**Training Fiche**

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| **Title** | Leading and Managing Rural Micro Enterprises Through Digital Change |
| **Keywords** | Rural micro enterprises, Digital transformation, Change Management, Leadership Styles |
| **Language** | English |
| **Objective and Goals**  |
| * That participants be equipped with a clear understanding of approaches to leading rural microenterprises
* That participants appreciate the need for planning and structure in implementing digital change in a rural micro enterprise
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| **Learning Outcomes** |
| At the end of this training participants will:* Be able to identify and value the features of effective leadership in rural micro enterprises
* Understand the challenges and contradictions of leading rural micro enterprises
* Recognize different leadership styles and Identify their own leadership style
* Recognize the value and Potential role of Change Management
* Understand and apply different models of Change Management
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| **Contents arranged in 3 levels** |
| **Unit 1 Leadership for Rural Micro Enterprises*** 1. **Effective Leadership in Rural Micro Enterprises**

Effective leadership is as necessary for rural micro enterprises as it is for large global multi-national corporations. Often what looks like the natural logic of decision making in small micro enterprises masks the need for thoughtful planning in developing an effective approach to leadership in rural micro enterprises. Rural microenterprises range in size from one to nine employees, often with a strong family business profile likely with strong local community and other connections. These can represent complications and be challenging to manage. What does ‘Leading yourself’ look like? How do you establish and ensure respect for roles and boundaries in the enterprise where family and close community relationships may overlap? While there are no simple answers understanding the challenges of rural micro enterprise leadership is a starting point. **1.2 Challenges and Solutions**Some of the main challenges to successful leadership in rural micro enterprises with recommendations to meet them are described below. **Lack of Reward or Recognition:**Rural micro enterprises with few or no management layers are sometimes called "flat" organizations with limited opportunity for reward through promotion. Deeper consideration of intrinsic motivation, recognition of good job performance, offering more flexible working conditions, or greater responsibility can help fill the reward vacuam. Understanding that staff career progression may be necessary outside of the organization and that skill development and good performance can be part motivated by this is something the empathetic leader should not deny. **Understanding Leadership role boundaries:**Rural micro enterprises have typically blurred leadership roles where getting the job done day to day means leaders typically work side by side with employees or managers with the potential that Leadership can be diluted or undervalued. Good communication is essential to ensure that employees both clearly understand their own role and respect the responsibilities of the Leader. Understanding the difference between Manager and Leader is vital. Put very simply, leadership involves setting direction vision and change, aligning people and motivation. Management involves planning, organisation, control and problem solving. **Making tough decisions:**Rural micro enterprise leadership involves making tough decisions where the pressure of failure often has more immediate consequences. Close bonds can make it tough to be dispassionate about job performance or decision making with adverse personal consequences. Don’t shy away from structured appraisals, feedback and transparent and agreed goal setting. Transparency, fairness and honest communication go a long way in managing unpalatable decisions. **Awareness of Stress and Workload:**Rural micro enterprises, most especially new start-ups often come with extreme pressures to work/life balance that are simply unsustainable in the long run. Recognizing the long term detrimental personal and business consequences of leadership stress and overwork then moving to pre-empt it is an essential but often neglected feature of Micro- Enterprise Leadership. **Recognizing that new skills may be needed and managing staff changes:** The successful rural micro enterprise will typically expand in size and need new staff. Finding the best moment for this is a delicate balancing act where decisions can only be made on the basis of informed objective research and data. In a very small organisation staff change and contraction/expansion can potentially affect the balance and harmony of the organisation. An effective leader is aware of changing dynamics. Clearly defined job specifications and organised structured mentor support can make transition less challenging for everyone. **Unit 2 Leadership Styles for Rural Micro-enterprises****2.1. What are Leadership Styles? What is your Leadership Style?**Leadership Styles are broad descriptors *of*how a leader behaves while directing, motivating, guiding and managing staff. Making the time to reflect on one’s own general leadership style and consideration of the pros and cons of possible change is a useful activity for any rural micro enterprise leader. Kurt Lewin as early as 1939 identified three main types of Leadership; Authoritarian, (Autocratic) Participative (Democratic) Leadership and Delegative (Laissez-Faire) leadership which have remained in popular use for almost a century. For the rural micro enterprise leader they have much to offer when developing a leadership style. Authoritarian, (Autocratic) Increasingly outdated it consists of a leader striving for full control over business operations with very limited input from others. Tight supervision of task completion is usual and motivation and creativity in the workforce is largely stifled. While strong leadership is desirable particularly in micro enterprises with considerable automation of process and often times group decision making is just not feasible. This style of leadership isn’t recommended for the rural micro-enterprise where creativity, staff motivation and retention are highly valued. **Delegative** (Laissez-Faire) At the opposite end of the leadership spectrum this leader is very much hands off with considerable trust placed in the employee to remain self-motivated and on task. The Delegative Leader assigns tasks and general directions but is uninvolved in execution. In a highly skilled, professional service rural micro enterprise this leadership style is perhaps most effective. **Participative (Democratic) Leadership** In this leadership environment staff feel engaged and valued in the decision making process but the leader retains final say. It represents something of a middle ground leadership. Disadvantages in rural micro enterprises can include muddled decision making boundaries if roles within the group are unclear. Overall an empowered staff with a sense of ownership of goals and targets in a united team working together makes this style of leadership very popular for the rural micro enterprise. **Unit 3 Managing Digital Change in Rural Micro Enterprises** **3.1 Digital Change cannot be avoided.**Armed with an understanding of the fundamentals of rural micro enterprise leadership, how might this knowledge be best put into the service of managing digital change in the rural micro enterprise? As access to broadband is increasingly the norm in rural europe, engagement in digital entrepreneurship is an unavoidable requirement for even the most traditional of rural businesses. It’s reasonable to suggest that the pandemic in many ways has changed rural enterprise, work and consumer norms in ways previously unexpected till sometime in the 2030’s. The high levels of adaptation of new technology, work processes, and marketing required for the rural micro enterprise to meet this new reality is often threatening and uncomfortable for leadership and staff. Such changes must be consciously managed and in fact managing change is the primary purpose of Leadership. It is a planned structured business process to (in this case) realise the potential of your business through digitalization. * 1. **Change Management is complex and difficult.**

Change Management involves a lot of moving parts. It is about formalised structured planning (with often times changing variables), not reaction to circumstances. It is largely concerned with people management and as such has a significant psychological dimension. For these reasons and more Change Management is proven to be very difficult*.* In 2000, Harvard Business Review found that 66% of change initiatives fail to achieve their desired business outcomes (Harvard Business Review, 2000).In the typical pressurized rural micro enterprise, orders to be filled and clients to be retained will always take precedence. Where is the space here for carefully managing change as against scrambling to react to it? A starting point is an acknowledgement that Change Management is a conscious longer-term process where implemented successfully runs parallel to day-to-day priorities. It is not something for a moment in the life cycle of the rural micro enterprise. Managing Change requires honest, unemotional logic-based choices which as mentioned is perhaps more difficult in rural micro-enterprises with typical familial and community ties. * 1. ***Managing Digital Change Tools***

There are a number of valuable tools to help build a road map of Change Management which are readily available and accessible. They have been extensively employed by enterprises big and small, urban and rural in recent decades to plan the change process. Some of the more popular include:* **Smart Goals developed by George Doran, Arthur Miller and James Cunningham in 1981,**
* **Kotter’s Eight Stages of Change Management 1995/2011**
* **Heifetz and Laurie’s Six Stages of Adaptive Change 1997/2011**

All hold the common features of Vision, Realism Stages, staff empowerment, Momentum and Reward. Examples of their success are readily available online. All can be scaled in complexity according to rural micro-enterprise need. **4. Conclusion**Effective Leadership is as necessary for rural Micro Enterprises as for any other business type but is often neglected in the pressure of day-to-day operations. There are many challenges to leadership in the rural micro structure which can be anticipated and prepared for. These need not all require heavy cost or time resources to implement. Awareness of broad leadership styles will help to consciously develop an individual style most suited to the business. There are pros and cons to all and the business model is a big consideration. Change Management is the most important function of Leadership. It can be very challenging for the rural micro enterprise and requires a considered structured plan to be successful. |
| **Self-evaluation (5 multiple choice queries and answers)** |
| **1. What type of leadership roles do rural microenterprises typically have?**a) Rural micro enterprises typically have distinct leadership roles**b) Rural micro enterprises typically have blurred leadership roles**c) Rural micro enterprises typically don’t have any leadersd) Rural micro enterprises typically have numerous leaders**2. ‘Flat organisations’ are organisations which have:**a) Multiple layers of management with many opportunities for promotion **b) Limited layers of Management with few opportunities for promotion**c) No futured) Flat profit projections**3. What sentence best describes the function of leadership?****a) Leadership involves setting direction vision and change, aligning people and motivation.**b) Leadership involves planning, organisation, control and problem solving. c) Leadership involves making all decisionsd) Leadership involves enabling staff to make the most important decisions. **4. What is the most popular style of rural micro enterprise leadership?**a) Authoritarian b) Delegative**c) Participative**d) Strategic**5. How many stages are there in Kotters xxxx Stages of Change Management?**a) Seven **b) Eight** c) Nined) Ten |
| **Define the EQF (EU Qualification Framework) level of our training (3-5)** |
| Level 3**X** Level 4Level 5 |
| **Cross-reference: DigComp 2.2 + EntreComp** |
| ☐ **Information and data literacy**☒ **Communication and collaboration**☐ **Information and data literacy**☒ **Communication and collaboration**☒ **Digital content creation****Competence(s):*** Collaborating through digital technologies
* Spotting Opportunites
 | ☒ **Ideas & opportunities**☐ **Resources**☒ **Ideas & opportunities**☒ **Resources**☒ **Into action****Competence(s):*** Vision
* Valuing Ideas
* Mobilising Others
* Planning and Management
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| **Glossary (max 5 terms)** | **Flat organisational structure:** is an organisational model with limited or sometimes no levels of management between the Leadership and the employees. Its ambition is to have as little hierarchy as possible.**Change Management:** is a collective term for all approaches to prepare, support, and help individuals, teams, and organizations in making organizational change**Intrinsic Motivation:** is motivation provided by personal satisfaction or enjoyment instead of external considerations such as reward or fear of punishment. **Leadership styles:** are categorisations of how a Leader behaves while directing, motivating, guiding, and managing groups of people or staff. |
| **Resources (videos, reference link)** | **John Kotter’s Change Management**<https://www.youtube.com/watch?v=1QWiMkXyTP4> |
| **Provided By** | Irish Rural Link |
| **Bibliography**  | Kotter, J. P. Leading Change. **Boston: Harvard Business School Press, 1996**https://online.hbs.edu/blog/post/change-management-process<https://www.projectmanagement.ie/blog/leadership-styles/#:~:text=The%20research%20of%20leadership%20styles,more%20modern%20and%20broader%20approaches>.<https://www.forbes.com/sites/forbesbusinesscouncil/2023/10/06/four-tips-for-leaders-who-want-to-make-the-most-out-of-smart-goals/?sh=6ac630655e9b>  |
| **Related PPT** | MICRO 2 WP3 Leading and Managing Rural Micro Enterprises Through Digital Change - IRL - EN version.pptx |
| **Related Materials** | N/A |

For bibliography when section is widened

Heifetz and Laurie (1997/2011) The Work of Leadership. Harvard Business Review: Harvard