

Handbook on
General Management
for
Public Managers



Knowledge | Technology | People

Handbook on General Management *for* Public Managers

About CGG

The Centre for Good Governance (CGG) was established by the Government of Andhra Pradesh (GoAP) in October 2001 to help it achieve the goal of 'Transforming Governance'. CGG supports the design and implementation of GoAP's Governance Reform Programme. CGG undertakes action research, renders professional advice to, and conducts Change Management and Management Development Programmes for Government Departments and public agencies to help them implement their reform agenda successfully.

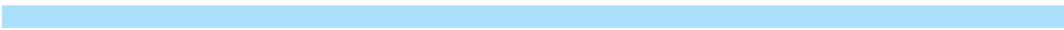
Acknowledgements

This handbook was prepared by Mr. M. Sivaramakrishna, Director and Dr. Sharma S Mantha, Project Coordinator, Management Development Resource Group in collaboration with Mr. K. Narendranath, Associate Professor, Department of Business Management, Osmania University, Hyderabad.

The team worked under the overall supervision of Dr. P.K. Mohanty, Director General & Executive Director, CGG.




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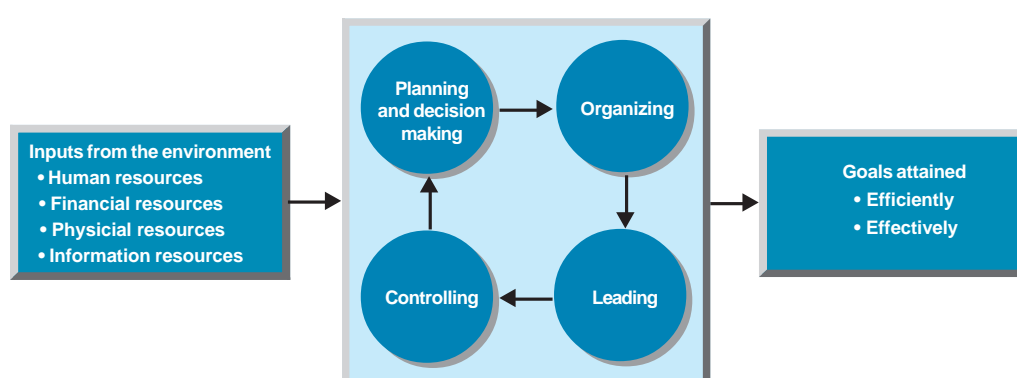
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I Management Function

Management is a set of goal-directed, interrelated and interdependent activities, aimed at accomplishing organizational goals in an efficient and effective manner. Managers are the people looking beyond themselves and exercising formal authority over the activities and performance of other people in pursuit of organizational goals. Managerial activities consist of what is known to be the functions of management: planning, organizing, directing, and controlling.

“When it is obvious that the goals cannot be reached, don’t adjust the goals, adjust the action steps.”

- Confucius



Planning is devising a systematic approach for attaining the goals of the organization. It involves formulating an organization’s goals and selecting an appropriate course of action from a set of alternatives to accomplish them. It prepares the organization for future courses of action.

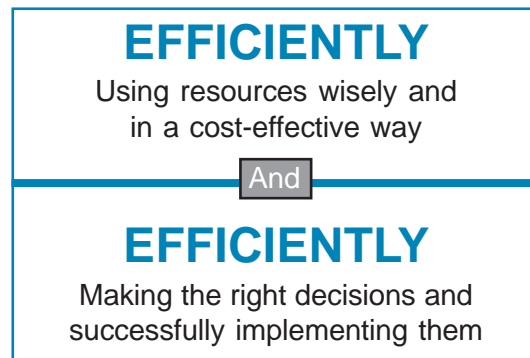
Organizing is determining how activities and resources are grouped and the composition of work groups and the way in which work and activities are to be coordinated. It involves creating organizational structure, establishing relationships, and allocating resources to accomplish the goals of the organization.

Leading is guiding, leading and overseeing of employees to achieve organizational goals. It involves motivating and communicating with the organization’s human resources to ensure goals that are to be attained.

Controlling is establishing smart - specific, measurable, attainable, rewarding and timely - performance standards and comparing results and expectations to make the appropriate changes.

Efficiency Vs Effectiveness

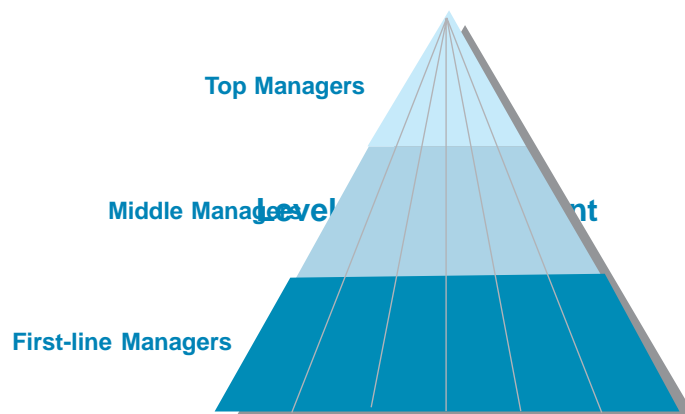
Efficiency is doing the things right and effectiveness doing the right things. Efficiency places emphasis on the processes, while effectiveness focuses on the outcomes. Efficiency is using minimal resources to produce the maximum results.



On the other hand, the degree to which goals are achieved is the key concern of effectiveness. In other words, effectiveness is making the right decisions and successfully implementing them. A manager is expected to be both efficient and effective in getting not only right things but also the right way to attain organizational goals.

Levels of Management

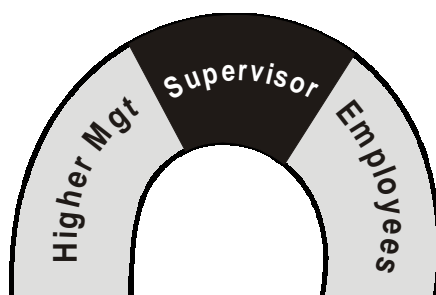
The extent to which managers perform the functions of management - planning, organizing, directing and controlling - varies by level in the management hierarchy. The primary function of top managers is strategic and long-range planning. Top management manages the organization's overall goals, strategy, and operating policies and is responsible for the entire organization.



Middle managers are responsible for sections or departments and supervise and coordinate the activities of lower-level managers. They are responsible for implementing the policies and plans of top managers. First line Managers are directly responsible for day-to-day operations and supervise and coordinate the activities of operating employees.

Keith Davis considers the supervisor to be the keystone of an organization. The keystone supervisor is the vital link between management levels and management and employees and the operations of each department to the rest of the organization. Without the keystone, the arch of the organization breaks down.

The Keystone



This perspective underlines the critical importance of developing people at all levels. The keystone is an essential part because it takes the pressure of both sides, exerts pressure of its own and uses them to strengthen the overall arch. The employees look up to the supervisor for the satisfaction of their needs. By his or her efforts toward productivity and efficiency, the supervisor helps make the company successful, which preserves and creates jobs. By interpreting policies and giving instructions and information and through normal, everyday contact with employees, the supervisor serves as the point of contact with the management.

Managerial Roles

In order to perform the functions of management, managers play multiple roles - informational, interpersonal and decisional.

The Informational roles that managers play are: monitors, disseminators and spokespersons that link all managerial work together. The informational roles facilitate the effectively sent and received information in the organization.

Key Managerial Roles

Informational

- Monitor
- Disseminator
- Spokesperson

Interpersonal

- Figurehead
- Leader
- Liaison

Decisional

- Entrepreneur
- Disturbance handler
- Resource allocator
- Negotiator

Interpersonal roles involve managers as figureheads, leaders and liaison channels that ensure relationships with other individuals both inside and outside the organization.

Decisional roles are the managerial roles of entrepreneur, disturbance handler, resource allocator and negotiator that make significant use of information to make important decisions.

Managerial Skills

“Good management is the art of making problems so interesting and their solutions so constructive that everyone wants to get to work and deal with them.”

- Paul Hawken

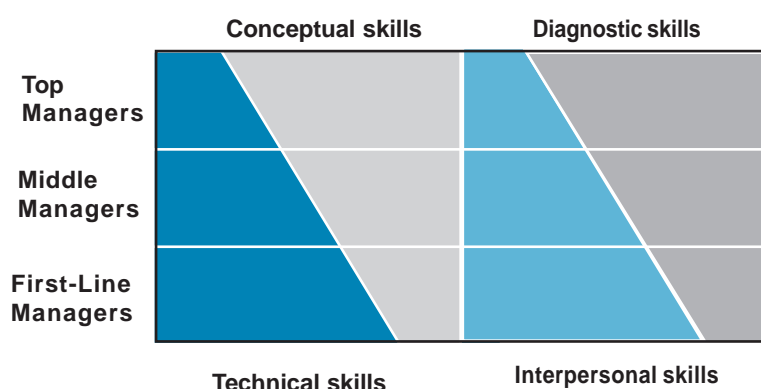
Robert Katz identifies three managerial skills that are indispensable for managers to manage the organization successfully, namely technical, interpersonal and conceptual.

Technical skills are skills necessary to accomplish or understand the specific kind of work being done in an organization. Interpersonal skills are the ability to communicate with, understand and motivate both individuals and groups. Conceptual skills are the capacity to think in the abstract and to see the organization as a complete unit and to integrate and give direction to its diverse activities so that objectives are achieved.

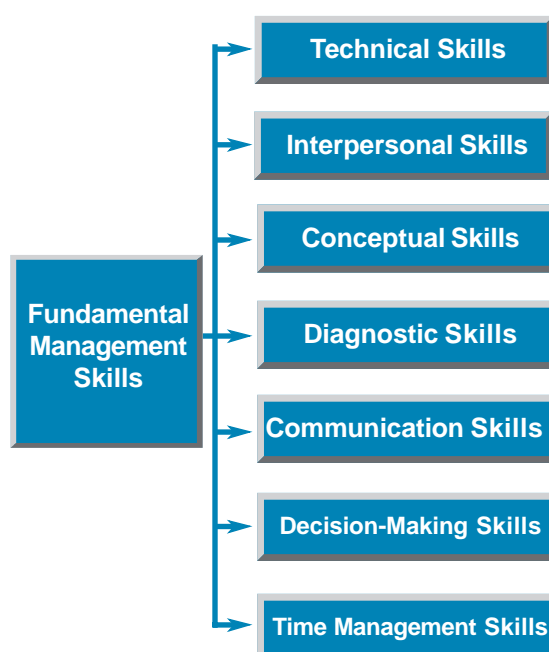
The relative importance of technical interpersonal and conceptual skills varies with the level of management. Top level managers require more of conceptual skills to have a holistic perspective of the organization which comes handy in strategic planning and decision-making. On the other hand, Supervisors' technical skills help to manage the specialist functions of their departments. All levels of management require interpersonal skills in order to interact and communicate with other people successfully. This is evident from the following diagram.



• Management Skill Mixes at Different Organization Levels



As Griffin points out, apart from the above three, there are also other skills equally important for a manager to effectively perform the management function. They are diagnostic, communication, decision-making and time management skills.



Diagnostic skills are the ability of a manager to diagnose the problems and visualize the most appropriate response to a situation. Communication skills are the ability both to convey ideas and information effectively to others and to receive ideas and information effectively from others. Decision-making skills are the ability to recognize and define problems and opportunities correctly and then to select an appropriate course of action to solve the problems and

capitalize on opportunities. Time-management skills are the abilities to prioritize work, to work efficiently, and to delegate appropriately.

Management Styles

Management styles are of three types: people-oriented, things-oriented and idea-oriented. People-oriented managers tend to be more team-oriented. They are most comfortable when they are teaching, coaching, helping, communicating, advising, persuading, motivating, entertaining, guiding, leading, selling and inspiring.

Things-oriented managers tend to have more process-oriented management styles. They are most comfortable with physical dexterity - building, constructing, modeling, remodeling, manufacturing, refinishing, restoring and working with tools or instruments.

Idea-oriented managers tend to have more innovation-oriented management styles. They are most comfortable working with ideas, information and data in activities such as: compiling, researching, computing, accounting, working with statistics, computer programming, drawing, painting, problem - solving, analyzing, classifying, keeping records, evaluating, appraising, planning, imagining, inventing, creating and gathering information through observation.

Managers tend to be most comfortable when they are surrounded by people they understand. This usually means they appreciate people more like themselves. So if a people-oriented person works for an idea-oriented person, they may both have to stretch themselves in order to have a compatible and highly productive working relationship. The people-oriented person may have to produce more reports, charts or graphics, supply more information or spend more time explaining the “how” and “why” of what they are doing.



Popular Management Styles

Management by Consensus (MBC)

Managers construct systems to allow for the individual input of employees.

Management by Decision Models (MBDM)

Decisions are based on projections generated by artificially constructed situations.

Management by Exception (MBE)

Managers delegate as much responsibility and activity as possible to those below them, stepping in only when absolutely necessary.

Management by Interaction (MBI)

Emphasizes communication and balance of male/female energy as well as integration of all human aspects (mental, emotional, physical and spiritual), creating an empowered, high-energy, high-productive workforce.

Management by Objectives (MBO)

The organization sets overall objectives, then managers set objectives for each employee.

Management by Organizational Development (MBOD)

Managers constantly seek to improve employee relations and communications.

Management by Performance (MBP)

Managers seek quality levels of performance through motivation.

Management by Walking Around (MBWA)

Managers walk around the company, getting a 'feel' for people and operations; stopping to talk and to listen.

II Evolution of Management

Although the practice of management can be traced back to thousands years, it acquired a scientific status only at the end of the nineteenth century. From that time onwards there have been developing independent schools of management, though focusing their attention on different aspects of managerial activities. The different schools that have contributed to the development of management science are:

- Classical School
- Bureaucracy School
- Human Relations School
- Systems School
- Contingency School

However, all schools of management concern themselves with the study of functions of management.

Classical Theory

The Classical Theory takes a microscopic view of tasks and tries to increase efficiency. Articulated by its most influential advocate Fredric W. Taylor who is known as Father of Scientific Management and who coined the phrase “time is money”, the Classical Theory describes the production-oriented area of management, dedicated to improving efficiency, cutting waste, and improving quality. The classical theory assumes that:

- Work is distasteful
- What you do is not important, it is how much money you make
- People don't want creative work

It underlines the importance of developing performance standards on the

Pathfinders...

Peter F. Drucker. If there is a father of 20th century management, it is Peter Drucker, born in 1909. While Drucker prefers to be known as a writer, both practicing managers and business journalists throughout the world regard him as the management guru. He remains the doyen of modern management theory, not so much because he can lay claim to being the founder of any particular concept but because he has demonstrated the rare ability to apply common sense to the analysis of management challenges.

Source : American Management Association



basis of systematic observations and experimentation. To increase efficiency, Taylor advocated:

- Use of science, particularly time and motion studies
- Standardization of work practices
- Methods reduce waste and increase productivity
- Time and task study of workers' efforts to maximize productivity
- Systematic selection and training of workers to increase efficiency
- Differential pay incentives based on established work standards
- Systematic selection and training of workers to increase efficiency
- Differential pay incentives based on established work standards

The Classical Theory was further advanced by Frank Gilbreth, Lillian Gilbreth and Henry L. Gantt. The Gilbreths defined time and motion study methods for use in work simplification. He developed the Gantt chart for work-scheduling of projects. The Gilbreths defined motion study as dividing work into the most fundamental elements possible, studying those elements separately and in relation to one another; and from these studied elements, when timed, building methods of least waste. The Gilbreths drew symbols on operator charts to represent various elements of a task such as search, select, grasp, transport, hold, delay, and others. They called these graphical symbols “therbligs” (Gilbreths spelled backwards).

Henry L. Gantt fine-tuned production control and cost control techniques. He developed Gantt charts in the second decade of the 20th century. Gantt charts were used as a visual tool to show scheduled and actual progress of projects. Accepted as a commonplace project management tool today, it was an innovation of world-wide importance in the 1920s. Gantt charts were used on large construction projects like the Hoover Dam and the Interstate Highway Network.

Basic Gantt Chart

PROJECT	2000			2001									RESP
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
ENGINEERING													ENGINEERING
Site Survey													Marwell Engineering
Draft Survey Results													Marwell Engineering
GMBH Review													Lost Creek Point Mgmt
Survey RPT (Final)													Electrical Contractor
GMBH RFV Approval													Lost Creek Point Mgmt
System Design													Marwell Engineering
HMBC Review													Electrical Contractor
Bid and Award													Marwell Engineering
Construction Support													Marwell Engineering
CONSTRUCTION													CONSTRUCTION
Buy Cable Conduit													Electrical Contractor
Install Cable													Electrical Contractor
Procure Hardware													A & J Security
Install Hardware													A & J Security
Deliver Console													A & J Security
Load Data													Lost Creek Point Mgmt
Configure Software													A & J Security

Taylor claimed it was humanistic in that it made people wealthy. It also left many people out-of-work people and contributed to the growth of unionization.

Bureaucracy Theory

Developed by Max Weber (1864-1920), the school considers bureaucracy as the most logical and rational structure and suits large organizations with routine and predictable tasks. Bureaucracies are founded on legal or rational authority which is based on law, procedures, rules, and so on. Positional authority of a superior over a subordinate stems from legal authority. Efficiency in bureaucracies arises from:

- Hierarchy
- Division of labour
- Centralized decision making
- Relatively closed system
- Codified rules
- Authority

The Bureaucratic theory believes the resulting outcomes of the efficiency are:

- Strict subordination
- Discipline Precision and speed
- Impersonal relations
- Lack of ambiguity in Communication initiated by supervisor/no horizontal communication



The criticisms against the Bureaucratic Theory are:

- It makes employees timid and rigid (“not my job” attitude)
- Rules are slow to change
- Formal organizational chart is often circumvented
- Employees rise to a level of incompetence

Administrative Theory

A highly task-oriented rather than people-oriented, the Classical School supposes that “there is one best way to manage”. Advocated by Henri Fayol, the Classical School is dictated by a set of universal bureaucratic and scientific management principles to be applied in all situations. Perhaps best known for five elements of what managers do:

- Plan
- Organize
- Command
- Coordinate
- Control

It places emphasis on efficiency and includes bureaucratic, scientific and administrative management. Bureaucratic management relies on a rational set of structuring guidelines, such as rules and procedures, hierarchy, and a clear division of labour. Fayol laid down the following principles of organization which he called them principles of management:

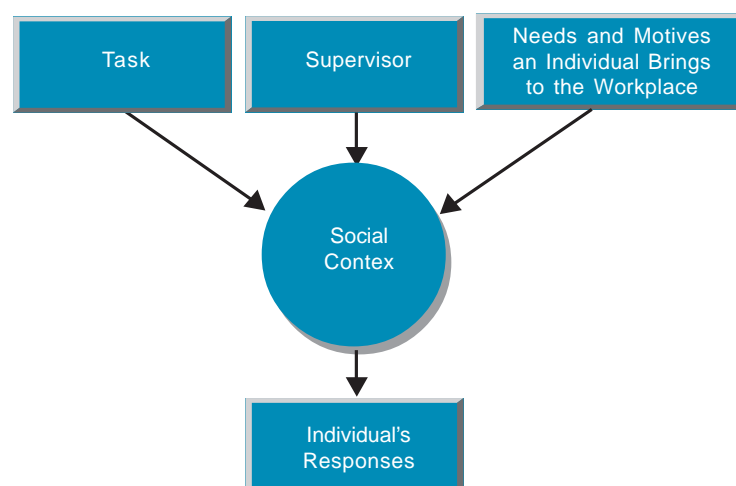
1. Specialization of labour: Specializing encourages continuous improvement in skills and the development of improvements in methods.
2. Authority: The right to give orders and the power to exact obedience.
3. Discipline: No slacking, bending of rules.
4. Unity of command: Each employee has one and only one boss.
5. Unity of direction: A single mind generates a single plan and all play their part in that plan.
6. Subordination of Individual Interests: When at work, only work things should be pursued or thought about.

7. Remuneration: Employees receive fair payment for services, not what the company can get away with.
8. Centralization: Consolidation of management functions. Decisions are made from the top.
9. Scalar Chain (Line of authority): Formal chain of command running from top to bottom of the organization.
10. Order: All materials and personnel have a prescribed place, and they must remain there.
11. Equity: Equality of treatment (but not necessarily identical treatment)
12. Personnel Tenure: Limited turnover of personnel. Lifetime employment for good workers.
13. Initiative: Thinking out a plan and do what it takes to make it happen.
14. Esprit de corps: Harmony, cohesion among personnel.

Even though similar to bureaucratic theory, the Administrative Theory is even more prescriptive.

Human Relations School

A people-oriented rather than task-oriented, Behavioural or Human Relations School came forth in the 1920s. It has also been referred to as the neoclassical school because it was initially a reaction to the deficiencies of the classical approaches to management.



The human relations movement began with the Hawthorne Studies which were conducted by Elton Mayo from 1924 to 1933 at the Hawthorne Plant of the Western Electric Company in Cicero, Illinois. The principal finding of the study was that irrespective of the experimental manipulation employed, the production of the workers seemed to increase.

The principal findings of Hawthorne studies:

- The aptitudes of individuals are imperfect predictors of job performance. Although they give some indication of the physical and mental potential of the individual, the amount produced is strongly influenced by social factors.
- Informal organization affects productivity. The Hawthorne researchers discovered a group life among the workers.

Pathfinders...

Elton Mayo. The Australian researcher (1880-1949) is best known for his contribution to the Hawthorne experiments in motivation. The studies offered important insights-for example, changes in working conditions led to increased output, even if the changes weren't obviously for the betterment of working conditions. Mayo's work redressed the bias in management thinking, offering an alternative to the scientific management thinking of Frederick Taylor.

Source : American Management Association

- The studies also showed that the relations that supervisors develop with workers tend to influence the manner in which the workers carry out directives.
- Work-group norms affect productivity. The Hawthorne researchers were not the first to recognize that work groups tend to arrive at norms of what is "a fair day's work," however, they provided the best systematic description and interpretation of this phenomenon.
 - The workplace is a social system. The Hawthorne researchers came to view the workplace as a social system made up of interdependent parts.

The Human Relations Approach had another of its advocate in Chester Irving Barnard (1886–1961). He was a telecommunications executive and author of *Functions of the Executive*. According to Barnard, efficiency of an organization is the degree to which that organization is able to satisfy the motives of the individuals. If an organization satisfies the motives of its participants, and attains its explicit goals, cooperation among them will last. To improve efficiency, he regards it is important to:

- establish and maintain the system of communication
- secure the essential services from individuals
- formulate the organizational purpose and objectives

He gives great importance to persuasion, much more than to economic incentives.

Systems School

A “system” is defined as “an organized, unitary whole composed of two or more interdependent parts (subsystems) where the whole contains identifiable boundaries from its environment (suprasystem).” Systems must be viewed as a whole; changes in one part of the system affect the other parts. A system can be said to consist of four things. The first is objects – the parts, elements, or variables within the system. These may be physical or abstract or both, depending on the nature of the system. Second, a system consists of attributes – the qualities or properties of the system and its objects. Third, a system had internal relationships among its objects. Fourth, systems exist in an environment. A system, then, is a set of things that affect one another within an environment and form a larger pattern that is different from any of the parts. The fundamental systems-interactive paradigm of organizational analysis features the continual stages of input, throughput (processing) and output, which demonstrate the concept of openness/closedness. A closed system does not interact with its environment. It does not take in information and therefore is likely to atrophy, that is to vanish. An open system receives information, which it uses to interact dynamically with its environment. Openness increases its likelihood to survive and prosper.

Much of systems theory resembles the scientific method: hypothesize, design a controlled experiment, collect data and analyze data. The purpose is to maintain the use of science in management to obtain “real time” results that can be used instantaneously to affect control in the organization (some have even accused systems theory of being “science in management” rather than a “science of management”). The goal is to maintain your attention on the whole at all costs. For managers, this means:

- Define the company as a system
- Establish system objectives
- Identify wider systems
- Create formal subsystems
- Integrate the subsystems with the whole system



Contingency School

The Contingency Theory also holds that there is no one and universally applicable approach to management and decision-making. An optimal organization is dependent upon various internal and external factors imposed by the situation. Successful organizations have a proper 'fit' not only with the environment but also the between the various departments with the organization. These factors include:

- Size of the organization
- Adaptability of the organization to the environmental changes
- Differences among resources and operations
- Interpersonal relations between managers and employees
- Strategic planning
- Technologies

Contingency Theory is similar to the System Theory in that it too supposes there is no one correct way of doing things. But, the Contingency Theory takes broader perspective. It takes into consideration the situational factors but the contingency factors are also to be wielding influence on the effectiveness of management.

III Planning Process

"A goal without a plan
is just a wish."

- Larry Elder

Planning determine the type of organization needed, the leadership required and the control to be exercised to steer the organization as productively as possible towards its goals. Planning ensures that businesses keep abreast of technology, ensures cohesion interdependence of functional management) and promotes stability. It obviates crisis management by enabling future-oriented management to anticipate threats in the environment. The organizing, staffing, leading and controlling functions originate from the planning function. Errors in decision-making, therefore, tend to be cumulative. The manager is ready to organize and staff only after goals and plans to accomplish are prepared. The planning process includes the formulation of the organizational goals, strategies approaches and tactical policies.



Vision

A vision is a statement that describes the ideal state an organization wants to reach. It invigorates and induces the employees to strive toward that ideal. Generally, vision is a concise descriptive phrase or slogan, easily understandable to everyone. In short, it describes the 'kind of an organization we want to become'

Sample Vision Statements

Ford Motor Company

To become the world's leading consumer company for automotive products and services.

General Motors

To market vehicles developed and manufactured in the US that are world leaders in quality, cost and customer satisfaction through the integration of



people, technology and business systems and to transfer knowledge, technology and experience throughout General Motors

Eastman Kodak

To be the world's best in chemicals and electronic imaging.

Oracle Corporation

We believe that our customers get more from their information by using Oracle's software and services and applying these principles. Many have already improved their ability to use information and IT as strategic assets and are now able to share data and processes, measure results for continuous improvement, align stakeholders, and communicate a single truth to all their constituents.

Infosys Technologies Limited

To be a globally respected corporation that provides best-of-breed business solutions, leveraging technology, delivered by best-in-class people.

Polaris Software Labs

To build future leaders through continuous learning, creativity, excellence and mutual respect and reaching new horizons with our creative energies ensuring customer delight and social fusion.

Mission

A mission statement describes the *raison d'être* or rationale of the organization. It is a concise description of what the organization was formed to perform and provides the premises on which the organizational design and direction are built.

Sample Mission Statements

Boston Consulting Group

BCG aims to help the world's best organizations make decisive improvements in their direction and performance by sparking breakthrough ideas for clients, the business world, and society at large.

Ford Motor Company

We are a global family with a proud heritage passionately committed to providing personal mobility for people around the world. We anticipate consumer need and deliver outstanding products and services that improve people's lives.

McDonald's

To offer the fast food customer food prepared in the same high quality manner world-wide, tasty and reasonably priced delivered in a consistent, low-key décor and friendly atmosphere.

Wal-mart

To offer all of the fine customers in our territories all of their household needs in a manner in which they continue to think of us fondly.

American Red Cross Mission

The mission is to improve the quality of human life; to enhance self-reliance and concern for others; and to help people avoid, prepare for, and cope with emergencies.

Vizag Steel (Rashtriya Ispat Nigam Ltd)

To attain 10 million ton liquid steel capacity through technological up-gradation, operational efficiency and expansion; to produce steel at international standards of cost and quality; and to meet the aspirations of the stakeholders

Infosys Technologies Limited

To achieve our objectives in an environment of fairness, honesty, and courtesy towards our clients, employees, vendors and society at large.

Wipro Technologies Limited

With utmost respect to human values, we promise to serve our customers with integrity through innovative, value for money solutions, by applying thought day after day.

Goals

Goals state clearly the measurable and specific results to be accomplished by the organization and the timeframe to attain them. Goals are expected to be SMART: Specific, Measurable, Attainable, Rewarding, and Timely. Clearly stated, objectives help in monitoring the day to day activities and ensure the activities are progressing in the right direction.

Sample Goals

ADVOCACY: Advocate for public policy that supports our mission.

AFFILIATION/MANAGED CARE: Position the organisation within the emerging health care networks.

ALUMNI SERVICE: Increase our effectiveness as a service based association that meets the diverse needs of alumni.



ASSOCIATION FUNDING: Develop financial independence for the association.

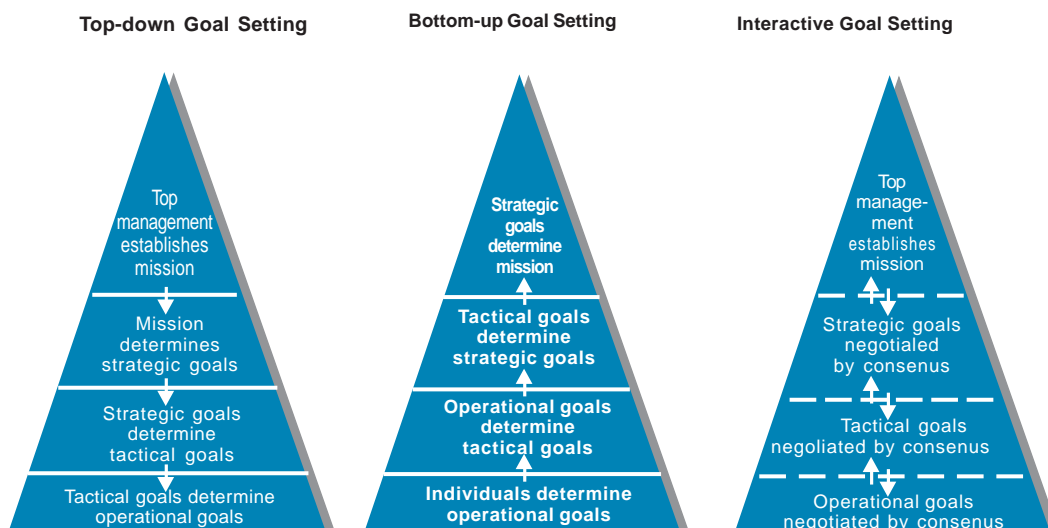
AWARENESS/IMAGE: To increase the awareness of the association among key constituencies.

Pathfinders...

Chester Barnard. Barnard's best-known book *The Functions of the Executive* may be dated in writing style but his thinking is very much contemporary. Both guru and businessman, ultimately serving as president of New Jersey Bell, Barnard (1886-1961) believed that the responsibility of a CEO was to nurture the goals of the organization.

Source : American Management Association

Different Goal Setting Processes in Organizations



Strategies

A strategy is an approach to identify the major outcomes around which the organization allocated its resources and prioritizes its efforts. It is in the form of strategic, tactical and operational plans by following which an organization strives to accomplish the objectives.

Pathfinders...

Gary Hamel. In the early 1990s, Hamel, with mentor C. K. Prahalad, challenged the thinking about the strategic planning process, when he said, "separating the sh_ from the shinola, the hype from the reality and the timeless from the transient." Born in 1954, Hamel and Prahalad argued that organizations shouldn't talk about strategy or planning but rather should talk of strategizing. They need to ask, "What are the fundamental preconditions for developing complex, variegated, robust strategies?"

Source : American Management Association

Policies

Policies are the guidelines that are in line with the strategies. They are derived from a consensus of the organization leadership and serve to identify what behaviours and attitudes are important to be built into the fabric of the day-to-day operation of the organization. The policies are only useful and effective when employees see them in action, applied to everyone, day in and day out.

Benefits of Planning

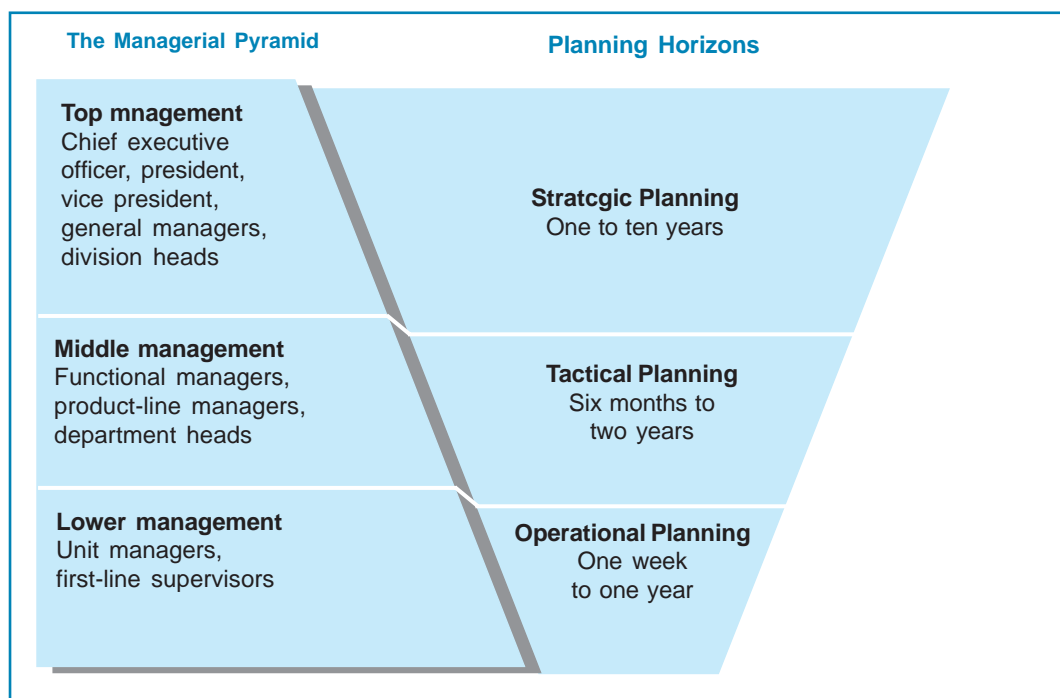
Planning provides a means for actively involving personnel from all areas of the business enterprise in the management of the organization. Company-wide participation improves the quality of the plans. Employee involvement enhances their overall understanding of the organization's objectives and goals. The employees' knowledge of the broad plan and awareness of the expected outcomes for their responsibility centers minimizes friction between departments, sections and individuals. Involvement in planning fosters a greater personal commitment to the plan and to the organization. These positive attitudes improve overall organizational morale and loyalty.

Managerial performance also benefits from planning. Planning focuses the energies and activities of managers in the utilization of scarce resources in a competitive and demanding marketplace. Being able to clearly identify goals and objectives, managers perform better, become more productive, and their operations are more profitable. In addition, planning is a mental exercise from which managers attain experience and knowledge. It prepares them for the rigors of the marketplace by forcing them to think in a future- and contingency-oriented manner.

Types of Plans

Organizations place a great deal of emphasis on planning to build critical capabilities and achieve employee alignment with crucial elements of planning. Effective planning is essential at all levels of organizations to identify opportunities and avoiding problems. It sets the direction for the other functions of management and for teamwork. Planning horizon is a key differentiation between strategic, tactical, and operational planning.





Strategic Plans: A strategic plan is a general plan outlining resource allocation, priorities, and action steps to achieve strategic goals. These plans are highly structured and are set by and for top management. For strategic plans to be effective, it is essential to develop clear results-oriented objectives stated in measurable terms, identify activities required to accomplish the objectives, assign specific responsibilities to the appropriate personnel, estimate times to accomplish activities and their appropriate sequencing, determine resources required to accomplish the activities and communicate and coordinate the above elements and complete the action plan.

Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat.

- Sun Tzu c. 490 BC,

Tactical Plans: Tactical planning turns strategy into reality. They are aimed at achieving the tactical goals set by and for middle management. Tactical planning deals primarily with the implementation phase of the planning process and has a 1-2 year time horizon. It is usually tightly integrated with the annual budget process. The elements of tactical planning include Project plans, Project budgets, Project reviews, Monthly reports and Annual reports. Preparation of project planning requires consideration of many issues as existing environment, user needs, available expertise, alternative solutions, budget constraints and time-schedules.



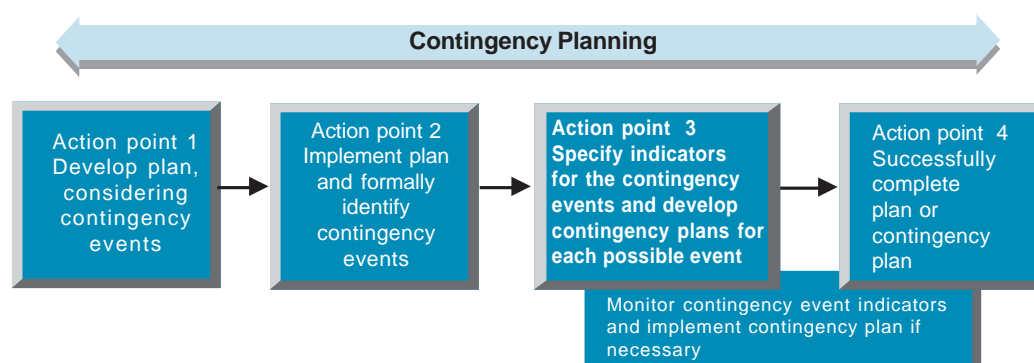
Operational Plans: Operational Plans have a short-term focus and are set by and for lower-level managers. Generally, they deal with the day-to-day and week-to-week work routine. The structure of operational planning is closely related to organizational structure. In a traditional hierarchical organization, team leaders usually assemble with a senior manager on a regular basis to share information. Additional periodic meetings are often required to coordinate efforts with other units in a process-oriented organization, teams are more ad-hoc in nature, so a mechanism must be put in place to insure communication.

Types of Operational Plans

Plan	Description
Single-use plan	Developed to carry out a course of action not likely to be repeated in the future
Program	Single-use plan for a large set of activities
Project	Single-use plan of less scope and complexity than a program
Standing Plan	Developed for activities that recur regularly over a period of time
Policy	Standing Plan specifying the organization's general response to a designated problem or situation
Standard operating procedure	Standing plan outlining steps to be followed in particular circumstances
Rules and regulations	Standing plans describing exactly how specific activities are to be carried out

Contingency Plans: Contingency plans are come into play when the intended play is unexpectedly disrupted or realized to be inappropriate. These plans help managers cope with uncertainty and change.





In addition to differentiation by planning horizon, plans are often classified by the function they provide. All functional plans emanate from the strategic plan and define themselves in the tactical plans. Examples of functional plans are:

1. Financial Plan: for meeting the financing needs and providing for capital expenditures.
2. Personnel Plan : for organizing and training human resources.

Each functional plan is interrelated and interdependent. For example, the financial plan deals with moneys resulting from production and sales. Well-trained and efficient personnel meet production schedules. Motivated salespersons successfully market products.

Steps in the Planning Process

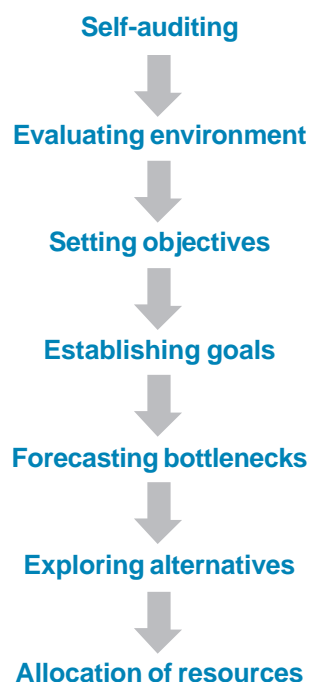
The planning process is directly related to organizational considerations, management style, maturity of the organization and employee professionalism. These factors vary among industries and even among similar companies. Yet the management, when applying a scientific method to planning, performs similar steps. The time spent on each step will

Pathfinders...

C. K. Prahalad. His contributions to strategic thinking have been widely acknowledged. In September 1993, The Wall Street Journal's Special Report on Management Education named him one of the top ten teachers in the world. Business Week called him one of the most influential thinkers on corporate strategy today. Prahalad's work is concerned with the ability of large organizations to maintain competitive vitality when faced with international competition and changing business environments.

Source : American Management Association

The time spent on each step will vary by company. Completion of each step, however, is prerequisite to successful planning. The main steps in the planning process are :



Self-Audit: In order to create an effective overall plan, management must first know the functional qualities of the organization and what opportunities it has the ability to exploit. Management conducts a self-audit to evaluate all factors relevant to the organization's internal workings and structure. A functional audit explores such factors as: quality and service; operational strategies, productivity, use and condition of equipment and facilities; financial resources, credit facilities, investments, cash flow, debt service; and quality of employees, organizational structure, decision-making policies and procedures.

Evaluating environment: Management surveys the external and internal environmental that have a bearing on the performance of the organization. Some general areas of the external environment considered by management include: demographic changes (sex, age, absolute numbers, location, movement, ethnicity); and economic conditions (employment level, regional performance, sex, age, wage levels, spending patterns, consumer debt).

Setting objectives: The setting of objectives is a decision-making process that reflects the aims of the entire organization. Generally, it begins at the top with a clear statement of the organization's purpose. If well communicated and clearly defined throughout the company, this statement becomes the basis for short-range objectives in the annual budget.



Establishing goals: Management articulates the overall goals to and throughout the organization in order to coordinate all business activities efficiently and effectively. It does this by: formulating and distributing a clear, concise statement of the central purpose of the organization; leading in the formulation of long-range organizational goals; coordinating the activities of each department and division in developing derivative objectives; ensuring that each subdivision participates in the budget process; directing the establishment of short-term objectives through constructing the annual budget; and evaluating actual results on the basis of the plans.

Forecasting bottlenecks: Forecasting methods and levels of sophistication vary greatly. Each portends to assess future events or situations that will affect either positively or negatively the organization's efforts. Forecasting involves the collection and analysis of hard data, and their interpretation by managers.

Formulating Action Plans: With the objectives and forecasts in place, management decides what actions and resources are necessary in order to bring the forecast in line with the objectives. The basic steps management plans to take in order to reach an objective are its strategies. Strategies exist at different levels in an organization and are classified according to the level at which they allocate resources.

Evaluating Proposed Plans: Management undertakes a complete review and evaluation of the proposed strategies to determine their feasibility and desirability. Some evaluations call for the application of good judgment—the use of common sense. Others use sophisticated and complex mathematical models.

Resource Allocation: Because of the financial implications inherent in the allocation of resources, management approaches the evaluation of strategic alternatives and plans using comprehensive project planning and control. Management quantifies the relevant strategies in pro forma statements that demonstrate the possible future financial impact of the various courses of action available. Some examples of pro forma statements are: budgets, income statements, balance sheets, and cash flow statements.

Controlling the plan through the annual budget

Control of the organizational entity is essentially a managerial and supervisory function. Control consists of those actions necessary to assure that the organization's resources and operations are focused on attaining established objectives, goals, and plans. Control compares actual performance to predetermined standards and takes action when necessary to correct variances from the standards. Exercised continuously, control flags potential problems so that crises may be prevented. It also standardizes the quality and quantity of output, and provides managers with objective information about employee performance.

The planning process provides for two types of control mechanisms: feed-forward, which provides a basis for control at the point of action (the decision point); and feedback, which provides a basis for measuring the effectiveness of control after implementation. Management's role is to feed-forward a futuristic vision of where the company is going and how it is to get there, and to make purposeful decisions coordinating and directing employee activities. Effective management control results from leading people by force of personality and through persuasion; providing and maintaining proper training, planning, and resources; and improving quality and results through evaluation and feedback. Effective management means goal attainment. The comparison of actual results to budget expectations becomes a formalized, routine process that:

- measures performance against predetermined objectives, plans and standards
- communicates results to appropriate personnel
- analyzes variations from the plans in order to determine the underlying causes
- corrects deficiencies and maximizes successes
- chooses and implements the most promising alternatives
- implements follow-up to appraise the effectiveness of corrective actions
- solicits and encourages feedback to improve ongoing and future operations.

Common Problems in Planning

The following are found to be some of the common problems encountered in planning:



1. **Poor definition of tasks:** Quite often, organization's performance suffers because of lack of the clarity in defining the tasks. Unless the organization is clear as to where it is heading, it will be difficult to figure out how to get there.
2. **Failure to establish policies:** Policies are guidelines which provide the framework within which the employees make choices. Failure to formulate clear-cut guidelines or policies, it is highly impossible to take appropriate and timely decisions.
3. **Failure to explore options:** Organizations tend to accept and go ahead with the first option proposed rather than explore all the alternatives. Thereby, it might limit its options and might overlook a better alternative of decision-making.
4. **Selection of wrong approach:** It is also not rare that organizations settle on a particular way or approach and thus are liable to adopting a wrong approach that might be cost-ineffective and time-inefficient.
5. **Over-extension:** Programs become over-extended by (1) trying to meet too many needs, (2) trying to meet the needs of too many people, or (3) trying to meet the needs in too broad an area.
6. **Failure to examine cause-and-effect relationships:** Failure to look ahead is often a result of inexperience. Yet by thinking through many of the program options and trying to estimate the outcome, agencies could avoid many mistakes.
7. **Failure to budget properly:** Estimating budgets for disaster operations is difficult. Not only must a budget be prepared in an inflationary environment, but the amount of funds and their date of transfer to the program are often unknown.
8. **Failure to obtain proper technical inputs:** This is often a result of failure by the agencies to expand their horizons and an attempt to oversimplify their humanitarian work. In most cases, organizations are usually not aware of all the related issues or of the technical expertise that is available.

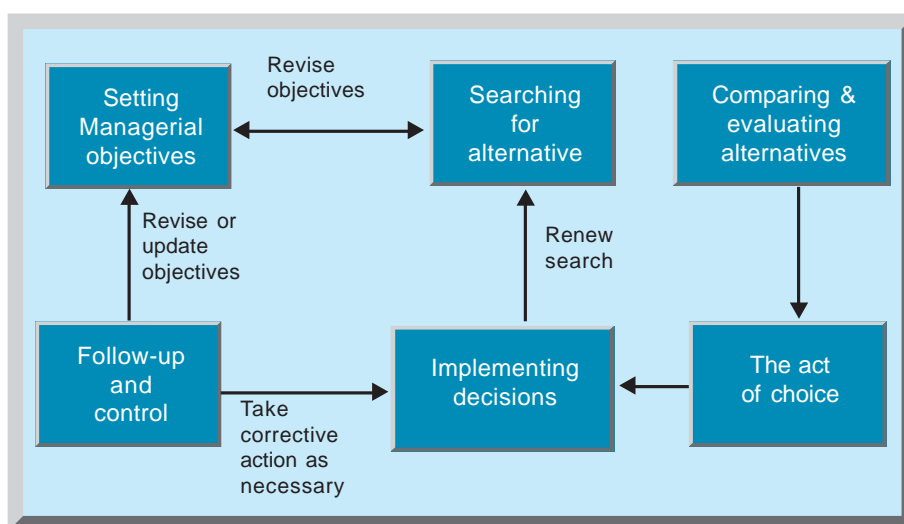
- 9. Lack of coordination :** Organizations often fail to consider the activities being planned or conducted in their project area by other organizations. This oversight may occur through simple lack of contact and communication or through a political refusal to recognize the efforts of any other organization. In either case, the end result is inappropriate program planning, which in turn, often leads to duplication of effort, projects which work at cross-purposes, and a general waste of resources.

Strategic Outcomes / Activities	
Information	Research Develop
Leadership	Change Expand Include
Technology	Develop Invest Divest
Facilities	Expand Relocate Divest Build
Organization (radical change)	Reorient Turn around Revitalize Transform
Organization (no change)	Maintain
Information	Research Develop
Leadership	Change Expand Include
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Facilities	Expand Relocate Divest Build
Organization (radical change)	Reorient Turn around Revitalize Transform
Organization (no change)	Maintain



IV Decision-making Process

Decision-making is defined as the process of choosing a course of action for dealing with a problem or opportunity. The performance or effectiveness of management is contingent upon the quality of the decision-making by the top management. The decisions made by the top management not only commit the total organization and scarce resources toward particular courses of action. The steps involved in the procession of decision-making are:



Decision-making functions are highly interrelated and interdependent and the process is highly dynamic with several sub-processes. The process can necessitate and accommodate several concurrent decisions. The process components are the decision-making functions, viz:

- **Establishing managerial objectives:** Objectives constitute the basis for rational decision-making. They set the direction for the means of managerial decision-making. Attainment of the objective is the fundamental measure of decision success.
- **Exploring alternative courses of action:** Search for alternatives may be constrained by the time and money, declining value of additional information. A manager's task is getting as many facts as possible about a decision within the limits and the ability to process them.

- **Evaluating alternatives:** Alternatives result from the search and there are usually three to five alternatives. Alternatives are evaluated using criteria derived from the objective.
- **Choosing a preferred course of action:** The choice is the culmination of the process and the best choice is likely to result from the right approach. The choice should be the alternative most likely to result in the attainment of the objective.
- **Implementing the preferred course of action:** Essentially, decision effectiveness is a function of decision quality and decision implementation.

Strategic Decision Effectiveness = f (Strategic Decision Quality)
+ f (Strategic Decision Implementation)

- Evaluating the results as a follow up: Performance is measured by observing the implemented decision in relation to its standard derived from the objective. Unacceptable variance from standard performance should elicit timely and appropriate corrective action.

Decision-making Environment

There are three decision-making environments:

- Certain environments
- Risk environments
- Uncertain environments

Certain environments exist when information is sufficient to predict the results of each alternative in advance of implementation. Certainty is the ideal problem-solving and decision-making environment.

Pathfinders...

Andrew S. Grove. Born in 1926 in Hungary, Grove came to the U.S. in 1957. In 1968, he founded Intel, with colleagues Bob Noyce and Gordon Moore. He became its COO in 1979 and CEO in 1987. In today's value-battled environment, Grove stands out for his action in 1994. Faced with a flaw in the company's flagship product, the Pentium processor, he made the tough decision to replace the chips, reinforcing Intel's quality reputation.

Source : American Management Association



Risk environments exist when decision makers lack complete certainty regarding the outcomes of various courses of action, but they can assign probabilities of occurrence. Probabilities can be assigned through objective statistical procedures or personal intuition.

Uncertain environments exist when managers have so little information that they cannot even assign probabilities to various alternatives and possible outcomes. Uncertainty forces decision makers to rely on individual and group creativity to succeed in problem solving. Uncertain environments are also characterized by rapidly changing external conditions, information technology requirements and personnel influencing problem and choice definitions. These rapid changes are also called organized anarchy.

Types of Decision-making

Herbert Simon distinguishes between two polar decisions: programmed decisions and non-programmed decisions. Decisions are programmed to the extent that they are repetitive and routine. Programmed decisions can be understood, measured and actually well-structured. There is a definite procedure for handling them so that they don't have to be treated *de novo* each time they occur. Numerous examples of programmed decisions in organizations will occur to you: determining salary payments to employees; reordering office supplies.

Poorly structured decisions, on the other hand, are more ambiguous and frequently more difficult to make. With decisions that are unique and non-routine, taking a programmed approach is usually impossible. These non-programmed decisions frequently pertain to rare and unique situations that have a potentially significant effect on the organisation. Decisions are non-programmed to the extent they are novel, unstructured and consequential. There is no cut and dried method for handling the problem because it hasn't arisen before, or because its precise nature and structure are elusive or complex, or because it is so important that it deserves a custom tailored treatment. Most of the programs that govern organizational response are not as detailed or as precise as computer programs. However, they all have the same intent: to permit an adaptive response of the system to the situation.

Techniques of Decision-making

Given the distinction between programmed and non programmed decisions, Herbert Simon prescribes different techniques used for handling them.

The four-fold table below provides a map of the techniques of decisions effective vis-à-vis programmed and non-programmed decisions. In the northern half of the map are some techniques related to programmed decision-making, in the southern half, some techniques related to non-programmed decision-making. In the western half of the map are placed the classical techniques used in decision-making - the kit of tools that has been used by managers and organizations.

TYPES OF DECISIONS	DECISION-MAKING TECHNIQUES	
	Traditional	Modern
Programmed : <ul style="list-style-type: none"> • Routine, repetitive decisions • Organization develops specific processes for handling them 	<ol style="list-style-type: none"> 1. Habit 2. Clerical routine : <ul style="list-style-type: none"> • Standard operating procedures 3. Organization structure : <ul style="list-style-type: none"> • Common expectations • A system of subgoals • Well-defined information channels 	<ol style="list-style-type: none"> 1. Operations Research : <ul style="list-style-type: none"> • Mathematical analysis • Models • Computer simulation 2. Electronic data processing
Non-programmed : <ul style="list-style-type: none"> • One-shot, ill-structured novel, policy decisions • Handled by general problem-solving processes 	<ol style="list-style-type: none"> 1. Judgement, intuition and creativity 2. Rules of thumb 3. Selection and training of executives 	Heuristic problem-solving techniques applied to : <ol style="list-style-type: none"> (a) training human decision makers (b) constructing heuristic computer programs

Decision-Making Strategies

Given that there are several solutions to a given problem, a manager's task is to choose the one that is appropriate and likely to lead to accomplishing organizational goals. The task of choosing can be as simple or as complex as the importance of the decision warrants, and the number and quality of alternatives can also be adjusted according to importance, time, resources and so on. The principal decision-making strategies are the following:



1. **Optimizing:** Optimizing implies the selection of the best possible solution to the problem, exploring as many alternatives as possible. How thoroughly optimizing can be done is contingent upon:
 - importance of the problem
 - time available for solving it
 - cost involved with alternative solutions
 - availability of resources, knowledge
 - personal psychology, values
2. **Satisficing:** The word *satisficing* is derived from *satisfactory* and *sufficient*. In this strategy, the first satisfactory alternative is chosen rather than the best alternative. For many small decisions, such as where to park, what to drink, which pen to use, which tie to wear, and so on, the satisficing strategy is perfect.
3. **Maximax:** This stands for “maximize the maximums.” This strategy focuses on evaluating and then choosing the alternatives based on their maximum possible payoff. Described as the strategy of the optimist, the favourable outcomes and high potentials are the areas of concern. It is a good strategy for use when risk taking is most acceptable, when the go-for-broke philosophy is reigning freely.
4. **Maximin:** This stands for “maximize the minimums.” In this strategy, that of the pessimist, the worst possible outcome of each decision is considered and the decision with the highest minimum is chosen. The Maximin orientation is good when the consequences of a failed decision are particularly harmful or undesirable.

Individual Vs Group Decision-Making

Since group decision-making is the product of interpersonal decision-making processes and group dynamics, an administrator must lead the group from a collection of individuals to a collaborative decision-making unit. Research is ambiguous between the relative effectiveness of individual vs. participative decision-making. The benefits of shared decision-making over individual decision-making are:

- Decision quality is better because there's more information available
- Groups provide a greater number of approaches to a problem
- Participation in the decision-making process promotes buy-in
- Group participation increases understanding of the decision
- Groups are more effective at evaluating alternatives because of the increased knowledge and viewpoints available
- Major errors tend to be avoided.

Problems in shared decision-making

One big one is groupthink. It has 8 symptoms:

- Illusion of invulnerability
- Rationalization based on past decisions
- A belief in the inherent morality of the group
- Stereotyping of opposition leaders
- Direct pressure against dissenting voices
- Self-censorship of any deviations from consensus
- Shared illusion of unanimity (assuming silence means consent)
- Appointing mind-guards that might shatter their shared complacency

Groupthink occurs primarily when

- The group is cohesive
- The group is insulated from qualified outsiders
- The leader promotes her own favoured suggestion.

Nine suggestions to avoid groupthink:

- Assign the roles of critical evaluators to all members
- Leaders should be impartial at the outset
- Set up several independent groups to look at the same problem

Pathfinders...

Henry Mintzberg. Born in 1939, Mintzberg believes that management should be less driven by discipline and rather should be organized around five mindsets: the reflective mindset, the analytic mindset, the worldly mindset, the collaborative mindset and the catalytic mindset. From this thinking, Mintzberg divides a manager's work roles into interpersonal (including leader and liaison), informational (disseminator of information, spokesman and monitor of information flow) and decisional (including entrepreneur and negotiator).

Source : American Management Association



- Divide into independent groups when feasibility and effectiveness of alternatives are being examined
- Periodically discuss the group's deliberations with trusted outsiders
- Invite qualified outside experts to each meeting
- Assign the role of devil's advocate to at least one member
- Survey warning signals from rivals and construct alternative scenarios
- Call on all members to express their doubts before making a final choice

Shared decision-making techniques

- **Brainstorming:** generate a wide variety of new ideas. Do not evaluate them or discuss alternatives, do not consider any idea outlandish, welcome large quantities of ideas, try to combine similar ideas.
- **Nominal group:** generate and evaluate ideas: post them on a flip chart and allow members to evaluate them silently, elicit one new idea from each member, discuss each idea on the flip chart in order, preliminary vote on importance of each item, analyze and discuss voting patterns, and then take a final vote and close the decision process.
- **Delphi technique:** identify a panel of experts, send the problem to each one individually, each one solves the problem, a central location compiles all these comments, each panellist receives a copy of the whole thing, each expert provides feedback on all the other comments and the last 2 steps are repeated until consensus is reached.
- **Devil's advocacy:** after a planning group has developed alternative solutions to a problem, the plan is given to one or more staff members with instructions to find fault with it.
- **Dialectical inquiry:** form two or more homogeneous but totally divergent groups to present the full range of views on the problem, have each group meet independently to identify its own assumptions and rate them, have them debate the other groups and defend their position, analyze information from all groups, and then attempt to achieve consensus among all groups. Needless to say, a full consensus does not always follow, though this is a good way to get rid of groupthink.

Shared Decision-Making

I. In most situations, group performance is higher than the average of individual performance. Because:

1. Groups have increased mental capacity
 - a. increased memory for facts
 - b. increased task-relevant expertise (each person knows a different aspect about how to do the task)
 - c. increased ideas for alternative solutions
2. Groups have increased physical capacity: division of labour possible
3. Dynamics of groups can increase performance (e.g., piggybacking of ideas, increased motivation)

II. Stages of group development

1. **Forming**: group goals, structure are established; testing of behaviours occurs
2. **Storming** : subgroups with different interests form; individuals jockey for leadership position
3. **Norming**: acceptance of own and others' roles; group is cohesive and group meetings are intense (few groups make it to this phase)
4. **Performing**: individuals are mutually supportive; group is task and goal-oriented

III. Conflict and cooperation in groups

A. Prosocial behaviour at work: benefiting others beyond the call of duty, e.g.:

1. helping others with job-related tasks; expending additional effort on the job; volunteering for extra work
2. providing emotional support for co-workers
3. representing the organization



4. helping customers (beyond job description)
5. making suggestions for improvements

B. Best to have a moderate level of conflict for optimal performance

1. Benefits

- a. brings out new ideas
- b. focuses attention on problems (groups with devil's advocate perform better)
- c. enhances group loyalty
- d. improves performance monitoring

2. Disadvantages

- a. decreased communication
- b. increased negative stereotyping
- c. shift from a participative to authoritarian style of management
- d. reduced ability to take other's perspective (reduced empathy)

C. Factors affecting level of cooperation and conflict

1. Interdependence of jobs

- a. high interdependence creates increased need for cooperation
- b. delayed or inadequate input: more conflict

2. Competition for resources, goals, rewards (win-lose situation)

3. Communication type: conflict more likely with unclear communication and with threats and criticism

4. Individual characteristics

- a. competitive individuals more likely to be in conflict situation
- b. type A individuals more likely to be in conflict situation

- c. ability to read non-verbal signals: Those who are aware of others' reactions are less likely to be in conflict

D. Types of individual responses to conflict

1. Forcing (Competition)

- a. Objective: get your way; means: use power
- b. Reason to use: expediency, when you know you are right (most common response type used by managers)
- c. Problem: creates resentment

2. Avoiding

- a. Objective: avoid dealing with conflict; means: stalling or escape
- b. Reason to use: when time needed to develop argument or support or to cool down
- c. Problem: doesn't resolve problem; frustration shows up in other ways

3. Compromising

- a. Objective: reach agreement quickly; means: mutual solution
- b. Reason to use: when fast solution is needed, both parties agree on or when both parties have equal power
- c. Problem: solutions are "fair" but not necessarily the "best"

4. Accommodating

- a. Objective: don't upset the other person; means: drop own position
- b. Reason to use: to build social credits ("choose battles wisely"); when other has more power; when issue is trivial to you
- c. Problem: others likely to take advantage



5. Collaborating

- a. Objective: solve problem together; means: work together until get a fair, best solution
- b. Reason to use: when both sets of concerns are too important to be compromised; also to gain commitment to the decision
- c. Problem: takes time

E. Preventing, handling conflict in the organization

- 1. Define things clearly in the organization
 - a. tasks, responsibility for work
 - b. goal priorities
 - c. rules, regulations
- 2. Avoid win-lose situations: e.g., create shared goals, rewards
- 3. Use and foster interpersonal skills (e.g., empathy, bargaining)
 - a. Use mediators
 - b. Rotate workers through groups
 - c. Use liaisons to connect groups
 - d. Train people in interpersonal skills, conflict management techniques
- 4. Facilitate communication

IV. Behaviours and biases in decision making groups

- A. Risky shift/Cautious shift:** tendency of groups to take a more extreme viewpoint than the average viewpoint of individuals in the group (group polarization); in business decisions, usually moves toward risk (culture favors risk-taking).

Thought to result from discussion in group, so might try holding down amount of free discussion to try to prevent polarization (see Nominal Group Technique described below).

B. Diffusion of responsibility: tendency of group members to “social loaf”, reducing their mental and physical efforts. Creates situation in which no one is very concerned with the consequences of a decision because they don’t feel accountable for them.

1. More likely as group size increases; so hold group size down
2. More likely as individual accountability for results decreases; so hold individual members accountable for their contributions to the group

Groupthink

“Gentlemen, I take it that we are all in complete agreement on the decision here,” General Motors chief Alfred P. Sloan declared during a meeting one day. “Then, I propose that we postpone further discussion,” he continued, “to give ourselves time to develop disagreement and perhaps gain some understanding of what the decision is all about.”

C. Group think: tendency of highly cohesive groups to take distorted views; includes pressure to

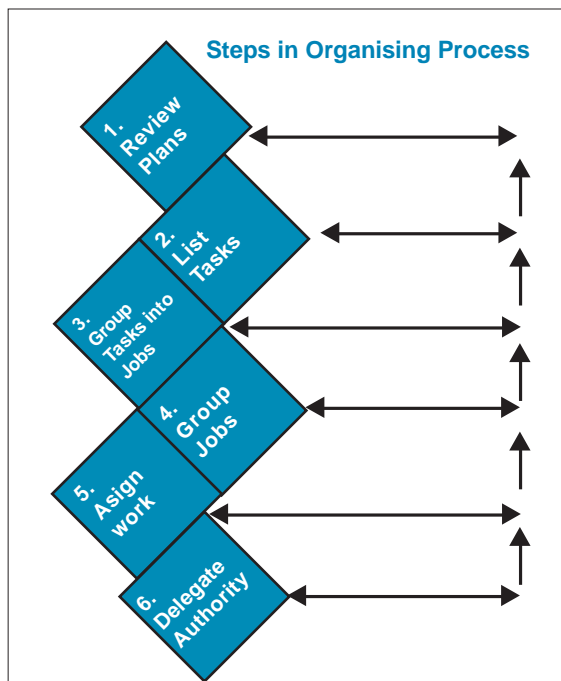
conform and not express doubts as well as ignoring negative feedback from outside sources; includes illusions of invulnerability and unanimity; includes sense of superiority of group and stereotyping of opposing groups. Products: tendency to look at one or two alternatives and prematurely dismiss others, no contingency plans.

1. Preventing group think through leader behaviors
 - a. create group with diverse membership
 - b. take impartial stance when assigning mission to group
 - c. assign a member to be the devil's advocate
 - d. encourage expression of doubts, take secret ballots
 - e. look outside group for opinion: invite experts to challenge views; discuss solution with outside associates; assess likely reaction of competitors.



V Organising Function

The raison d'être of the organizing function is to optimize the organization's resources to accomplish organizational goals. Organizations are inter-related groups of people, with knowledge, skills and resources, working toward common goals. These groups, according to their orientation, can be classified as formal and informal groups. Formal groups are those authorized by the organization. These groups possess legitimate power within the organization, and generally are formed to carry out a designated



"No institution can possibly survive if it needs geniuses or supermen to manage it. It must be organized in such a way as to be able to get along under a leadership composed of average human beings."

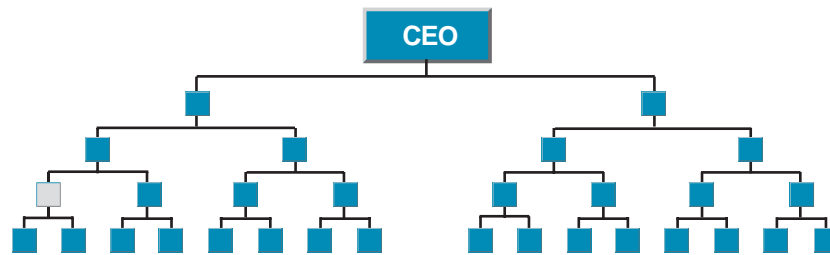
- Peter F Drucker

task or function. Informal groups are those created by employees themselves, and not authorized by the organization. Groups, classified according to their purpose, can be functional groups and task forces, created to complete a specific task. Organizing is establishing the internal organizational structure to accomplish the goals identified in the planning process. Organizational structure is the formal decision-making framework which defines job tasks, lines of authority and interface between departments. It is conceived and created by the top management. In evolving an organizational structure and delegating authority, managers' decisions should manifest the mission, objectives, goals and modes of action that flow out of the planning function.

Types of Organizational Structures

Tom Burns and G. M. Stalker classify organizational structures into mechanistic and organic forms. Mechanistic organizations are rather rigid in that they comprise distinctly delineated jobs, clearly defined hierarchical structure and are driven primarily by top-down command and control. Mechanistic organizations are tall structures, consisting of hierarchies with several layers of management levels.

Tall Organization



Public organizations are an example of mechanistic organizational structures.

In a tall organizational structure, employees are limited to their own sphere of work. The top-management wields significant control over employees. The tall structures are relatively expensive because of the number of managers involved. They create more communication problems because of the number of people through whom information must pass.

Pathfinders...

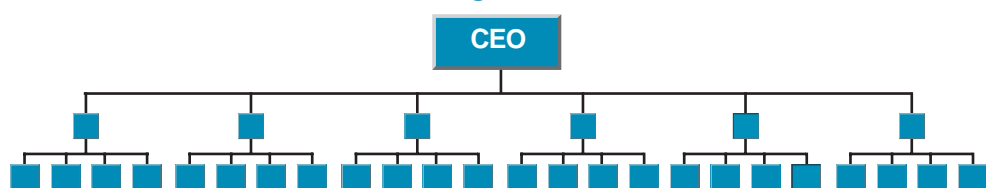
Tom Peters. *In Search of Excellence*, the book by Thomas J. Peters (1942) and co-author Robert H. Waterman, marked a watershed in business book publishing. For a decade, the business book publishing industry benefited from the title that offered American businesses an answer to Japanese manufacturing and marketing successes. Each subsequent book by Peters reflects his latest thinking, sometimes recounting contents of his earlier books, although there are constants, like his emphasis on customer satisfaction and creativity. His earlier works focused on the large manufacturers, but his newer thinking heralds freewheeling project-based, hierarchy-free teams in constant communication.

Source : American Management Association

On the other hand, the organic structure is relatively flexible in that

they are structurally decentralized, empowering employees at all levels of the organization to take personal responsibility for the processes and activities in which they are engaged. They are open to a participative approach of management and encourage employees' involvement in decision-making. The purpose of this structure is to create small and independent units that can quickly respond to the changing environment and times. Organic organizations have a flat structure with only one or two levels of management.

Flat Organization



The supervisor tends to have a more personal relationship with his or her employees. They lead to higher levels of employee morale and productivity. They create more managerial responsibility for managers due to wider spans

of control.

Rensis Likert offers the System-4 organizational structure where he proposes a non-bureaucratic and participative-democratic structure, in which the management and employees operate in a friendly environment, marked by mutual confidence and trust. In a system-4 organizational structure, the manager acts as a link between his department and the next level of department. The arrows are the linking pins denoting that the manager coordinates the effort of

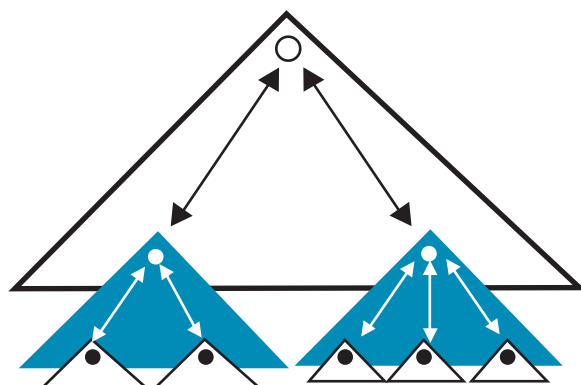
employees. The appropriateness of organizational structure depends on size of the organization, stability of environment in which they operate, technology they use etc.

Pathfinders...

Arie De Geus. De Geus joined the Royal Dutch/Shell Group in 1951 and spent over 35 years with the firm, eventually becoming group planning coordinator. While there, he charted the regular and widespread demise of companies that were thought immortal, which in turn led to identification of what allows companies to reach a ripe old age. De Geus called these firms “living companies” and has observed that such firms are dedicated to long-term development. Their managements see themselves as “stewards” encouraging growth and renewal. The living company, says De Geus, survives because it learns, adapts and evolves-thus making De Geus a member of the school of management thought that talks about “learning organizations.”

Source : American Management Association

The System Four Organization



Factor	Mechanistic	Organic
1. Size	Large	Small
2. Strategy	Cost-minimization, imitation	Innovation, single product line
3. Technology	Mass production, routine tasks, well-defined problems	Unit production, intensive technology (combining services tailored to customer), non-routine tasks, ill-defined problems
4. Environment	Placid-randomized, placid-clustered	Disturbed-reactive, turbulent field

Organization Design

“For every minute spent in organizing, an hour is earned.”

Organization design is creating an appropriate organizational structure that will enable the organization in accomplishing its goals. The organization can choose from among functional, divisional or matrix designs, whichever is appropriate. In a functional organization, tasks or jobs of similar nature are grouped together and structured as a unit. Each unit is staffed by functional specialists. Structuring the organization along the functional lines facilitates good coordination and makes supervision of the unit easy for managers as they only need to be familiar with a narrow set of skills.

Functional Structure

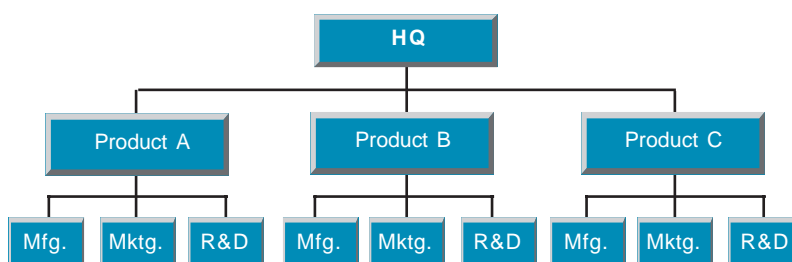


Economy is achieved through specialization. However, functional units are susceptible to losing sight of a broader vision of overall objectives of the organization.

In a divisional organization, divisional structures are grouped according to workflow and structures are made up of independent strategic organizational units. The workflow can be broken into product lines, geographic regions, etc.



Division Structure

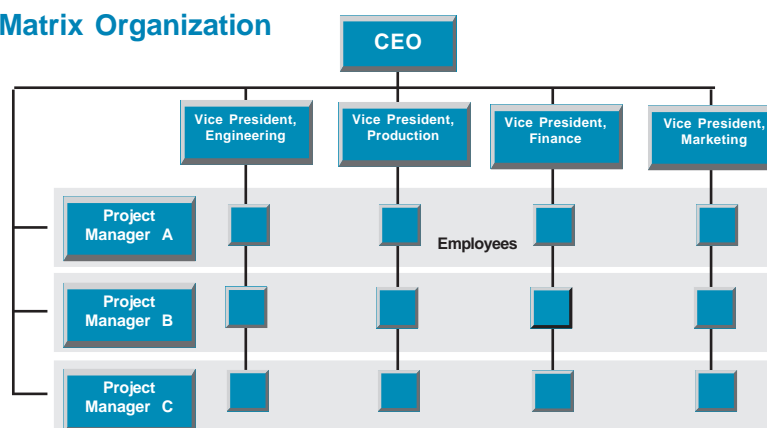


For this reason they are more flexible and able to allow product specialization. This flexibility hinders economic efficiency. The advantages associated with divisional structures are they improve decision-making and fix accountability for performance and increase coordination of functions.

Matrix structures focus on project teams, bringing skilled individuals together from different parts of the organization. Individuals were made responsible both to their line manager and the project manager involved. The matrix concept facilitates working on concurrent projects by creating a dual chain of command, the project (program, systems, or product) manager and the functional manager. Matrix structures utilize functional and divisional chains of command simultaneously in the same part of the organization, commonly for one-of-a-kind projects.

The advantage with matrix structures are they reinforce and broaden the technical excellence; facilitate efficient use of resources; and balances conflicting objectives of the organization. The disadvantages are they increase power conflict; create confusion to the manager and stress for employees; and impede decision making.

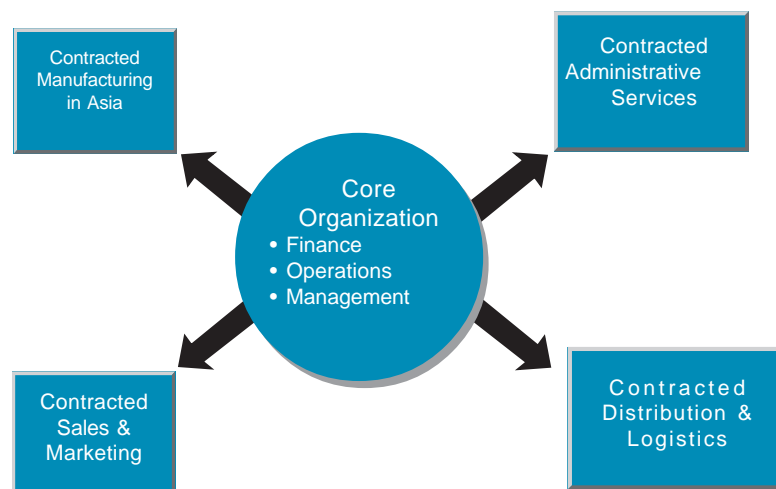
A Matrix Organization



Organizational Design for the 21st Century

Virtual Organizations have typically only a handful of permanent employees, a very small staff, and a modest administrative facility. There are four key characteristics of virtual organization as process. First, virtual organization entails the development of relationships with a broad range of potential partners, each having a particular competency that complements the others. Second, virtual organizing capitalizes on the mobility and responsiveness of telecommunications to overcome problems of distance. Third, timing is a key aspect of relationships, with actors using responsiveness and availability to decide between alternatives. Last, there must be trust between actors separated in space for virtual organization to be effective.

Virtual Organization

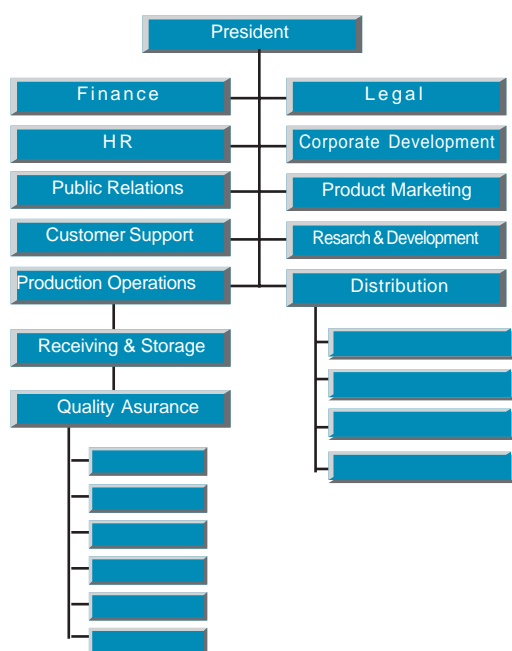


Departmentalization

Departmentalization is the basis on which work or individuals are grouped into manageable units. The goal of departmentalization is to group different offices and jobs that were divided up through work specialization so that common tasks can be coordinated. This can be accomplished by using the five following departmentalizations.



Functional Organization Structure



Departmentalization by function organizes by the functions to be performed. The functions reflect the nature of the business. Functional departmentalization improves efficiencies from putting together similar specialty and people with common skills, and orientations. Also, functional departmentalization allows for more precise working of facilities.

Pathfinders...

Charles Handy. Handy introduced the concept of “discontinuity of change” in 1989 in his book *The Age of Unreason*, but his talk about change would never be more appropriate than today. After all, his age of unreason is “a time when what we used to take for granted may no longer hold true, a time when the only prediction that will hold true is that no predictions will hold.” The organization of the future he advocates: a “federal organization that allows units and divisions individual independence while preserving corporate unity.”

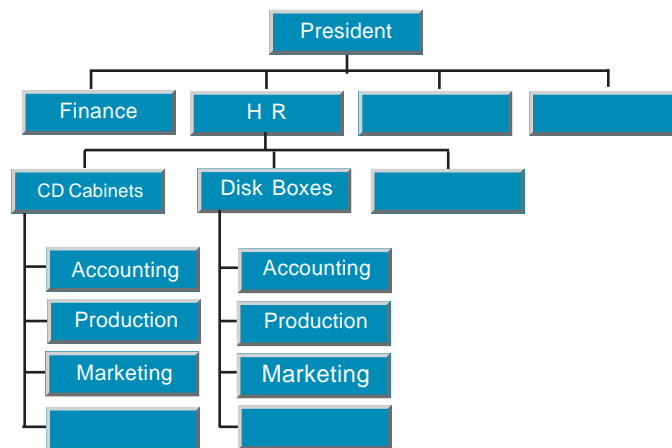
Source : American Management Association

One disadvantage is that there is poor communication across functional areas because the engineering manager may not understand accounting, and the accounting manager may not understand manufacturing. Another disadvantage is a limited view of organizational goals.

Departmentalization by product assembles all functions needed to make and market a particular product are placed under one executive. For instance, major department stores are structured around product groups such as home accessories, appliances, women’s clothing, men’s clothing, and children’s clothing.

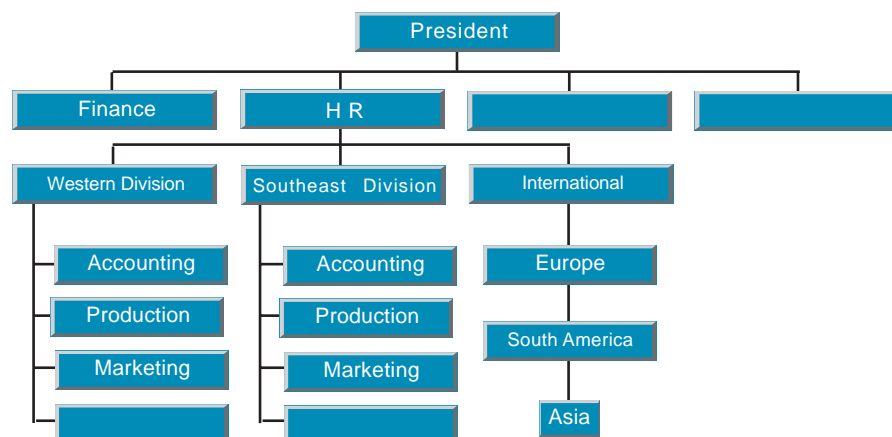
One advantage is that it allows specialization in particular products and services. Another advantage is that managers can become experts in the sphere they work. Two disadvantages are duplication of functions and limited view of organizational goals.

Product Oriented Organization Structure



Departmentalization by location groups jobs on the basis of territory or geography. The advantages are that enables the organization more effective and efficient in handling of specific regional issues that arise and can better serve the needs of unique locations.

Geographic Oriented Organization Structure

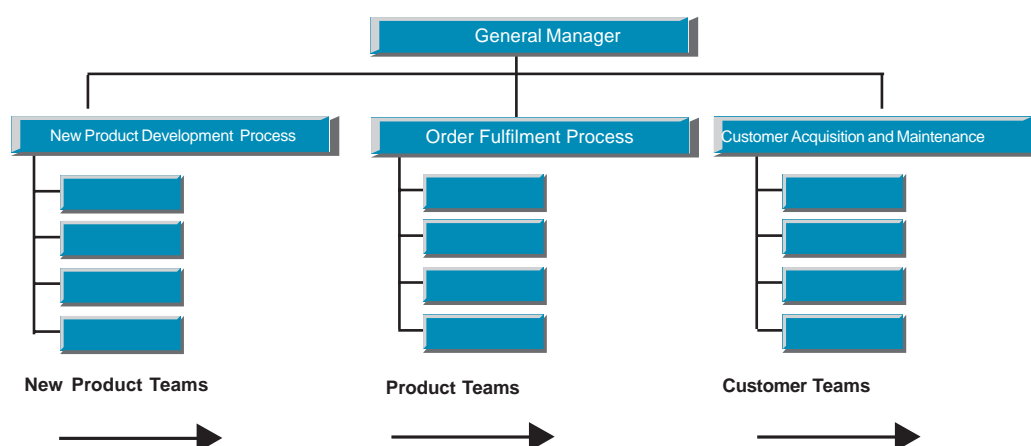


One disadvantage is duplication of functions is unavoidable because all the managers do the same job but in different areas. Another disadvantage is that these managers may feel isolated from other organizational areas because their expertise is needed most at their current area and do not leave their area much.



Departmentalization by process groups jobs on the basis of product or customer flow where work activities follow a natural processing flow of products or even customers. An advantage is a result of more efficient flow or work activities.

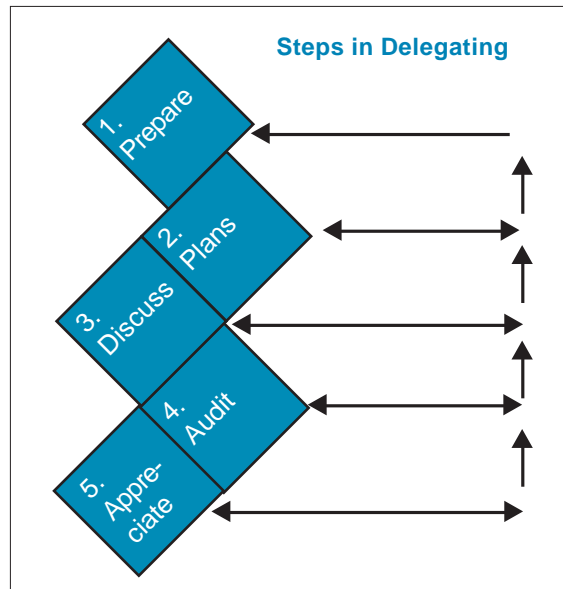
Process Organization Structure (Horizontal Organization)



A disadvantage is that it can only be used with certain types of products depending on its scale size. An advantage is a result of more efficient flow or work activities. A disadvantage is that it can only be used with certain types of products depending on its scale size.

Delegation of Authority

Delegation is the downward flow of formal authority - from superior to subordinate. Shared decision making can improve the quality and acceptance of decisions, increase employee motivation, create sense of belonging and improve interpersonal relations with employees. According to Gemmy Allen, the delegation process has five phases: (1) preparing, (2) planning, (3) discussing, (4) auditing, and (5) appreciating.



Preparing includes establishing the objectives of the delegation, specifying the task that needs to be accomplished, and deciding who should accomplish it.

Planning is meeting with the chosen subordinate to describe the task and to ask the subordinate to devise a plan of action.

Discussing includes reviewing the objectives of the task as well as the subordinate's plan of action, any potential obstacles, and ways to avoid or deal with these obstacles.

Auditing is monitoring the progress of the delegation and making adjustments in response to unforeseen problems.

Appreciating is accepting the completed task and acknowledging the subordinate's efforts.

Why do some managers have trouble delegating effectively?

- They feel that employees can never do anything as well as they can.
- They fear that something will go wrong if someone else takes over a job.
- They lack time for long-range planning because they are bogged down in day-to-day operations.
- They sense they will be in the dark about industry trends and competitive products because of the time they devote to day-to-day operations.

What can managers do to delegate effectively?

- Admit that they can never go back to running the entire show and that they can in fact prosper—with the help of their employees.



Principles of Effective Delegation

Authority is legitimized power: Power is the ability to influence others. Delegation is distribution of authority. Delegation frees the manager from the tyranny of urgency. Delegation frees the manager to use his or her time on high priority activities. Note that delegation of authority does not free the manager from accountability for the actions and decisions of subordinates.

Exception principle: Someone must be in charge. A person higher in the organization handles exceptions to the usual. The most exceptional, rare, or unusual decisions end up at the top management level because no one lower in the organization has the authority to handle them.

Scalar chain of command: The chain of command is the formal channel which determines authority, responsibility and communications. The chain-of-command relationship is viewed as a series of superior/subordinate relationships. Starting at the top of the organization and progressing down to the field, the managerial chain of command can be viewed as a pyramid. Each individual is subject to the direct command of only one superior.

Decentralization: Decisions are to be pushed down to the lowest feasible level in the organization. The organizational structure goal is to have working managers rather than managed workers.

Parity principle: Delegated authority must have equal responsibility. With responsibility for a job must go the authority to accomplish the job.

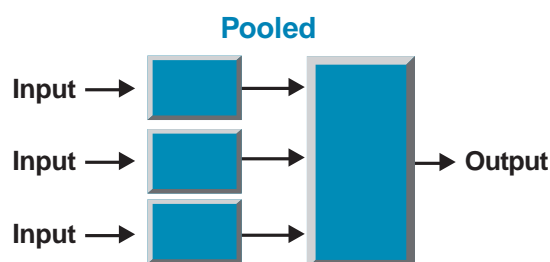
Span of control: Span of control describes the number of subordinates that report to each manager. The principle is important in that it determines the shape or design of the organization. As the number of subordinates reporting to manager increases, the number of interactions between the manager and subordinates multiplies considerably. Managerial effectiveness declines as the number of subordinates increases. In routine conditions, span of control can be greater than in situations where non-routine operations predominate. This was made possible by the introduction of inexpensive information technology that replaced many middle managers. The optimum span depends upon:

- The competence of both the supervisors and subordinates.
- The degree of interaction needed between the units or personnel being supervised. The extent to which the supervisor must carry out non-managerial responsibilities and the demands on his or her time from other people and units.
- The similarity of the activities being supervised.
- The incidence of new problems regularly encountered.
- The extent to which standardized procedures are used to handle new problems or situations.
- The degree of physical dispersion of subordinates.

Unity principle: The unity-of-command principle describes that an unbroken chain of command and communication must be built from the manager to each employee. This chain should facilitate a two-way system with communications moving up as down the system. In emergencies and when situation warrants, unity of command is maintained by providing an opportunity to avoid the formal chain, permitting subordinates to communicate directly with fellow employees outside the chain. This is done by designating beforehand the circumstances which require and permit the change.

Coordinating

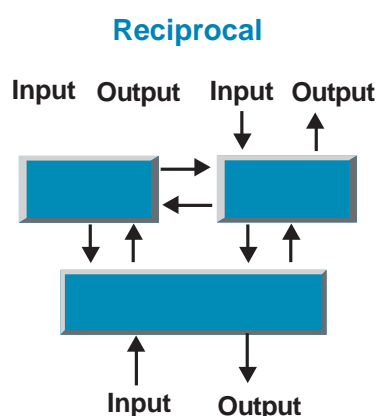
Coordination is the process of the process of linking the tasks of the various departments of the organization. There is a reciprocal relation between the interdependence of departments; the greater the interdependence, the greater the need for coordination. The interdependency could be pooled, sequential or reciprocal. The interdependence is pooled when the departments operate with little interface and their output is pooled at the organizational level.



The interdependence is said to be sequential when the output of one unit becomes the input of another unit in sequential manner.



The interdependency is reciprocal when activities flow both ways between departments.



Structural Coordination Techniques

The Managerial Hierarchy

Placing one manager in charge of interdependent departments or units

Rules and Procedures

Coordinating routine activities through rules and procedures that set priorities and guidelines for actions.

Liaison Roles

A manager coordinates interdependent units by acting as a common point of contact, facilitating the flow of information.

Task Forces

Used with multiple units when coordination is complex requiring more than one individual and the need for coordination is acute.

Integrating Departments

Permanent organizational units that maintain internal integration and coordination on an ongoing basis

VI Staffing & Motivating

Staffing is critical to improve the quality and performance of employees at all levels of an organization. Therefore, it should be a strategic priority for the manager. The manager has to not only set the vision and strategy but also hire the people to achieve them. A staffing system is defined as a model and a process for those who recruit, screen, interview, and hire new employees. When properly designed and implemented, it leads manager through the hiring process from start to finish. A well designed staffing system :

- Helps in hiring the right people.
- Creates consistency in hiring decisions throughout the organization.
- Supports management development.
- Helps to improve benchmarking throughout the organization.
- Reduces costs of the hiring process.
- Limits liability.

"If you hire only those people you understand, the company will never get people better than you are. Always remember that you often find outstanding people among those you don't particularly like."

- Soichiro Honda

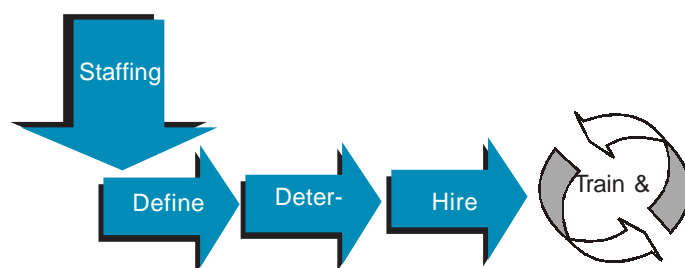
Staffing Process

The best staffing option is the one that takes into consideration, to the greatest extent possible, both the current and future business needs of your organization. By choosing options that can, in the long run, save time and resources, you can ensure the availability of staff for the work that needs to be done – for now, and for the future.

The staffing process generally involves at least four steps. These four steps are: (1) defining the job, involving the development of a position description; (2) determining the qualifications and competencies (3) filling the position, which involves screening applicants and selecting an individual; and (4) training.

Defining the job involves developing job analysis, job descriptions and job specifications around measurable criteria related to ideal performance behaviors. Job analysis is benchmarking basic task and skill requirements for a job. Job description outlines the expectations and skill requirements of a job. Job specifications outline the knowledge, skill and abilities required of the incumbent.





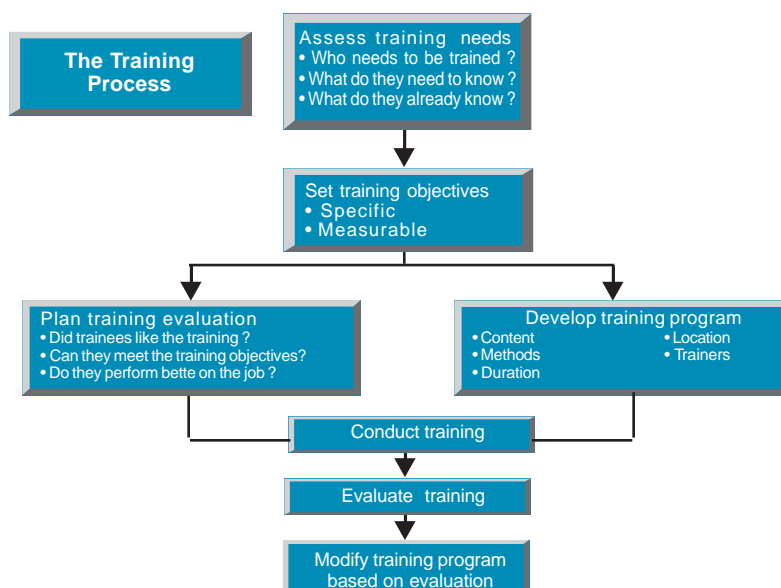
The next step in the staffing process is to decide what qualifications are needed to do the job. Qualifications are the attributes or accomplishments determined to be essential for the competent performance of a job. For most positions qualifications include competencies, knowledge, skills and abilities, education, training and experience.

"Recently, I was asked if I was going to fire an employee who made a mistake that cost the company \$600,000. No, I replied, I just spent \$600,000 training him. Why would I want somebody to hire his experience?"

- Thomas J Watson

There are many methods of assessment and any valid predictor of the applicant's job performance may be chosen. In most cases a combination of methods will be used. Some of the most common are: Oral Interviews, Written Tests, Simulations, Work Samples, Physical Tests and Past Work Performance. Once the right candidate is hired, he or she is put through training of people in skills needed for both present and future jobs and maximize the similarity between training and job.

Common training methods are Lectures, Role-plays and Case Studies (for improving interpersonal relations skills or group decision-making) and on-the-job and vestibule training (to facilitate learning physical skills through practice and actual use of tools).

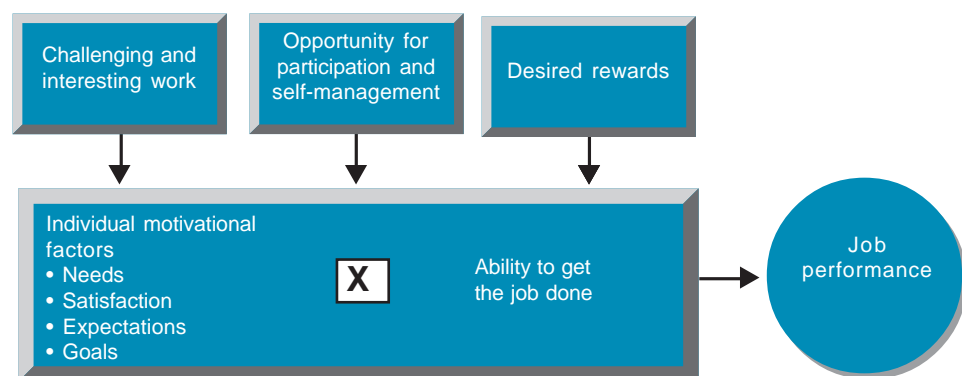


Motivation

"You can motivate by fear. And you can motivate by reward. But both of these methods are only temporary. The only lasting thing is self-motivation."

- Homer Rice

Motivation is the key to performance improvement and the job of a manager is not just get things done through the employees but get things done more efficiently and quickly. Motivation is a psychological process that gives behaviour purpose and direction. Motivated employees are more productive. To be effective, managers need to understand what motivates employees within the context of the roles they perform. Performance is essentially a function of skill and motivation. While skill is contingent upon education, experience and training, motivation is induced by either internal or external stimuli.



Broadly, there are ten strategies to induce employee motivation and improve their work performance: (a) job security, (b) sympathetic help with personal problems, (c) personal loyalty to employees, (d) interesting work, (e) good working conditions, (f) tactful discipline, (g) good wages, (h) promotions and growth in the organization, (i) feeling of being in things, and (j) full appreciation of work done.

Theories of Motivation

Prior to Hawthorne Studies carried out by Elton Mayo from 1924 and 1932, employees were considered just another input in the production of goods and services. This study was revelation in that it found employees are not motivated solely by monetary rewards and employee behavior is essentially

Pathfinders...

Douglas McGregor. McGregor (1906-1964) is best known for his division of motivational theory into Theory X and Theory Y. These were the centerpiece of his 1960 classic, *The Human Side of Enterprise*. Theory X was traditional carrot-and-stick thinking whereas Theory Y was based on the principle that people want and need to work. He wrote, "The motivation, the potential for development, the capacity for assuming responsibility...are all present in people. Management does not put them there."

Source : American Management Association



linked to their attitudes. The Hawthorne Studies set out the human relations approach to management, whereby understanding what motivated employees and how they were motivated became the focus of many researchers. Five important approaches that have led to the understanding of motivation are Maslow's Need-Hierarchy Theory, Herzberg's Two-Factor Theory, Vroom's Expectancy Theory, Adams' Equity Theory, and Skinner's Reinforcement Theory.

(A) Maslow's Need of Hierarchy

According to Maslow, employees have five levels of needs: physiological, safety, social, ego, and self-actualizing. Maslow reasoned that lower level needs had to be satisfied before the next higher level need would motivate employees. Physiological needs are biological needs necessary for basic survival, such food, water, sleep and sex. Security needs are essential for a safe physical and emotional environment. Belongingness needs are the desire for love and affection. Esteem needs are recognition and respect from others. Self-actualization needs are realizing one's potential for personal growth and development.

Pathfinders...

Abraham Maslow. The behavioral psychologist Maslow (1908-1970) was a member of the Human Relations School of the late 1950s. He is best known for his hierarchy of needs—a concept that was first published by him in 1943. In this, he argued that there was an ascending scale of needs that had to be understood if employees were to be motivated. After presenting his hierarchy of needs—shelter and food, safety needs, social needs and self-actualization, in that order—Maslow went on to further study self-actualization. He researched 48 people he considered to be self-actualized, including Thomas Jefferson, Abraham Lincoln and Eleanor Roosevelt. Maslow found that they shared some of 12 characteristics—they perceived reality accurately; accepted themselves, others and nature; lived spontaneous, simple and mature lives; were problem-centered; liked privacy and detachment; didn't take life for granted; had mystical or peak experiences; had a social interest; had profound interpersonal relationships; had little racial, religious or social prejudice; were creative; and were resistant to having ideas or cultures thrust upon them. Maslow's work can be regarded as utopian but it was a powerful argument for participative management in later years.

Source : American Management Association

The pyramidal hierarchy is used to depict the different levels of importance of each need. The most predominant needs must be satisfied before the next higher level of needs can be addressed. Thus, although all people need food, safety, social acceptance and esteem, they must demand food first and more strongly than anything else. An unsatisfied need triggers a chain of events

leading to actions. The need causes tension and stress within the employee, and leads him to some kind of behaviour in an attempt to satisfy the need. Understanding this relationship between motivation and behaviour is the starting point for understanding the conditions for stimulating action on the part of subordinates. Maslow's hierarchy-needs is a synthesis of physical Marx (economic needs), Freud (love needs), Goldstein (esteem needs) and Adler (self-actualization needs). But, the five levels of need are not always present and the same.



(B) Herzberg's Two-Factor Theory

According to Herzberg, an employee's satisfaction and dissatisfaction is influenced by two independent sets of factors—motivation factors and hygiene factors. He assumes that job satisfaction and job dissatisfaction are on two distinct continuums. Motivational factors relate to job context or work content and include such aspects as achievement, recognition, the work itself, responsibility and opportunities for advancement and growth. They are on a continuum

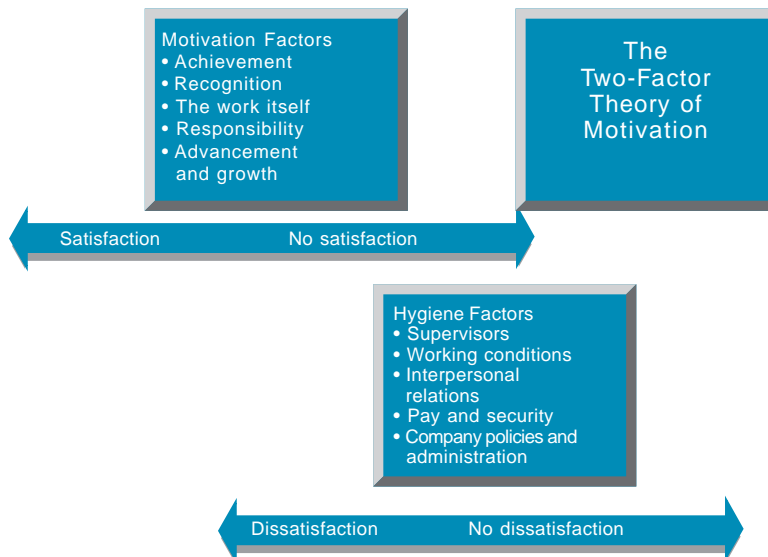
Pathfinders...

Frederick Herzberg. Born in the year 1923, Herzberg is one of those whose work underlies our thinking about what motivates employees. Herzberg separated motivational elements of work into two categories—those serving people's basic needs (hygiene factors) and those meeting our self-actualizing needs (motivation factors). Hygiene factors—also labeled maintenance factors—were determined from research to include supervision, interpersonal relations, working conditions, salary, corporate policies and procedures and job security. When these factors deteriorated to a level below that which employees considered acceptable, said Herzberg, then job dissatisfaction occurred. Hygiene alone was insufficient to motivate. Herzberg argued that true motivation came from achievement, personal development, job satisfaction and recognition.

Source : American Management Association



that ranges from satisfaction to no satisfaction. Hygiene factors relate to work environment and include such aspects as supervisor's attitude, work environment, interpersonal relations, pay and company policies. They are on a separate continuum that ranges from dissatisfaction to no dissatisfaction.

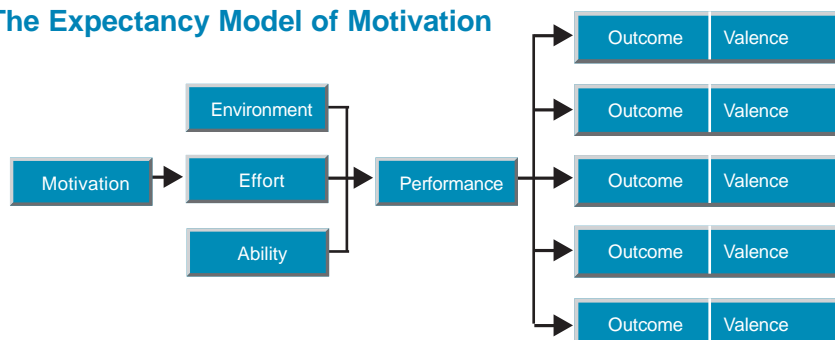


A manager's task is to ensure that the hygiene factors are not deficient and not hinder motivation, while providing employees the opportunity to experience increase motivational factors through the use of job enrichment and the redesign of jobs. The criticism against Two-Factor Theory is that the assumption of job performance improving with satisfaction is weak and subsequent research has not upheld theory.

(C) Vroom's Expectancy Theory

Vroom's Expectancy Theory assumes that motivational strength is determined by perceived probabilities of success. It is based on the notion that employee effort will lead to performance and performance will lead to rewards. Rewards may be either positive or negative. The more positive the reward the more

The Expectancy Model of Motivation



likely the employee will be highly motivated. Conversely, the more negative the reward the less likely the employee will be motivated.

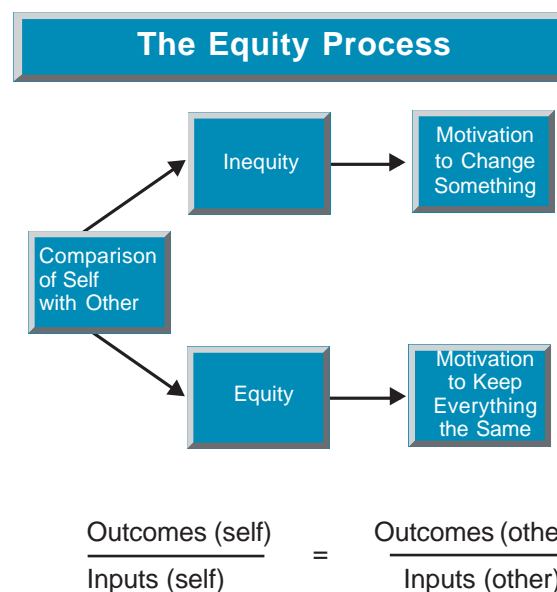
Valence is an indicator of how much value an employee attaches to a particular outcome. Positive outcomes have positive valences and negative outcomes have negative valences. For motivation (effort) to happen, it is essential that:

- Effort-to-performance expectancy is greater than zero.
- Performance-to-outcome expectancy is greater than zero.
- The sum of the valences must be greater than zero

Thus, managerial actions can have a bearing on the employees' perceived performance-reward probabilities.

(D) Adams' Equity Theory

Adams' theory states that employees strive for equity between themselves and other workers. Equity is achieved when the ratio of employee outcomes over inputs is equal to other employee outcomes over inputs.



Given the equation, three outcomes are possible: equitably rewarded, under-rewarded and over-rewarded. When the feeling is being under-rewarded, a manager has to reduce inequity by altering inputs, outcomes or change comparisons by choosing another object person. If the feeling is over-rewarded, a manager has to increase or decrease inputs, rationalize the ratios and help the employees gain more outcomes.



(E) Skinner's Reinforcement Theory

Skinner's Reinforcement Theory states those employees' behaviours that lead to positive outcomes will be repeated and behaviours that lead to negative outcomes will not be repeated. In organizations, two kinds of employees' behaviour are evident:

- Positive reinforcement behaviour - which strengthens behaviour with rewards after a desired behavior is performed.
- Avoidance behaviour – which strengthens behaviour by avoiding unpleasant consequences that would result if the behavior is not performed.

Managers should positively reinforce employee behaviours that lead to positive outcomes. Managers should negatively reinforce employee behaviour that leads to negative outcomes. Managers can choose from the following reinforcement schedules:

- Fixed interval schedule—reinforcement exercised at fixed time intervals, regardless of behavior.
- Variable interval schedule —reinforcement exercised at variable time intervals.
- Fixed ratio—reinforcement exercised after a fixed number of behaviors, regardless of time.
- Variable Ratio—reinforcement exercised after a variable number of behaviors, regardless of time.

Popular Motivational Strategies

Job Enrichment: Job enrichment means providing opportunities for employees to grow psychologically and to mature in the job by modifying aspects of the job itself. The principal dimensions of job enrichment are: variety, task identity, task significance, autonomy and feedback. By studying the dimensions of each job, the weaker dimensions can be identified and improved to increase job enrichment.

Pathfinders...

Chris Argyris. Driven by his faith in human nature, Argyris, born in 1923, argues that organizations depend fundamentally on people and that personal development is, and should be, related to work. The problem in many organizations, he has said, is that the organization itself stands in the way of people fulfilling their potential. The task for companies is to make sure that people's motivation and potential are fulfilled and well focused.

Source : American Management Association

Empowerment & Participation: Managers can allow the employees a certain degree of autonomy in matters concerning work goals and decision-making within the sphere of job duties and work area. Also, allowing the voice and participation of employees in broader organizational matters can also help build motivation among employees.

Pay and Rewards: Managers can use pay or material rewards to motivate employees' performance. Recognizing and rewarding good performance is critical in that it reinforces positive behaviour. It is necessary to analyze the nature of the job and related issues (such as normal pay increases, seniority and actual performance) if pay has any motivational value.

Flexitime: A flexible work schedule with the specified limits of time will have positive impact on the employees in as much as it will ensure better employee-manager relations, reduced absenteeism and selective positive impact on job performance.

Wellness Programmes: Wellness programmes aimed at helping the employees effectively cope with stress and burnout. Stress reduction, healthy eating and living clinics, diet and quit-smoking programs, exercise facilities are few examples.

While the above are popular motivational strategies related to workplace, Phyllis Davis offers the following suggestions for creating good relationships, loyalty and rapport in the workplace:

1. **Watch how you're standing-** Men enjoy standing side by side when speaking to one another. Women enjoy facing each other while talking to one another. Women: When approaching a man, slowly position your torso at an angle to his torso to make him comfortable. Gentlemen, to make a woman comfortable, slowly move your torso so you're standing face to face with her to make her comfortable.
2. **In your mind's eye, picture a spotlight on anyone you're speaking to-** Every time you speak, the spotlight turns off of them and on to you. So do your best to keep them, not you, in the spotlight. Don't regale them with your tales of your experiences. Instead, use active-listening skills—stay with them and explore their comments.
3. **Avoid touching yourself when speaking to others-** Do your best to keep your hands still. Don't play with your hair or jewelry, wring your hands or



touch your face. By touching yourself, you're indicating your need to comfort yourself, and unconsciously that makes the other person feel you're not paying attention to them.

4. **Smile while you're talking-** It's great to smile when you're listening to someone, but it's equally powerful to smile at someone while you're speaking to them.
5. **Subtly mirror people's gestures when you're speaking to them-** If they sit back in their chair, sit back in yours. If they fold their hands, fold yours. You must be subtle, or you'll get caught. Learn to be very graceful in your mirroring, and move very slowly, as if you're making natural movements and not copying them.
6. **Talk 20 percent of the time and listen 80 percent of the time-** Let people talk about their favorite subject: themselves. When someone is speaking, ask them questions, nod affirmatively as they speak, and avoid interrupting them until they've finished talking and then ask them another question. When you're listening, you're in control of the conversation because you can guide the conversation anywhere you want it to go without volunteering anything about yourself or your own opinions.
7. **Avoid offering unsolicited advice in public or in private-** Generally, people will become defensive and stop talking when you offer them advice they didn't ask to hear. Offering advice makes a listener think they're wrong and that they've made a mistake by volunteering their viewpoint. Instead, say, "That's one way of looking at it," or "Let's take the learning experience from that and take it to the next level."
8. **Offer sincere flattery every day to work associates, clients and vendors-** Most people enjoy being thanked for a job well-done, but only comment on their behavior and not them personally. Be specific with your flattery, or it will fall flat. For example, "Good job on the graphics on the front page," or "You did a nice job of finding that customer's lost baggage from Atlanta." Give flattery in a timely manner—don't wait too long to deliver it. Be sensitive to the fact that some people like public flattery and some prefer to receive theirs privately. Some people need frequent flattery, and some have difficulty with hearing any flattery at all.

VII Leadership & Influence

Leadership is defined as the process of influencing the activities of people toward achievement of specified organizational goals. The term “leadership” denotes a particular approach or style of influencing fellow personnel in the organization. Whatever the style, each leader must have some basis for exerting influence over others. In general, there are five ways to influence others:

Coercion: A subordinate perceives or is made to believe that failure to comply with the instructions of a superior would lead to a negative.

“A leader is best when people barely know he exists, not so good when people obey and acclaim him, worse when they despise him. But of a good leader who talks little when his work is done, his aim fulfilled, they will say: We did it ourselves.”

- Lao-Tzu

Reward: Compliance with the instructions of a superior leads to positive consequences. These rewards could be monetary or non-monetary.

Position: Power evoked by the position of a superior in the organizational hierarchy. For example, the director of an agency possesses more legitimate power than a volunteer.

Knowledge: Use of expertise, skill, knowledge or experience as the basis for influence. Possession of one or more of these attributes gains the respect and compliance of peers or subordinates.

Admiration: A subordinate's identification with a leader. The leader may be admired because of one or more personal traits, and the subordinate can be influenced because of this admiration.

Leadership is distinct from “managing” which means directing the activities of others. Griffin points out the following differences between a leader and a manager.

Leadership	Activity	Management
Establishing direction and vision for the organization	Creating an agenda	Planning and budgeting, allocating resources
Aligning people through communications and actions that provide direction	Developing a human network for achieving the agenda	Organizing and staffing, structuring and monitoring implementation
Motivating and inspiring by satisfying needs	Executing plans	Controlling and problem-solving
Produces useful change and new approaches to challenges	Outcomes	Produces predictability and order and attains results



Leadership Styles

The style of leadership is the key to bringing about improved subordinate motivation, satisfaction, and performance. Four leadership styles can be identified:

- **Directive** – Also called, ‘command leadership’ the leader simply directs and there is no subordinate participation in decision-making.
- **Supportive** – There is fellowship between the leader and the subordinates. The leader seeks influences the subordinates toward best performance by building interpersonal relationships and creating a supportive work environment.
- **Participative** - The leader seeks suggestions from and offers the same to subordinates to make decisions. The leader emphasizes staff functioning as a team, as sharing some of the decisions.
- **Achievement-oriented** - The leader sets challenging goals for subordinates and shows confidence that they can achieve the goals with relatively little supervision.

These four styles can be used by the same leader in different situations. The key is the way the leader affects the “paths” between subordinate behavior and goals. The leader can affect the paths by:

- Recognizing and stimulating subordinates’ needs for rewards over which the leader has some control
- Rewarding goal achievement
- Supporting subordinates’ efforts to achieve the goals
- Helping reduce frustrating barriers in the way of achieving goals

Increasing the opportunities for personal satisfaction for subordinates.

Pathfinders...

John Adair. Widely regarded as England’s foremost authority on leadership, Adair is best known for his three-circle model of “action-oriented leadership.” Born in 1934, Adair asserts that the three needs of task, team and individual (the basis of his three-circle model) are the building blocks of leadership. People expect their leaders to help them achieve the common task, build teamwork and respond to individuals’ needs.

Source : American Management Association

The key to successful leadership today is influence, not authority.

- Kenneth Blanchard

"Great minds have purposes; others have wishes."

- Washington Irving

Characteristics of an Effective Leader

- **Integrity:** Demonstrates respect for self and others especially during "challenging times", modest, honest and fair to the employees
- **Role Modeling:** Accountable for their actions exhibited through behaviors/actions vs. words/language
- **Results-oriented:** Demonstrates initiative, drive, high standards, is focused on goals and outcomes, is accountable for results, understands the "big picture" and values people (internal and external), finances, processes, environment, and situation
- **Innovation:** Entertains new ways of thinking and thinks outside of the box, understands workflow of operations across departments and systems
- **Mentoring/Coaching:** Removes barriers to employees meeting goals, facilitates staff to self manage, motivates and challenges staff and creates a learning environment
- **Communication:** Listens, fosters 2-way communication resulting in a win-win results and communicates in a clear, respectful, and concise manner
- **Team Player:** Supports and empowers others and puts organization/team before self.

Pathfinders...

Lee Iacocca. Remember the turnaround of car giant Chrysler in the 1980s, and Iacocca on TV as spokesperson for Chrysler? He was a corporate hero. Iacocca ran not one but two of the top three auto manufacturers during his career. He started out at Ford where he worked his way up through the ranks to become president. After an internal power struggle, Iacocca was fired in 1978. He joined Chrysler the next year as CEO. The company was running out of money and Iacocca turned around its financial situation by eliminating excess inventory, renegotiating contracts with car rental firms Hertz and Avis, and laying off employees. Finally, he went to the federal government for a loan of \$1.2 billion. Operating with a tight budget (Iacocca cut his own annual salary to \$1), Chrysler turned around its financial situation and in 1983 the company was able to pay off its debt. Subsequently, Iacocca grew Chrysler through acquisitions-including American Motors and Jeep. He retired in 1992.

Source : American Management Association



Leadership Theories

There are several approaches to leadership and management based on different theories. The style that individuals use will be, based on a combination of their beliefs, values and preferences, as well as the organizational culture and norms.

A. Trait Theory

The underlying assumption of Trait theory is that people are born with inherited traits. The emphasis is on

discovering these traits, often by studying successful leaders. The Trait Theorists suppose that if other people possess the traits that are generally found in leaders, they too could also become leaders. Stogdill identifies the following traits and skills as critical to leaders:

Pathfinders...

Warren Bennis. Born in 1925, Bennis has studied the art of leadership for over three decades. As part of his work, he has interviewed some of the greatest business and cultural leaders of our time, analyzing their approaches to find common traits and success themes that make great leaders. He is the author or co-author of 27 books on leadership, change and management, including his latest *Geeks & Geezers: How Era, Values and Defining Moments Change Leaders*. Bennis is a distinguished professor of business administration and founding chairman of the Leadership Institute at the University of Southern California's Marshall School of Business.

Source : American Management Association

Traits	Skills
<ul style="list-style-type: none"> • Adaptable to situations • Alert to social environment • Ambitious and achievement-orientated • Assertive • Cooperative • Decisive • Dependable • Dominant (desire to influence others) • Energetic (high activity level) • Persistent • Self-confident • Tolerant of stress • Willing to assume responsibility 	<ul style="list-style-type: none"> • Clever (intelligent) • Conceptually skilled • Creative • Diplomatic and tactful • Fluent in speaking • Knowledgeable about group task • Administrative ability) • Persuasive • Socially skilled

McCall and Lombardo identified four primary traits by which leaders could succeed or 'derail':

- Emotional stability and composure: Calm, confident and predictable, particularly when under stress.
- Admitting error: Owning up to mistakes, rather than putting energy into covering up.
- Good interpersonal skills: Able to communicate and persuade others without resort to negative or coercive tactics.
- Intellectual breadth: Able to understand a wide range of areas, rather than having a narrow (and narrow-minded) area of expertise.

There have been many different studies of leadership traits and not all of them converge at a similar conclusion. Situational factors are considered to be far more realistic as reasons for people acquiring leadership positions.

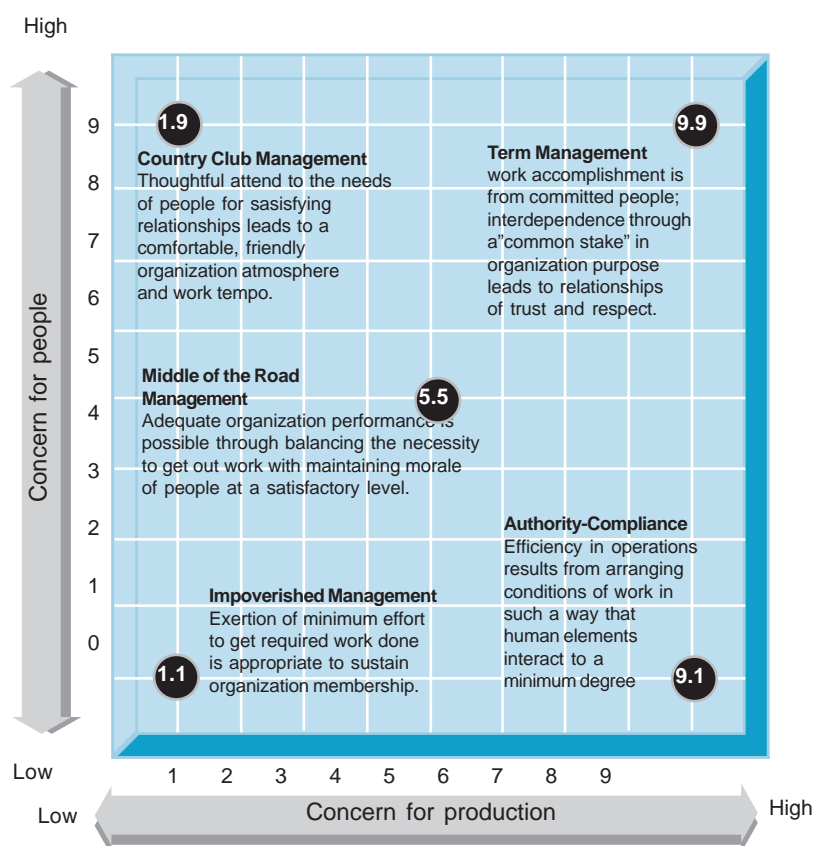
B. Behavioural Theory

Put forward by Blake & Mouton in the early 1960s, the Managerial Grid underlines the need for proper balance between concern for people and concern for task. Five leadership styles are indicated in the grid.

- 1-1 Impoverished management: Minimum effort to get the work done; basically, a lazy approach that avoids as much work as possible.
- 9-1 Authority-compliance: Strong focus on task, but with little concern for people.
- 1-9 Country Club management: Care and concern for the people, with a comfortable and friendly environment and collegial style. But a low focus on task may give questionable results.
- 5-5 Middle of the road management: A weak balance of focus on both people and the work. Doing enough to get things done, but not pushing the boundaries of what may be possible.
- 9-9 Team management: Firing on all cylinders: people are committed to task and leader is committed to people (as well as task).



Managerial Grid



According to this model, and stated in terms on the grid, the leader who is a 9-9 individual would be using the most effective style. Defining a 9-9 leader for every type of job is difficult.

However, a managerial development programme can help leaders toward a 9-9 style. The grid is used as a development experience to aid the managers in acquiring concern for fellow employees and expertise to accomplish objectives. The management development programme is effective in that the organization's own line managers run the program; a conceptual framework of management (the grid) is utilized and the entire managerial hierarchy undergoes development, not just one level.

Pathfinders...

Robert Blake. Along with Jane Mouton, Blake (born in 1918) created the "managerial grid" that designates various styles of leadership. The grid identifies four extremes of management style and measures them on two dimensions: concern for production and concern for people.

Source : American Management Association

C. Participative Leadership

Rensis Likert identifies four main styles of leadership, in particular around decision-making and the degree to which people are involved in the decision.

Exploitive authoritative: In this style, the leader has a low concern for people and uses such methods as threats and other fear-based methods to achieve conformance. Communication is almost entirely downwards and the psychologically distant concerns of people are ignored.

Benevolent authoritative: When the leader adds concern for people to an authoritative position, a 'benevolent dictatorship' is formed. The leader now uses rewards to encourage appropriate performance and listens more to concerns lower down the organization, although what they hear is often rose-tinted, being limited to what their subordinates think that the boss wants to hear. Although there may be some delegation of decisions, almost all major decisions are still made centrally.

Consultative: The upward flow of information here is still cautious and rose-tinted to some degree, although the leader is making genuine efforts to listen carefully to ideas. Nevertheless, major decisions are still largely centrally made.

Participative: At this level, the leader makes maximum use of participative methods, engaging people lower down the organization in decision-making. People across the organization are psychologically closer together and work well together at all levels.

D. Situational Leadership

The path-goal theory postulates that the most successful leaders are those who increase subordinate motivation by charting out and clarifying the paths towards high performance. According to Robert House's path-goal theory, effective leaders:

- Motivate their followers to achieve group and organizational goals.
- Make sure that they have control over outcomes their subordinates desire.

Pathfinders...

Marshall Goldsmith. Dr. Goldsmith is considered the foremost expert in helping leaders make positive, measurable change in behavior: for themselves, their employees and their teams. He is one of the editors of AMACOM's book *Partnering: The New Face of Leadership*. In 2000, Forbes listed him as one of the five top executive coaches and *Human Resources* magazine ranked him as one of the world's leading HR consultants.

Source : American Management Association



- Reward subordinates for performing at a high level or achieving their work goals by giving them desired outcomes.
- Raise their subordinates' beliefs about their ability to achieve their work goals and perform at a high level.
- Take into account their subordinates' characteristics and the type of work they do.

The Path-Goal theory describes four styles of leadership :

Supportive leadership: Considering the needs of the follower, showing concern for their welfare and creating a friendly working environment. This includes increasing the follower's self-esteem and making the job more interesting. This approach is best when the work is stressful, boring or hazardous.

"There is a great man who makes every man feel small. But the real great man is the man who makes every man feel great."

- G. K. Chesterson

The Path-Goal Theory			
Work Situation	Leadership Style	Impact on Followers	Expected Results
Follower lacks self-confidence	Supportive	Increases self-confidence to complete task	Increased effort, job satisfaction, and performance; fewer grievances
Lack of job challenge	Achievement-oriented	Encourages setting high but attainable goals	Improved performance and greater job satisfaction
Improper procedures and poor decisions	Participative	Clarifies follower need for making suggestions and involvement	Improved performance and greater satisfaction; less turnover
Ambiguous job	Directive	Clarifies path to get rewards	

Directive leadership: Telling followers what needs to be done and giving appropriate guidance along the way. This includes giving them schedules of specific work to be done at specific times. Rewards may also be increased as needed and role ambiguity decreased (by telling them what they should be doing). This may be used when the task is unstructured and complex and the follower is inexperienced. This increases the follower's sense of security and control and hence is appropriate to the situation.

Participative leadership: Consulting with followers and taking their ideas into account when making decisions and taking particular actions. This approach is best when the followers are expert and their advice is both needed and they expect to be able to give it.

Achievement-oriented leadership: Setting challenging goals, both in work and in self-improvement (and often together). High standards are demonstrated and expected. The leader shows faith in the capabilities of the follower to succeed. This approach is best when the task is complex.

E. Contingency Leadership

Leadership has a harder job to do than just choose sides. It must bring sides together.

- Jesse Jackson

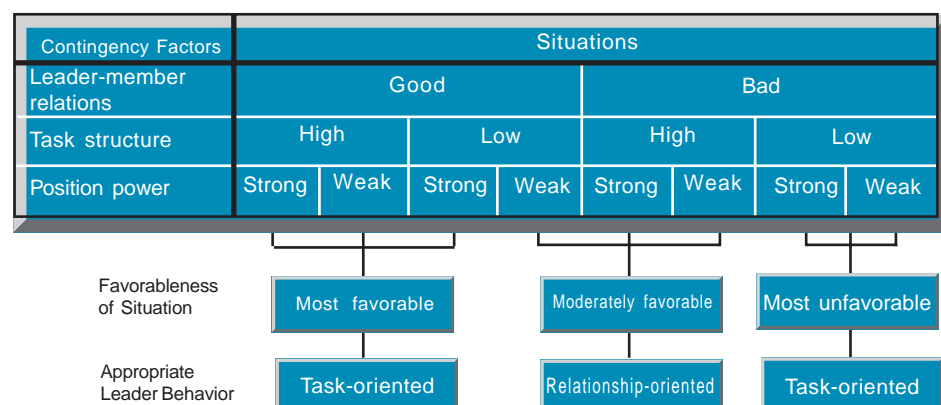
Fiedler identified the a Least Preferred Co-Worker scoring for leaders by asking them first to think of a person with which they worked and that they would like least to work with again, and then to score the person on a range of scales between positive factors (friendly, helpful, cheerful, etc.) and negative factors (unfriendly, unhelpful, gloomy, etc.). A high LPC leader generally scores the other person as positive and a low LPC leader scores them as negative. High LPC leaders tend to have close and positive relationships and act in a supportive way, even prioritizing the relationship before the task. Low LPC leaders put the task first and will turn to relationships only when they are satisfied with how the work is going.

Three factors are then identified about the leader, member and the task, as follows:

- **Leader-Member Relations:** The extent to which the leader has the support and loyalties of followers and relations with them are friendly and cooperative.
- **Task Structure:** The extent to which tasks are standardised, documented and controlled.

Leader's Position-power : The extent to which the leader has authority to assess follower performance and give reward or punishment.

The Least-Preferred Coworker Theory of Leadership



The best LPC approach depends on a combination of these three. Generally, a high LPC approach is best when leader-member relations are poor, except when the task is unstructured and the leader is weak, in which a low LPC style is better.

This approach seeks to identify the underlying beliefs about people, in particular whether the leader sees others as positive (high LPC) or negative (low LPC). The neat trick of the model is to take someone where it would be very easy to be negative about them.

F. Transactional Leadership

Leader-Member Exchange Theory, also called *LMX* or *Vertical Dyad Linkage Theory*, describes how leaders in groups maintain their position through a series of tacit exchange agreements with their members.

In-group and out-group: In particular, leaders often have a special relationship with an inner circle of trusted lieutenants, assistants and advisors, to whom they give high levels of responsibility, decision influence and access to resources. This in-group pay for their position. They work harder, are more committed to task objectives and share more administrative duties. They are also expected to be fully committed and loyal to their leader. The out-group, on the other hand, are given low levels of choice or influence.

This also puts constraints upon the leader. They have to nurture the relationship with their inner circle whilst balancing giving them power with ensuring they do not have enough to strike out on their own.

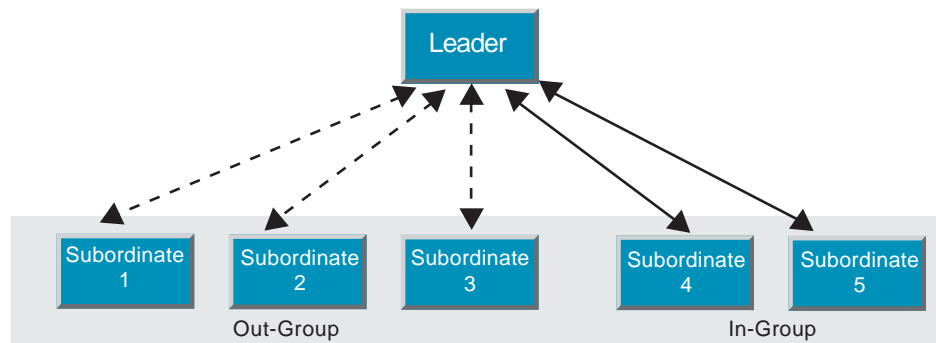
The LMX process: These relationships, if they are going to happen, start very soon after a person joins the group and follow three stages.

1. Role taking: The member joins the team and the leader assesses their abilities and talents. Based on this, the leader may offer them opportunities to demonstrate their capabilities. Another key factor in this stage is the discovery by both parties of how the other likes to be respected.

2. Role making: In the second phase, the leader and member take part in an unstructured and informal negotiation whereby a role is created for the member and the often-tacit promise of benefit and power in return for dedication and loyalty takes place.

3. Routinization: In this phase, a pattern of ongoing social exchange between the leader and the member becomes established.

The Leader-Member Exchange (LMX) Approach



Successful members are thus similar in many ways to the leader (which perhaps explains why many senior teams are all white, male, middle-class and middle-aged). They work hard at building and sustaining trust and respect.

To help this, they are empathetic, patient, reasonable, sensitive, and are good at seeing the viewpoint of other people (especially the leader). Aggression, sarcasm and an egocentric view are keys to the out-group wash-room.

The overall quality of the LMX relationship varies with several factors. Curiously, it is better when the challenge of the job is extremely high *or* extremely low. The size of the group, financial resource availability and the overall workload are also important.

The principle works upwards as well. The leader also gains power by being a member of their manager's inner circle, which then can then share on downwards. People at the bottom of an organization with unusual power may get it from an unbroken chain of circles up to the hierarchy.

G. Normative Leadership

The Vroom and Yetton Model describes the different ways leaders can make decisions and guides leaders in determining the extent to which subordinates should participate in decision making. The model holds that:

- organizational decisions should be of the highest quality
- subordinates should accept and be committed to organizational decisions that are made.



Vroom and Yetton use a decision tree for determining the best leadership style for a problem situation. Vroom and Yetton defined five different decision procedures. Two are autocratic (A1 and A2), two are consultative (C1 and C2) and one is Group based (G2). A1: Leader takes known information and then decides alone. A2: Leader gets information from followers, and then decides alone. C1: Leader shares problem with followers individually, listens to ideas and then decides alone. C2: Leader shares problems with followers as a group, listens to ideas and then decides alone. G2: Leader shares problems with followers as a group and then seeks and accepts consensus agreement.

Vroom's Time-Driven Decision Tree																
	Decision Significance	Importance of Commitment	Leader Expertise	Likelihood of Commitment	Group Support	Group Expertise	Team Competence									
PROBLEM STATEMENT	H	H	H	H	—	—	—	Decide								
				L	H	H	H	H	Delegate							
						L	—	—	Consult (group)							
					L	—	—									
			L	H	H	H	H	H	Facilitate							
						L	—	—	Consult (Individually)							
					L	L	—	—		Facilitate						
						L	H	H	H	Consult (group)						
				L	—		—									
				L	H	—	—	—	—	Decide						
					L	L	—	H	H	H	Facilitate					
									L	—	Consult (Individually)					
L	—															
PROBLEM STATEMENT	H	H	—	H	H	H	H	Decide								
						L	L	—	Facilitate							
							L	—	—	Consult (group)						
								L	—		—					
					L	H	H	H	H	H	Delegate					
								L	—	—	Facilitate					
						L	L	—	—	Consult (group)						
							L	—	—	—	Consult (group)					
				L	L	—	—	H	H	H	H	Delegate				
										L	—	—	Facilitate			
										L	—	—	Consult (group)			
									L	—	—	H		H	Facilitate	
L	—	—														
L	—	—														
L	H	—	—	H	—	—	—	Decide								
						L	—	—	Delegate							
						L	—	—	Decide							
						L	—	—	—	—	—	—	Decide			
														L	—	—
														L	—	—

The appropriate style of leadership (AI, AII, CI, CII, GII) depends on seven attributes of the problem situation. The letters in the code identify the leadership practice. A stands for autocratic; C stands for consultative; and G stands for group.

Levels of Leadership		
Level	Activities & Competencies	Personal Characteristics
IV Charismatic Transformational	<ul style="list-style-type: none"> • All of Level III+.... • Personal Charisma 	<ul style="list-style-type: none"> • All of Level III+... • Self-Confident • Knows Him/Herself • Eloquent • Free of Internal Conflict • Expressive Emotinally
III Transformational	<ul style="list-style-type: none"> • All of Level II +.... • Frames Holistic Issues • Sets New Goals & Direction • Manages Creative Conflict • Promotes Organiztional Learning • Creates A Context for Dialogue • Manages Paradigms • Creates Commitment Through Shared Values 	<ul style="list-style-type: none"> • Assertive • Seizes Opportunities • Tolerates Risk • Uses Systems Thinking
II Relational	<ul style="list-style-type: none"> • Creates Commitment Through Participation • Motivates Intrinsically • Promotes Teamwork • Manages Politics • Work Within Existing System 	<ul style="list-style-type: none"> • Participative & Consultative
I Transformational	<ul style="list-style-type: none"> • Accepts Organizational Goals • Use Extrinsic Motivators • Works Within Existing System • Takes Action 	<ul style="list-style-type: none"> • Directive • Dominating • Action-Oriented



Leadership Rewards

Internal

- Ability to be a “change catalyst” – can initiate, manage, and lead in a new direction
- Opportunity to cultivate relationships
- Can set tone and expectations for processes
- Opportunity to mentor and lead others
- Opportunity to see the diamond in the rough
- Opportunity to see someone blossom
- Financial compensation typically increases as you move up the ladder...but so do the expectations!

External

- Typically allows for development of relationships outside of facility/system
- Seen as a leader among your peers
- Opens new doors and opportunities
- Opportunity to network with others

VIII Managing Communication

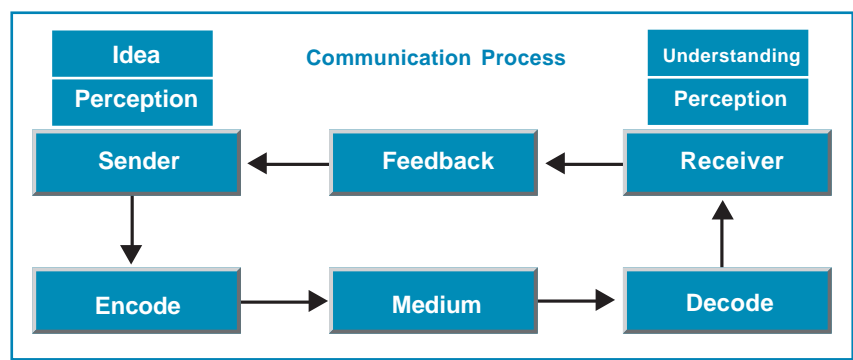
The most important thing in communication is hearing what isn't said.

- Peter F. Drucker

Communication is fundamental process underlying all aspects of organizational operations. It is 'the social glue...that continues to keep the organization tied together' and as 'the essence of organization.' According to a study, managers spend as much as 80 percent of their time in some form of communication, such a speaking or listening to others or writing to and reading material from others. Communication is defined as the process by which a person, group or organization transmits some type of information to another person, group or organization. Organizational communications cover every management function: planning, organizing, leading and controlling. When managers perform the planning function, they gather information; write letters, memos and reports; and then meet with other managers to explain the plan. When managers lead, they communicate with subordinates to motivate them. When managers organize, they gather information about the state of the organization and communicate a new structure to them.

Communication Process

Communication is a linked social process of sender, encoding, medium, decoding, receiver, and feedback. The sender's mission is to translate internal thought patterns into words, gestures or symbols that the intended receiver of the message will be likely to understand. This is the process of encoding. An encoded message is then ready to be transmitted over one or more channels of communication, that is, pathways along which information travels, to reach the desired receiver.



Once a message is received, the recipient begins the process of decoding, that is, of converting the message back into the sender's purported idea. Once a message is decoded, the receiver can transmit a new message back to the original sender. This is known as feedback – that is receiver's response to the message from the sender.

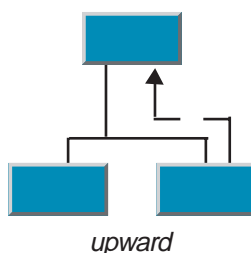
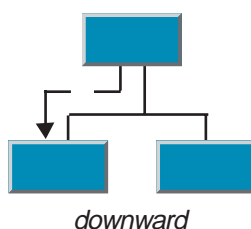
Channels of Communication

Face-to-face communication	Telephone Calls	E-mails	Memorandums
Letters	Computer reports	Advertising	Bulletin boards
Meetings	Publications	News releases	Press conferences

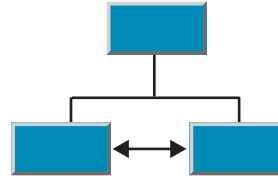
Forms of Organizational Communication

Within every organization, there are vertical - both upward and downward - and horizontal communication flows. Communication that flows up and down the organization, usually along formal reporting lines takes place between managers and subordinates and may involve several levels of the organization. Upward communication consists of messages from subordinates to superiors. Downward communication occurs when formation flows down the hierarchy from superiors to subordinates.

Vertical Communication



Horizontal Communication



The rationale of an communication management system is that all communication should move according to a formal scheme and direction. In order to accomplish this, there are three major requirements:

1. **Determining information needs:** Information needs are identified by determining how much information is needed; how, when, and by whom it will be used; and in what form it is needed. The process begins with an examination of the output requirements.
2. **Information-gathering and processing:** The purpose of this step is to improve the overall quality of the information. It includes six component services – collection, evaluation, abstracting, indexing, storage and dissemination
3. **Information use:** How information is used depends greatly on its accuracy, how it is presented and its timeliness. These relate to the basic needs determined in the beginning. The goal is to provide the right information to the right decision maker at the right time. In some cases, timeliness may take precedence over accuracy.

"The more elaborate
our means of
communication, the
less we
communicate."

- Joseph Priestley

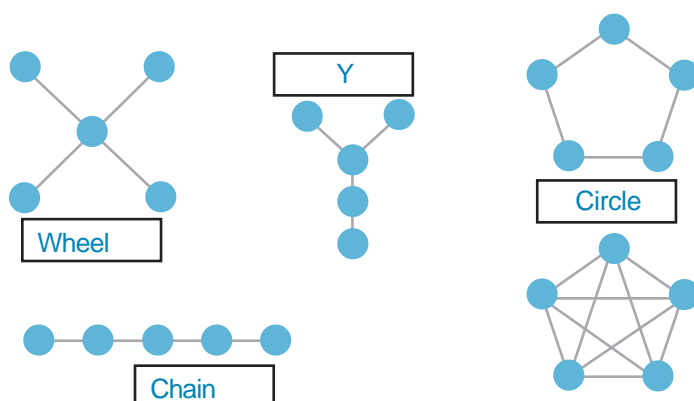
Types of Communication Networks

Communication networks can be dyadic, group, or organizational level and employees can be members of multiple networks simultaneously. Based on structure and relationship, the communication networks can be classified as Formal and Informal. Formal network is systematically established for the transmission of messages through defined relationships and follows organizational structure defined by organizational charts, etc. Networks are described functionally as the types of message they carry are task or production messages, maintenance message and human message. Based on how their structure, they can be classified as chain network, Y network, wheel network, and circle network. While the chain network is a serial transmission and is centralized, the Y network is shaped like 'Y' and is



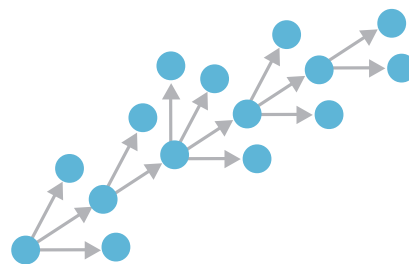
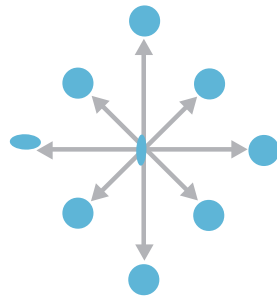
centralized as well. The wheel network has a central message unit and separate transmission and reception units in all directions. The circle network is a serial transmission of message but decentralized.

Formal Communication Networks



People in the network could assume the roles of liaison, bridge, gatekeeper and isolate members. The liaison is a link between two or more organizational network groups without belonging to them. Usually has a degree of tenure in organization. The bridge is a member of one network who connects to another by forming a dyadic relationship with someone from another group. The gatekeeper is a filter in/out information, usually to someone of authority and the isolated are the members who have relative autonomy. The features used to judge a network's behaviour are:

- **Dominance** – How much there is an equal relationship between network members.
- **Centrality** – How much which a network member is located at the crossroads of message flow. Chain, Y, and wheel network types.
- **Flexibility** – How much a network follows set rules about the pathways communication has to follow.
- **Reachability** – Number of intermediaries through whom a message has to travel to get to its destination.
- **Network Strength** – Frequency and duration of communication between participants.
- **Reciprocity** – How much network members agree about the nature of their linkage
- **Symmetry** – How much communication is equally shared in the network
- **Openness** – How much a network is linked to the outside world.



1. **Muddled messages** - Muddled messages are a barrier to communication because they fail to reflect the intent of the sender and the receiver is left confused. The message may be little more than a

Time Management

Channing H. Cox once visited Washington to call on Calvin Coolidge, whom he had succeeded as governor of Massachusetts. Cox, who was often detained at his desk until 9:00 p.m., was astonished to learn that Coolidge was able to see so many callers each day and still leave the office at 5:00 p.m. "Why the difference?" he asked. Replied Coolidge: "You talk back."

- vague idea and the problem may be semantics. An instance is this muddled newspaper ad, which reads: "Dog for sale. Will eat anything. Especially likes children. Call 888-3599 for more information." Obviously, it is likely to cause confusion and the only way to avoid confusion, feedback from the receiver seeking clarity from the sender regarding the intent of the message.
2. **Stereotyping** - Stereotyping is a barrier to communication when it causes people to act as if they already know the message that is coming from the sender. Stereotyping is typifying a person, a group, an event or a thing on oversimplified conceptions, beliefs, or opinions. Stereotyping can substitute for thinking, analysis and open mindedness to a new situation." Both senders and listeners should continuously look for and address thinking, conclusions and actions based on stereotypes.
3. **Wrong channel** - In choosing a channel, the sender needs to be sensitive to such things as the complexity of the; the consequences of a misunderstanding; knowledge, skills and abilities of the receiver; and immediacy of action to be taken from the message.
4. **Language** - Words as the sender understands them are combined with the perceptions of those words by the receiver. Language represents only part of the whole. We fill in the rest with perceptions. Trying to understand a foreign language easily demonstrates words not being reality. The green goose may be a trailer painted red long after it was given the name green goose. A brassy day may say much about temperature and little about color.
5. **Lack of feedback** - Feedback is the mirror of communication. Feedback mirrors what the sender has sent. Feedback is the receiver sending back to the sender the message as perceived. Without feedback, communication is one-way. Feedback happens in a variety of ways. Feedback may be as subtle as a stare, a puzzled look, a nod, or failure to ask any questions after complicated instructions have been given. Both sender and receiver can play an active role in using feedback to make communication truly two-way.

6. **Poor listening skills** - One important listening skill is to be prepared to listen. Tune out thoughts about other people and other problems. Search for meaning in what the person is saying. A mental outline or summary of key thoughts can be very helpful. Avoid interrupting the speaker. Withhold evaluation and judgment until the other person has finished with the message.
7. **Interruptions** - No matter the cause, interruptions are a barrier to communication. In the extreme, there is a reluctance of employees and family members even to attempt discussion with the manager because of the near certainty that the conversation will be interrupted. Less extreme but nevertheless serious is the problem of incomplete instructions because someone came by with a pressing question.
8. **Physical distractions** - Physical distractions are the physical things that get in the way of communication. Examples of such things include the telephone, a pick-up truck door, a desk, an uncomfortable meeting place, and noise. Noise is a physical distraction simply because it is hard to concentrate on a conversation if hearing is difficult.

Overcoming Barriers of Communication

Beyond removal of specific barriers to communication, the following general guidelines may also help communication. Bernard L Ervin suggests the following guidelines to overcome barriers to communication.

- Have a positive attitude about communication. Defensiveness interferes with communication.
- Work at improving communication skills. It takes knowledge and work. The communication model and discussion of barriers to communication provide the necessary knowledge. This increased awareness of the potential for improving communication is the first step to better communication.
- Include communication as a skill to be evaluated along with all the other skills in each person's job description. Help other people improve their communication skills by helping them understand their communication problems.
- Make communication goal oriented. Relational goals come first and pave the way for other goals. When the sender and receiver have a good relationship, they are much more likely to accomplish their communication goals.



- Approach communication as a creative process rather than simply part of the chore of working with people. Experiment with communication alternatives. What works with one person may not work well with another person. Vary channels, listening techniques and feedback techniques.
- Accept the reality of miscommunication. The best communicators fail to have perfect communication. They accept miscommunication and work to minimize its negative impacts.

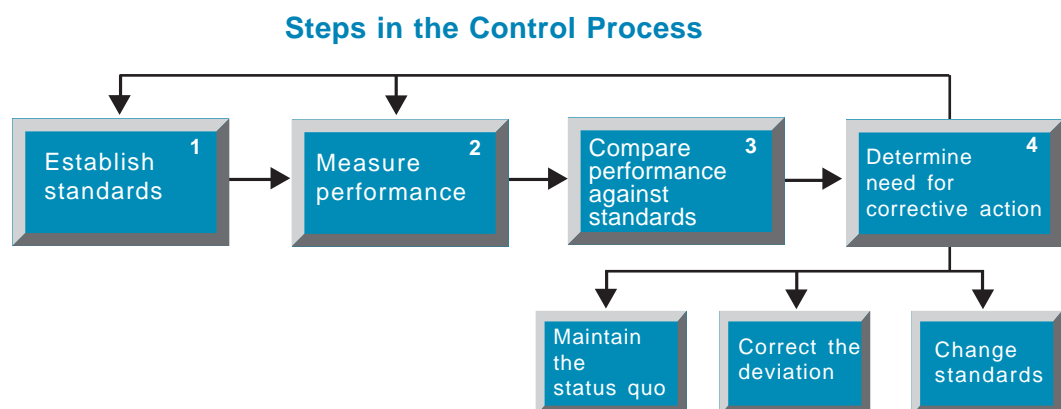
"Use non-verbal communication to SOFTEN the hard-line position of others:
S = Smile
O = Open Posture
F = Forward Lean
T = Touch
E = Eye Contact
N = Nod."

IX Management Control

What is the shortest word in the English language that contains the letters A to Z?

Answer : feedback.

'Controlling' is a process of establishing performance standards based on the organization's objectives, measuring actual performance, comparing actual performance against the set standards and taking corrective or preventive action as necessary. Control is both anticipatory and retrospective. If performance is anticipated to be below standards, preventive action becomes essential. Corrective action becomes necessary when performance is below standards. If performance is greater than or on par with the standards, it is useful to reinforce behaviors that led to the acceptable performance. If the gap between the standards and actual performance is huge, it might be necessary to alter the standards. In short, management of control can be an important element of a broader strategy to focus policymakers and those responsible for implementation on better defining specific policy objectives and on continuously improving their capacity to meet those objectives. The following diagram illustrates the process of control.



Establish Standards Control: Standards should be expressed in quantifiable terms and conform to organizational goals. Control standards should be explicit indices of performance.

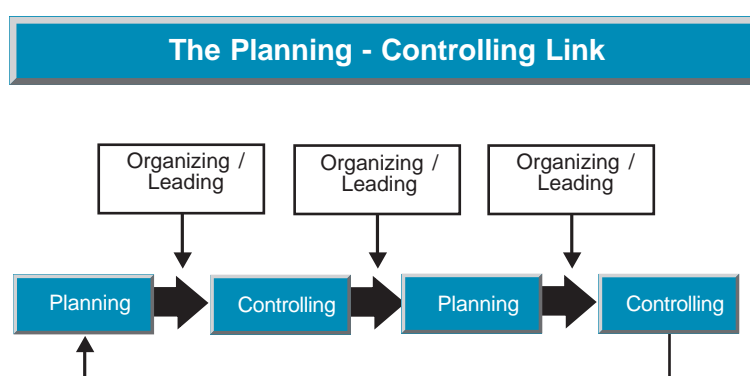
Measure Performance: Performance measures must be reasonable indices of performance.

Compare Performance Against Standards: Ascertain what acceptable digression from the performance standard is and use the suitable schedule for measurement.

Determine the Need for Corrective Action: Ascertain whether to maintain the status quo or correct the deviation to bring activities into observance with the



standard. Change the performance standard if it was set too high or too low. 'Controlling' is an ongoing process and helps organizations in diagnosing deficiencies and bottlenecks in the work process that in turn need to be addressed, and thus avoid accumulation of errors. Performance standards should be established for every single and important task. Performance standards flow from each of the function of management. They build on planning, organizing and leading as the diagram below illustrates.



Essentials of Effective Control Systems

To make control system effective there has to be a facilitation of and support of collaborative activity. Ideally, everyone in the organization should view control as a responsibility rather than a needless onus thrust upon them. Effective control systems have the following characteristics:

- Acceptability (to those who enforce decisions)
- Clarity (of objectives and performance standards)
- Flexibility (to accommodate changes)
- Accuracy (of targets and expected results)
- Timeliness (of evaluation of functions)
- Objectivity (to avoid bias and distortions)
- Cost-effectiveness (in terms of implementation)

Types of Control

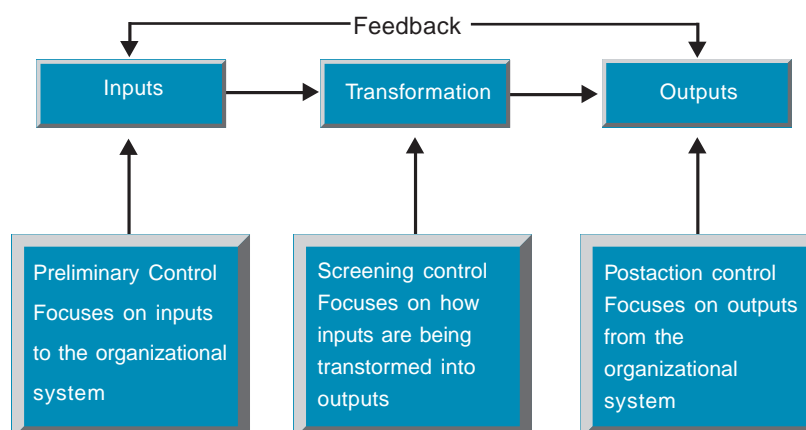
Management controls are of three types, depending on at what stage of organizational process they are applied, viz., Preliminary, Concurrent and Post-action control.

Preliminary control is exercised at the inputs stage to ascertain whether the key ingredients are primed to yield the desired results. Human resources must meet the job requirements; materials must meet acceptable levels of quality and must be available at the proper time and place. Equipment must be on hand when needed, and financial resources must be available in the right amounts and at the right times.

Concurrent Control is exercised during the stage of transformation of inputs into outputs to monitor the process of conversion of inputs into outputs. The principal means by which concurrent control is implemented is through the directing or supervisory activities of managers. Through personal, on-the-spot observation, managers determine whether the work of others is proceeding in the manner defined by policies and procedures. The delegation of authority provides managers with the power to use financial and non-financial incentives to achieve concurrent control. The standards guiding ongoing activity are derived from job descriptions and from policies established by the planning function.

Post-action control is applied to evaluate whether the process has yielded the desired outputs or outcomes, and whether it needs any corrective action. The corrective action is directed either at improving the process of resource acquisition or modifying future operations. This type of control examines historical results to guide future actions. The methods employed include cost-benefit analysis, audit, quality control, performance evaluation, and impact assessment.

Forms of Operations Control



Each of the control systems have a feedback mechanism providing information whether things are moving in the right direction and whether a corrective action is necessary in the organization processes.

Measures of Performance

Performance of organization activities can be measured by the output or outcome methods. Output measures can be used to assess whether or not resources are being efficiently managed to deliver non-contingent results or products. In contrast, outcome measures focus on underlying policy objectives; they enable an evaluation of whether the outputs produced are actually achieving underlying policy objectives.

Output measures have the advantage of focusing on results that are more fully within the control of the responsible agency. These measures tend to be of most interest to those responsible for implementing programs and policies. Outcome measures, on the other hand, will tend to be of greater interest to policymakers and those responsible for designing programs. However, outcomes are often contingent on factors outside the direct control of the agency responsible for delivering particular outputs. Accordingly, a well-designed performance monitoring strategy will encourage the development and monitoring of a diversified portfolio of output and outcome indicators.

Areas of Management Control

Based on the areas of operation, control systems in the organization can be classified as Control of Physical Resources, Human Resources, Information Resources and Financial Resources. Control of physical resources is benchmarking of physical resources, including inventory and equipment. Control of human resources constitutes establishing guidelines for selection and placement, training and development, performance appraisal and compensation of human resources. Control of information resources is to define and establish norms for flow of intra-organizational information and external information that either comes to or is sent from the organization. Control of financial resources is the formulation of policies governing financial resources, i.e., determining the amounts and kinds of resources necessary to attain the organizational objectives.

Methods for Control

- **Policies:** Policies are important means for implementing preliminary control, since policies are guidelines for future action. Setting policy is included in the planning function, whereas implementing policy is a part of the control function.
- **Job descriptions:** Job descriptions are a part of the control function since they pre-determine the activities, responsibilities, and authority of the jobholder.
- **Quality control of materials:** The materials to be used in the project must conform to standards of quality.
- **Budgets:** The principal means of controlling the availability and cost (interest) of financial resources is budgeting.
- **Audit:** A management audit is a study of the manner in which the project is being carried out. It focuses primarily on efficiency and management considerations. A financial audit examines the fiscal aspects of the project.
- **Standard Cost Analysis:** A standard cost system provides information that enables a manager to compare actual costs with pre-determined (standard) costs. The manager must determine the reasons for the variances and decide what corrective action is appropriate.
- **Employee Performance Evaluation:** The most important and difficult feedback control technique is employee performance evaluation. It is important because the most crucial resource in any organization is its people.
- **Impact Assessment:** The most important evaluation of a project is the impact assessment. Its purpose is to determine whether the project and its various activities accomplished the broad as well as specific goals set out during the planning process.
- **Graphic Charts and Diagrams:** Project activities can be graphically displayed on charts, graphs and/or network diagrams. These graphic displays provide a useful means of helping the staff to visualize the relationship of activities and the time needed to complete each operation. Developing the charts can be a shared activity of the



manager and his/her subordinates.

Dysfunctional Consequences of Control Systems

Managers expect people in an organization to change their behaviour in response to control. However, employee resistance can easily make control efforts dysfunctional. The following behaviors demonstrate means by which the manager's control efforts can be frustrated:

- Game playing - control is something to be beaten, a game between the “boss and me and I want to win.”
- Resisting control - a “blue flu” reaction to too much control
- Providing inaccurate information - a lack of understanding of why the information is needed and important leading to “you want numbers, we will give you numbers.”
- Following rules to the letter - people following dumb and unprofitable rules in reaction to “do as I say.”
- Sabotaging - stealing, discrediting other workers, chasing customers away, gossiping about the firm to people in the community
- Playing one manager off against another - exploiting lack of communication among managers, asking a second manager if don't like the answer from the first manager.

Overcoming Resistance Management Control

- By designing effective controls that are properly integrated with organizational planning and aligned with organizational goals and standards
- Creating controls that are flexible, accurate, timely, and objective
- Avoiding over-control in the implementation of controls
- Guarding against creating controls that reward inefficiencies
- Encouraging employee participation in the planning and implementing of control systems
- Developing a system of checks and balances in the control systems through the use of multiple standards and information systems that allow the organization to verify the accuracy of performance indicators.

Key Questions for Performance Evaluation

The following are the key questions that a manager has to ask himself before he sets out to performance evaluation:

- To what extent are improvements in the public sector necessary for enhancing partnerships and achieving better development outcomes?
 - Results-orientation changes the public sector culture, otherwise, focus on development outcomes nearly impossible
 - Developing a full-blown performance management is system not necessary
- How can reformers encourage political authorities to emphasize a results focus in the public sector reform process?
 - Find a powerful pre-existing structuring process
 - Involve legislatures
 - Open to the public
 - Sensible formulation of goals and measures to avoid frustration
- How do partners go beyond measurement to use the results framework to strengthen their capacity for policy analysis, policy formulation, monitoring and evaluation and to inform the development of new/successor strategies?
 - Measurement as a learning process

Necessary based on toolbox; no single measure can answer all questions

Performance Indicators

- Tell how a government organization is performing over time
- Agencies compete with their past record
- Ongoing, periodical information
- Measure performance in different:
 - Dimensions (effectiveness, efficiency, economy, service quality)
 - Delivery levels (process, output, outcome)



Management Improvement Programs

- Managerial systems in 6 areas:
 - Human resources
 - Customer service
 - Strategic planning and management control
 - Internal auditing
 - Decentralization
 - Financial management
- Every area divided into systems
- Progress in every system coded through descriptors
- Government agencies assess their current situation and propose next stage to attain

Annexure

Persuasion, motivation and inspiration test

Assess your communications abilities to persuade, motivate and inspire (ethically of course)

How persuasive, inspirational and motivational are you? Your personal communications techniques and style are crucial factors in your efforts to persuade and motivate others. Some people instinctively possess these capabilities, although most don't. You can do a lot to improve your effectiveness as a leader and motivator by understanding and using some simple communications techniques and principles, which are assessed and illustrated in this quick simple quiz.

Take this simple free self-test, designed by author and attitudinal development expert, Dr Marlene Caroselli, to help you assess your own capabilities for **persuasion**, and **motivational** and **inspirational communications**.

This simple free quiz will give you a quick and broad indication of your leadership and inspirational and persuasive capability, and of areas to improve, particularly in the way you speak to and communicate with people. It is obviously mostly for fun, and yet the principles and learning contained within it are solid and helpful to all who aspire to being better at inspiring, motivating, leading and persuading others to pursue a worthy cause.

Motivational leadership self-test

1. To convince others that you are credible and trustworthy do you....
 - A. Cite statistics
 - B. Share an anecdote
 - C. Use a combination of statistics and anecdote
2. Lee Iacocca has been named the sales-person of the century. Which of these sentences belongs to the persuasion-meister...
 - A. "It is imperative for us to unite, to grit our teeth, to aspire to new heights."
 - B. "For in the dew of little things, the heart finds its morning and is refreshed."



- C. "It's a leader's job to bring the bad news, to get people to believe things they don't want to believe, and then to go out and do things they don't want to do."
3. A persuasive leader.....
- A. Listens as much as he or she talks
 - B. Tells it like it is
 - C. Enjoys the use of power
4. People who are effective persuaders....
- A. Use little words
 - B. Rely on current buzzwords
 - C. Teach their followers via very long words
5. Parallelism (deliberate repetition of words or phrases)...
- A. Is annoying to listeners/readers
 - B. Creates a monotonous impression
 - C. Is an effective persuasion-tool
6. 'Chiasmus' refers to...
- A. A style of footnoting references
 - B. An expression that uses a word(s) from the first half of the sentence in a new way, in the second half of the same sentence.
 - C. A literary device used by scholars.
7. Definitions...
- A. Should be provided from a reputable source
 - B. Sound patronizing
 - C. Are most effective when newly coined
8. An expression such as 'our children are our future'...
- A. Has lost its effectiveness due to overuse
 - B. Appeals to a broad spectrum of listeners/readers
 - C. Reminds us of purpose

9. 'The real challenge for business people is to get communication out of information' according to..

- A. President George W Bush
- B. Management expert Peter Drucker
- C. Futurist Alvin Toffler

10. Metaphors...

- A. According to Aristotle, when understood, represent the beginning of genius
- B. According to management-guru Warren Bennis, help effect change
- C. According to Jose Ortega y Gasset, philosopher and Spanish Civil War revolutionary are the most fertile powers on earth

Answers to motivational leadership self-test

Give yourself one point for each correct answer.)

- 1. B. Research by J Martin and M Powers found the anecdote by itself was most effective in establishing credibility.
- 2. C. The gutsy, direct, feisty style of this super-salesman is shown in this sentence.
- 3. A. 'One of the best ways to persuade others is with your ears.' We fully concur with this assertion by statesman Dean Rusk.
- 4. A. Winston Churchill may have said it best: 'Big [wo]men use little words.' Check out the words of others who have exerted great influence: Reverend Martin Luther King ('I have a dream...'); John F Kennedy ('Ask not what your country can do for you...'); Mother Teresa ("We can do no great things - only small things with great love.").
- 5. C. There are very many examples of inspirational quotes containing lots of repetition, particularly from national leaders and politicians. They use repetition because repetition works. For example Churchill's WWII rallying speech, '....We shall fight on the beaches, we shall fight on the landing grounds, we shall fight in the fields and in the streets...'
- 6. B. Listen to the persuasive power contained in these unforgettable phrases: President Jimmy Carter: "America did not invent civil rights. Civil rights invented America." Jesse Jackson: "I was born in the slums, but the



slums were not born in me.” Baseball great Leroy Satchel Paige: “Age is a question of mind over matter. If you don’t mind, it don’t matter.”

7. C. It’s tedious and seldom informative to hear a dictionary definition. Much more persuasive is an original definition, for example, this by Lon Watters: “School is a building that has four walls with tomorrow inside.”
8. A. Sentences that are overused, obvious truisms, lose their power because people have heard it before and therefore become ‘immune’ to what was once an original exciting expression. To restore power to such a thought, add an original spin. For example, “To protect our future, we must protect our children.”
9. B. Peter Drucker, Father of Modern Management Science, challenges all of us to convert data to meaningful thought.
10. A., B., C. Although they should never be mixed and should be used sparingly, the metaphor can create a truly lasting concept. “The Iron Curtain,” for example, or “The Glass Ceiling.” Warren Bennis once remarked, “If I were to give off-the-cuff advice to someone seeking to institute change, the first question I would ask is, ‘How clear is your metaphor?’ “

Self-test score interpretation

- 9-10 You’ve persuaded us! A score this high indicates a true gift. If you’re not in a leadership position, you should be.
- 5-8 You know a good deal about the power of words. Ideally, you’re using that power both wisely and well.
- 1-4 If you’re a believer in continuous improvement, you’ll take the time to learn more about how to win ends (ie, achieve goals) and influence people.

Dr Marlene Caroselli is an author of over 50 business books, is an international keynote speaker and corporate trainer for Fortune 100 companies, government agencies, educational institutions, and professional organizations.

Suggested Readings



A Manager's Guide to Hiring the Best Person for Every Job

By DeAnne Rosenberg

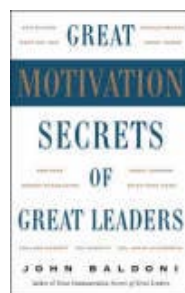
Comprehensive guide on hiring that covers everything from structuring interviews to reading body language and assessing candidates. Includes explanations of the different kinds of questions that should be used in an interview and provides an excellent matrix for assessing the trade-offs between different candidates. Outstanding resource for managers wishing to refine their hiring skills.



1001 Ways to Reward Employees

By Bob Nelson

This is an extremely handy book for any manager who is trying to find effective ways to provide recognition to his/her employees. The author covers a huge array of possibilities for formal and informal rewards, as well as performance-based awards. The book is well organized and has hundreds of anecdotes describing creative techniques that supervisors in different companies have used effectively to show their appreciation to employees.

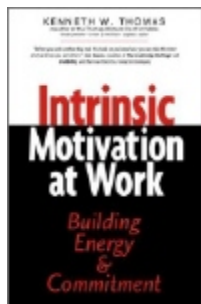


Great Motivation Secrets of Great Leaders

By John Baldoni

Excellent discussion of the many leadership practices that help create an environment conducive to motivation. The author encourages leaders to lead by example, communicate, challenge, empower, coach, recognize, sacrifice and inspire. Each of these principles is illustrated with compelling stories of great leaders, including Col. David Hackworth, Frances Hesselbein, and Ernest Shackleton.





Intrinsic Motivation at Work: Building Energy and Commitment

By Kenneth W. Thomas

This book provides an exceptionally useful framework for understanding the factors that energize employees and prompt them to put more effort and creativity into their work. A must-read for any manager who is concerned about morale and wishes to increase every employee's level of commitment.



The Story Factor: Inspiration, Influence, and Persuasion Through the Art of Storytelling

By Annette Simmons

The Story Factor is a superb manual for anyone who wants to improve their storytelling skills. Simmons explains how stories can be one of the most effective means of influencing people who disagree with you. She also describes the six kinds of stories you should know how to tell and explains a number of storytelling "Do's and Don'ts." An exceptionally useful addition to any leader's toolkit.





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Knowledge • Technology • People

Dr. MCR HRD IAP Campus, Road No. 25 Jubilee Hills
Hyderabad 500 033 Andhra Pradesh (India)

Ph : +91-40-23541907 Fax : +91-40-23541953

visit us : www.cgg.gov.in