being studied. In context of organisational processes, the following are common approaches to assess leadership:

1. Trait Approach (already discussed in 1.1.2)
2. Behaviour approach
3. Power-influence Approach
4. Situational approach
5. Integrative Approach

### Behaviour Approach



The assumption is that successful leaders show a pattern of behaviour / style when trying to influence people. It examines how managers operate and spend their time and the typical pattern of activities, responsibilities, and functions for managerial jobs as well as investigates how managers cope with demands, constraints, and role conflicts in their jobs.

Research at Ashridge Management College focuses on four different management styles / behaviour:

- **Tells (Autocratic):** The manager makes all the decisions and issues instructions which must be obeyed without question
- **Sells (Persuasive):** The manager still makes all the decisions but believes that team members must be motivated to accept them to carry them out properly
- **Consults (Participative):** The manager confers with the team and considers their views, although he still retains the final say
- **Joins (Democratic):** The manager and the team members make the decision together based on consensus.

### Power Influence Approach

It examines influence processes between leaders and other people by explaining leadership effectiveness in terms of the amount and type of power possessed by a leader and how power is exercised. Power is viewed as important for influencing subordinates, and for influencing peers, superiors, and people outside the organisation – e.g. clients and suppliers.

 <p><b>Authoritarian / Autocratic Leaders</b></p> <p><b>Donald Trump</b> <i>President of the United States</i></p> <p>This leader takes command and makes decisions independently, (no team involvement).</p>	 <p><b>Democratic / Participative Leaders</b></p> <p><b>Indra Nooyi</b> <i>Former CEO of PepsiCo.</i></p> <p>This leader gets in as part of the team and works together. While they remain in charge and hold decision making power, the process is far more collaborative and cooperative.</p>	 <p><b>Delegative / Laissez-Faire Leaders</b></p> <p><b>Warren Buffett</b> <i>CEO of Berkshire Hathaway</i></p> <p>The leader is the most 'hands off' from the leader's perspective. Delegates most of the project and completely trusts his team and allows them to manage the job, does not micromanage.</p>
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### Situational Approach

It emphasises the importance of contextual factors that influences leadership processes major situational variables i.e. characteristics of followers, the nature of the work performed by the leader's unit, the type of organisation, and the nature of the external environment.



All works well if the three elements line up against one another: a strict boss, telling passive subordinates to get on with their repetitive tasks. However, once there is a mismatch somewhere, things go wrong. For example, an authoritarian manager in charge of talented, intelligent, well-qualified people who are told to carry out dull repetitive tasks will not work well. In the short-term, the leader must attempt to adjust his or her style, but a permanent solution needs more than that, and will certainly involve job redesign.

### Integrative Approach

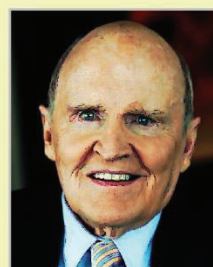
Integrative leadership is an emerging leadership approach that fosters collective action across many types of boundaries to achieve the common good. It brings together leadership concepts and practice rooted in five major sectors of society – business, government, non-profits, media, and community.

The 'integrated psychological' leadership approach is a relatively very recent development in thinking on effective leadership. The terminology 'integrated psychological' in relation to leadership was firmly established, if not originated, by leadership author, James Scouller.

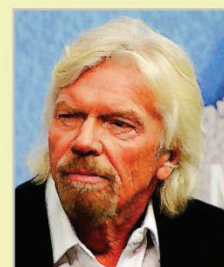
Self-mastery, according to Scouller, is the key to a person's leadership presence, to his attitude toward others, and flexibility.

“ The business greats—people like **Jack Welch** and **Richard Branson** – all display self-mastery on a daily basis. They have **focus, motivation, and the passion** to constantly seek to **move themselves and their enterprises forward**. Their success and fame can't be chalked up to luck or coincidence – because their ongoing fortune is a consistent effect of their self-mastery.”

*Fast Company; an American business magazine article's  
The Self-Mastery Secrets of CEOs*



Jack Welch



Richard Branson

**Leadership and Management**

**Robert Blake and Jane Mouton (Blake and Mouton’s Managerial Grid)** carried out research into managerial behaviour and observed two basic dimensions of leadership which are as follows:

**Concern for People**

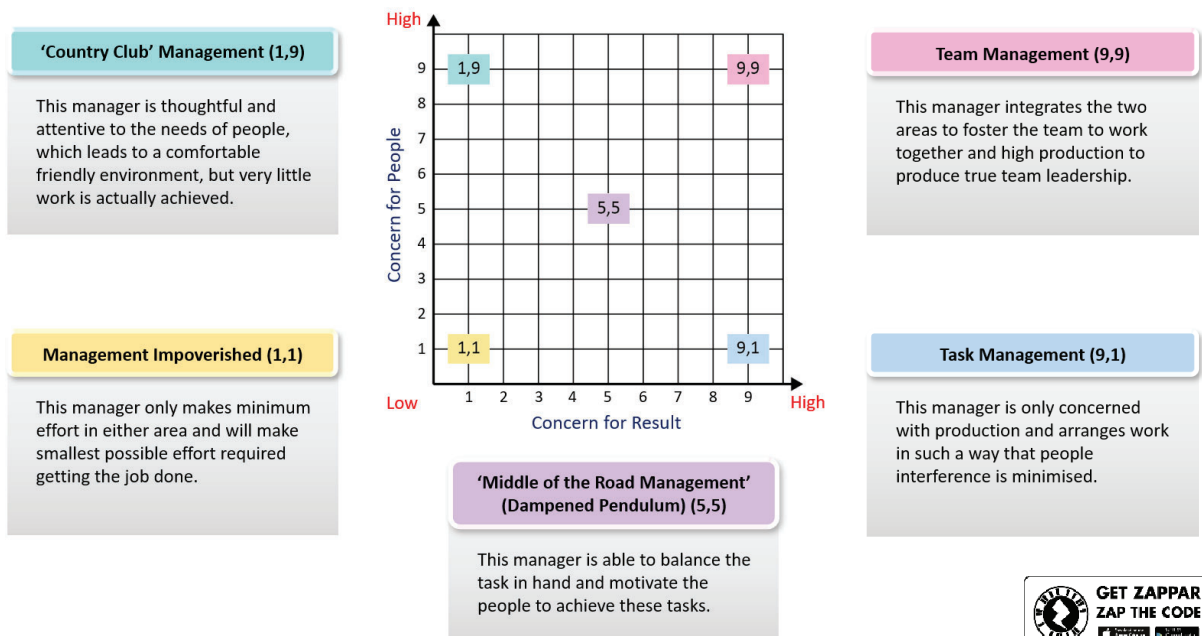
A leader considers team members' needs, interests and areas of personal development when deciding how best to accomplish a task

**Concern for Results**

A leader emphasises concrete objectives, organisational efficiency and high productivity when deciding how best to accomplish a task.

Based on the results of staff questionnaires, managers can then be plotted on Blake and Mouton’s grid – the grid plots a manager’s degree of task-centeredness against his person-centeredness, and identifies five different combinations of the two, and the leadership styles they produce.

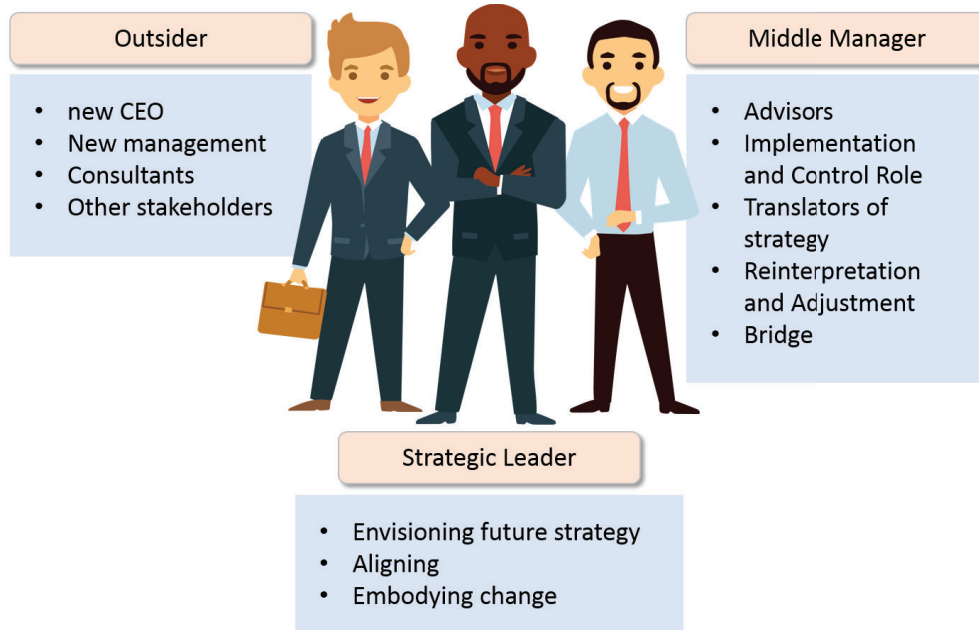
**Leadership Styles and Contexts: Blake and Mouton Models**



No one leadership style is best for all situations, but it is useful to understand what the natural approach is, so one can develop skills that may be missing. It is unwise to neglect either tasks or people. Equally, a compromise between the two approaches will likely result in only an average team performance, because it neither meet peoples’ needs nor inspires excellent performance.

### 1.1.3 Leadership Roles in Change Management

When it comes to managing strategic change, there is too often an overemphasis on individuals at the top of an organisation. A change agent is the individual or group that helps effect strategic change in an organisation. For e.g., the creator of a strategy may, or may not, be the change agent. It could be that a middle manager is a change agent in a context; or perhaps consultants, working together with managers from within the organisation.



#### 1. Leaders/Strategic Leaders

A leader is not necessarily someone at the top, but rather someone who is able to have influence in their organisation.

##### Roles of a Leader:

- **Envisioning future strategy** by communicating a clear vision of the future and the strategy to internal and external stakeholders.
- **Aligning** the organisation to deliver the strategy, build relationships of trust and ensure that people are committed to the strategy and empowered to deliver it.
- **Embodying change** is being a symbol and role model for the organisation.



## 2. Middle Managers

A top-down approach to managing strategy and strategic change sees middle managers as implementers of strategy and they have multiple roles in relation to the management of strategy:

- Advisors to senior management on what are likely to be blockages for change
- Implementation and Control Role by making sure that resources are allocated and controlled appropriately, monitoring performance and behaviour of staff and, where necessary, explaining the strategy to those reporting to them
- ‘Sense making’ or translators of strategy by ensuring the strategy translates into specific context
- Reinterpretation and Adjustment of strategic responses as events unfold internally and externally, for e.g., in terms of relationships with customers, suppliers, the workforce – as middle managers are uniquely qualified because they are in day-to-day contact with such aspects of the organisation and its environment
- Relevance bridge between top management and members of the organisation at lower levels and translate change initiatives into a message that is locally relevant.

## 3. Outsiders

Whilst managers in the organisation have important roles to play, ‘outsiders’ can be important:

- A **new CEO** from outside the organisation may be introduced into a business to enhance the capability for change; especially in a turnaround situation
- **New management** from outside the organisation can also increase the diversity of ideas, help break down cultural barriers to change and increase the experience of and capability for change, however, they require support from the organisation
- **Consultants** are often used to help formulate strategy or to plan the change process
- **Other stakeholders** may be key influencers of change – government, investors, customers, suppliers and business analysts all have the potential to act as change agents on organisations.


### Transactional VS Transformational Leadership

Although Transactional and Transformational leadership are complete opposites in their roles in managing.

**Transformational and transactional leadership** are polar opposites when it comes to the underlying theories of management and motivation.



#### Reading Material 3



Examples of transformational leadership: John D. Rockefeller  
<http://bit.ly/30dpzSz>

#### Evaluation:

Which approach – Transactional or Transformational Leadership; is more effective?

When it comes to determining which leadership style is the best leadership style, there is no end to the different theories and suggestions on how to lead others. The truth of the matter is, no matter how fervently certain individuals believe in their preferred style of leadership, there is no one right way to lead others.

While experienced leaders may have found success with a specific type of leadership style — whether it be transformational or transactional leadership — sometimes different situations and different team members require different approaches to leadership. This is why it is so important to understand the different types of leadership out there and how they compare to other leadership styles.

- The optimal approach might seem to be to balance the two, but the effectiveness of the balance depends on both the characteristics of the department and the nature of the task to be performed. An experienced department involved in a complex task might find a head who emphasised people to be most effective for that situation, whilst a relatively unskilled department performing a routine task might find a head who emphasised the task to be most effective for that situation.

## Change Management

Change management is a structured approach for ensuring that changes are thoroughly and smoothly implemented, and the lasting benefits of change are achieved. The focus is on the wider impacts of change, particularly on people and how they, as individuals and teams, move from the current situation to the new one. The change could range from a simple process change, to a major change in policy or strategy if the organisation is to achieve its potential.

### Three Levels of Change Management

#### I. Individual Change Management

Individual change management requires understanding how people experience change and what they need to change successfully. It requires knowing what will help people make a successful transition: what messages do people need to hear when and from whom, when the optimal time to teach someone a new skill is, how to coach people to demonstrate new behaviours, and how to retain the changes.

After years of studying how individuals experience is influenced in times of change, Prosci developed the ADKAR® Model for individual change – one of the most widely used change models in the world. ADKAR® is a research-based, individual change model that represents the five milestones an individual must achieve to change successfully:

- A** Awareness of the need for change
- D** Desire to support the change
- K** Knowledge of how to change
- A** Ability to demonstrate new skills and behaviours
- R** Reinforcement to make the change stick

#### II. Organisational / Initiative Change Management

Change occurs at the individual level; it is often impossible for a project team to manage changes of each person. This level provides the steps and actions to take at the project level to support the individuals impacted by a project.

A customised plan is created to ensure that the impacted employees receive sufficient awareness, leadership, coaching, and training to change successfully.

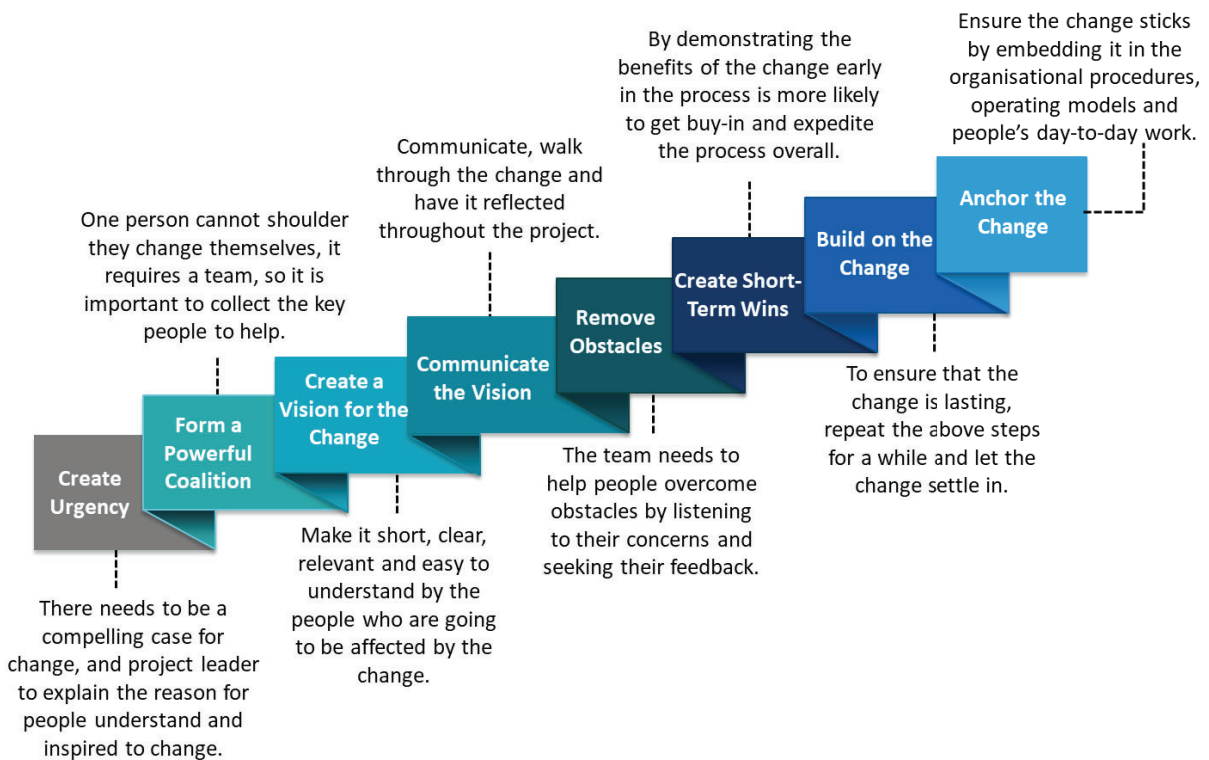
#### III. Enterprise Change Management Capability

This is an organisational core competency that provides competitive differentiation and the ability to effectively adapt to the ever-changing world by being embedded into the organisation's roles, structures, processes, projects and leadership competencies.

**Change Management Styles in Leadership**

Faced with stiffer competition and dizzying technological advances, companies often must change course to stay competitive. However, most change initiatives backfire as many managers take a one-size-fits-all approach to change. They assume they can combat resistance, a notorious obstacle, by involving employees in the design of the initiative. But that works only when employees have the information they need to provide useful input. Also, managers often do not tailor the speed of their change strategy to the situation. For instance, they may apply a go-slow approach even when an impending crisis calls for rapid change.

John Kotter, a professor of leadership at the Harvard Business School, came up with an **8-Step Process for Leading Change**:



**Four Reasons for Change Resistance:**

John Kotter and Leonard Schlesinger identified four reasons for change resistance:

**a. Self-interest**

Some employees are more concerned about the consequences of change for themselves; thus, focusing on their own interests instead on those of the organisation.

**b. Misunderstanding**

This occurs due to miscommunication and incorrect or inadequate information furnished by the organisation.







**c. Low Tolerance**

Employees are accustomed to working in certain ways for years and have developed a comfort zone, and therefore find it hard to change for the unknown.









**d. Different Assessments of the Situation**

Different individuals view factors differently, and therefore have different standpoints of the situation.

The Six Change Approaches by Kotter and Schlesinger can minimise resistance.

When to apply? IF..	Approaches	How to apply?
Employees lack information on the implications of change	 <b>Education and Communication</b>	Communicate the desired changes and its reasons
Change initiators lack sufficient information to design changes.	 <b>Participation and Involvement</b>	Involve potential resisters in designing and implementing the change
People are resisting out of fear that they cannot adapt.	 <b>Facilitation and Support</b>	Provide skills training and emotional support
Utilised only if other methods of overcoming resistance to change prove ineffective	 <b>Manipulation and Co-optation</b>	Bringing specific individuals into roles that are part of change management
Individuals who have considerable power to resist are at a disadvantage due to the change	 <b>Negotiation and Bargaining</b>	Offer incentives for making the change.
<ul style="list-style-type: none"> <li>• Fast change is required.</li> <li>• Change initiators have considerable power.</li> </ul>	 <b>Coercion – Explicit and Implicit</b>	Threaten loss of jobs or promotion opportunities; fire or transfer those who cannot or will not change

Advantages and Disadvantages of Six Changes Approaches

 <b>Advantages</b>	<b>Approaches</b>	<b>Disadvantages</b> 
Once persuaded, people often help implement the change.	 <b>Education and Communication</b>	Time consuming if a lot of people are involved.
People feel more committed to making the change.	 <b>Participation and Involvement</b>	Time consuming. Employees may design inappropriate changes.
No other approach works as well when involving problems of adapting.	 <b>Facilitation and Support</b>	<ul style="list-style-type: none"> <li>• Can be time consuming and expensive.</li> <li>• May still fail.</li> </ul>
People may respond to change with the use of selective information.	 <b>Manipulation and Co-optation</b>	May be viewed as unethical (as it is coercing people to change).
Relatively easy way to defuse major resistance.	 <b>Negotiation and Bargaining</b>	Can be expensive. Expose managers to the possibility of blackmail.
Works quickly. Can overcome any kind of resistance	 <b>Coercion – Explicit and Implicit</b>	Can spark intense resentment toward change initiators



**Check understanding**

**Topic 1.1: Role of Effective Leadership and Key Leadership Traits**

**Learning Outcome** (ACCA Study Guide Area A, Topic A1a):

**A1a: Explain** the role of effective leadership and **identify** the key leadership traits effective in the successful formulation and implementation of strategy and change management.

**Question:**

Why is change management important?

**Answer:**

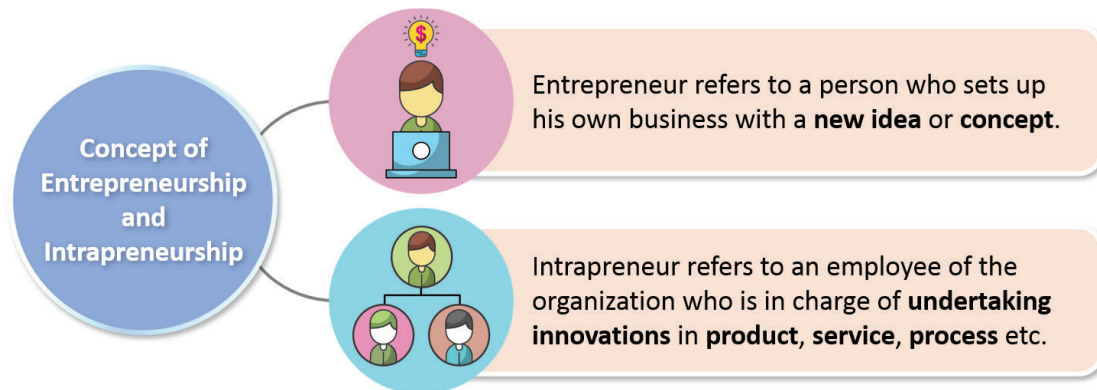
Ensuring that changes are thoroughly and smoothly implemented and the lasting benefits of change are achieved.

## 1.2 Concepts of Entrepreneurship and 'Intrapreneurship'

### Learning Outcome (ACCA Study Guide Area A)

**A1b: Apply** the concepts of entrepreneurship and 'intrapreneurship' to exploit strategic opportunities and to innovate successfully. <sup>[3]</sup>

Diagram 1.2: Concepts of entrepreneurship and 'intrapreneurship'



### 1.2.1 Concept of Entrepreneurship

#### What is Entrepreneurship?

The capacity and willingness to develop, organise and manage a business venture along with any of its risks to make a profit. The most obvious example of entrepreneurship is the starting of new businesses. Entrepreneurial spirit is characterised by innovation and risk-taking.

Nurturing entrepreneurship can have a positive impact on an economy and a society – entrepreneurs create new business. They invent goods and services, resulting in employment, and often create a ripple effect, resulting in more development. For e.g., after a few IT companies began in India in the 1990s, businesses in associated industries, like call-centre operations and hardware providers, began to develop too, offering support services and products.

Entrepreneurs also create social change – investing in community projects and help charities and other non-profit organisations, supporting causes beyond their own. Bill Gates, for example, has used his considerable wealth for education and public health initiatives.

**Activity: What are the qualities of a successful entrepreneur?**

#### Reading Material 4



Becoming an Entrepreneur:  
Judi Sheppard Missett, Jerry  
Greenfield and Ben Cohen  
<http://bit.ly/2LF0DA3>

## 1.2.2 Concept of 'Intrapreneurship'

### What is Intrapreneurship?

An 'intrapreneur' is an inside entrepreneur, or an entrepreneur within a large firm, who uses entrepreneurial skills without incurring the risks associated with those activities. 'Intrapreneurs' are usually employees within a company who are assigned to work on a special idea or project, and they are instructed to develop the project like an entrepreneur would. 'Intrapreneurs' usually have the resources and capabilities of the firm at their disposal.

**Activity: What are the benefits of being an 'intrapreneur'?**

### 'Intrapreneurship' Leading to Entrepreneurship

'Intrapreneurship' is a step toward entrepreneurship because 'Intrapreneurs' use their creativity for enhancing existing goods and services and filling greater needs in the marketplace. Utilising these skills within the safety of a company lets the 'Intrapreneurs' test theories and determine which methods are most effective for solving problems and may later decide to create his own company and reap the benefits of his hard work rather than letting another organisation profit from his ideas.

#### Reading Material 5 & 6



Intrapreneurs: Google & 3M

<http://bit.ly/2LFx6Xd>



Intrapreneurs: Ebay

<http://bit.ly/2Ypf9xk>

### How to Cultivate Intrapreneurship in an Organisation?

- It is a people-centric bottom-up approach to developing radical innovations in-house
- It pays off many times over in terms of company growth, culture and talent
- It finds and recognises 'Intrapreneurs', rather than creating them
- They know the rules and break them effectively
- They require different management style

#### Reading Material 7








Five Insights into  
Intrapreneurship

<http://bit.ly/2vR3n2E>



**Comparison between Entrepreneurs and ‘Intrapreneurs’**

SIMILARITIES
<ul style="list-style-type: none"> <li> <b>Leadership:</b>                      One of the most important characteristics of successful entrepreneurs and ‘Intrapreneurs’ is strong leadership skills. A key part of success is being able to get others on board by motivating them to achieve a shared goal.                 </li> <li> <b>Intelligence and vision:</b>                      Intelligence can mean having the right skill sets and tools to complete a project, while vision refers to recognising trends and capitalising on emerging opportunities. Successful entrepreneurs and ‘Intrapreneurs’ are able to balance passion and innovation with business acumen.                 </li> <li> <b>Adaptability:</b>                      Both entrepreneurs and ‘Intrapreneurs’ are able to shift direction quickly when problems and challenges arise. Making decisions to <i>“navigate out of trouble and allow to thrive in environments that would sink those that are not adaptable”</i> is what makes these professionals stand out.                 </li> </ul>

Entrepreneur	Differences	Intrapreneur
Person who set up his own business with a new idea or concept	 <b>Definition</b>	Employee of the organisation in charge of undertaking innovations in product, service, process etc
Intuitive	 <b>Approach</b>	Reactive
Uses his own	 <b>Resources</b>	Provided by the company
Newly established	 <b>Enterprise</b>	Part of an existing organisation
Independent	 <b>Dependency</b>	Dependent
Borne by self	 <b>Risk and uncertainties</b>	Undertaken by the company
find other resources	 <b>Problem-solving</b>	within the boundaries of organisational structure
Creating a leading position in the market	 <b>Motivation</b>	Change and renew organisational system and culture – innovation, creativity and productivity.



## Check understanding

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### Topic 1.2: Concepts of Entrepreneurship and 'Intrapreneurship'

**Learning Outcome** (ACCA Study Guide Area A, Topic A1b):

**A1b: Apply** the concepts of entrepreneurship and 'intrapreneurship' to exploit strategic opportunities and to innovate successfully.

#### Question:

What are the qualities of a successful entrepreneur?

#### Answer:

- **Risk-taker**  
Successful entrepreneurs tend to take risk when they see a lucrative opportunity behind it.
- **Ambitious**  
Successful entrepreneurs have strong ambition to success and constantly seeking opportunity to grow their business.
- **Passion**  
Successful entrepreneurs are passionate and driven about their business
- **Flexibility**  
Successful entrepreneurs tend to make fast decision and quick adapt to challenges and changes in business environment

### 1.3 Organisation Governance and Leadership Qualities

#### Learning Outcome (ACCA Study Guide Area A)

**A1c: Apply** the context of organisation governance and leadership qualities, the key ethical and professional values underpinning governance. <sup>[3]</sup>

Diagram 1.3: Key Ethical and Professional Values Underpinning Governance



#### 1.3.1 Context of Organisational Governance

Governance is an all-embracing process, fundamental to all the activities of an. Good governance is based upon a strong set of values. The processes of governance can vary; the systems will remain constant. A failure to recognise that governance is an over-arching concept, which must be applied at all levels of an organisation, will result in the organisation being vulnerable to internal and external risks.

Governing an organisation effectively will ensure, wherever possible, that problems are prevented. It will engender a feeling of organisational and individual self-confidence and inform codes of behaviour and practice. However, governance is not a steady state but adaptive, responding where necessary to the changing circumstances of the environment.

### Illustrations:

Examples of failures in governance span the private (Enron, WorldCom) and public sectors. The Bristol Royal Infirmary Inquiry (set up in 1998 to investigate the deaths of 29 babies undergoing heart surgery at the Bristol Royal infirmary in the late 1980s and early 1990s) and, the Shipman Inquiry (British governmental investigation into the activities of general practitioner and serial killer Harold Shipman convicted of 15 murders, the inquiry established that he probably committed 250 in total, though the true number could be even more), have had, and will have in the future, a significant impact on the governance of health care delivery.

In recent years, the National Health Service (NHS) has experienced a significant rise in the levels of bureaucracy. Many causes can be identified, for example, policy initiatives, access targets and health authority performance management.

### 1.3.2 Key Ethical and Professional Value

Therefore, the principles of governance to promote ethics and professional values are:

- Clear lines of responsibility and open accountability
- A programme of improvement in systems and processes
- Objective, focused audit
- Change driven by data and evidence
- Commitment to implementing and maintaining standards
- Ongoing education and training of staff
- High-quality risk management and assurance processes



#### Check understanding

#### Topic 1.3: Organisation Governance and Leadership Qualities

**Learning Outcome** (ACCA Study Guide Area A, Topic A1c):

**A1c: Apply** in the context of organisation governance and leadership qualities, the key ethical and professional values underpinning governance.

#### Question:

What is the relationship between organisation leaders with corporate governance?

#### Answer:

It is key responsibility of leaders to role model high ethical standards for the organisation and set an appropriate 'tone from the top'. When organisation leaders are making business decision, they should demonstrate high corporate governance in safeguarding shareholders best interest.

1.4 Chapter 1 Summary

