

UNIT 5 : Motivation

Maslow's Theory

Introduction:

The basis of Maslow's motivation theory is that human beings are motivated by unsatisfied needs, and that certain lower factors need to be satisfied before higher needs can be satisfied. According to Maslow, there are general types of needs (physiological, survival, safety, love, and esteem) that must be satisfied before a person can act unselfishly. He called these needs "deficiency needs." As long as we are motivated to satisfy these cravings, we are moving towards growth, toward self-actualization. Satisfying needs is healthy, while preventing gratification makes us sick or act evilly.

Maslow's model indicates that fundamental, lower-order needs like safety and physiological requirements have to be satisfied in order to pursue higher-level motivators along the lines of self-fulfillment. As depicted in the following hierarchical diagram, sometimes called 'Maslow's Needs Pyramid' or 'Maslow's Needs Triangle', after a need is satisfied it stops acting as a motivator and the next need one rank higher starts to motivate.



Self-actualization:

Self-actualization is the summit of Maslow's motivation theory. It is about the quest of reaching one's full potential as a person. Unlike lower level needs, this need is never fully satisfied; as one grows psychologically there are always new opportunities to continue to grow.

Self-actualized people tend to have motivators such as:

- Truth

- Justice
- Wisdom
- Meaning

Self-actualized persons have frequent occurrences of *peak experiences*, which are energized moments of profound happiness and harmony. According to Maslow, only a small percentage of the population reaches the level of self-actualization.

Esteem Needs:

After a person feels that they "belong", the urge to attain a degree of importance emerges. Esteem needs can be categorized as external motivators and internal motivators. Internally motivating esteem needs are those such as self-esteem, accomplishment, and self respect. External esteem needs are those such as reputation and recognition.

Some examples of esteem needs are:

- Recognition (external motivator)
- Attention (external motivator)
- Social Status (external motivator)
- Accomplishment (internal motivator)
- Self-respect (internal motivator)

Maslow later improved his model to add a layer in between self-actualization and esteem needs: the need for aesthetics and knowledge.

Social Needs:

Once a person has met the lower level physiological and safety needs, higher level motivators awaken. The first level of higher level needs are social needs. Social needs are those related to interaction with others and may include:

- Friendship
- Belonging to a group
- Giving and receiving love

Safety Needs:

Once physiological needs are met, one's attention turns to safety and security in order to be free from the threat of physical and emotional harm. Such needs might be fulfilled by:

- Living in a safe area
- Medical insurance
- Job security
- Financial reserves

According to the Maslow hierarchy, if a person feels threatened, needs further up the pyramid will not receive attention until that need has been resolved.

Physiological Needs:

Physiological needs are those required to sustain life, such as:

- Air
- Water
- Food
- Sleep

According to this theory, if these fundamental needs are not satisfied then one will surely be motivated to satisfy them. Higher needs such as social needs and esteem are not recognized until one satisfies the needs basic to existence.

Herzberg's Motivators and Hygiene Factors

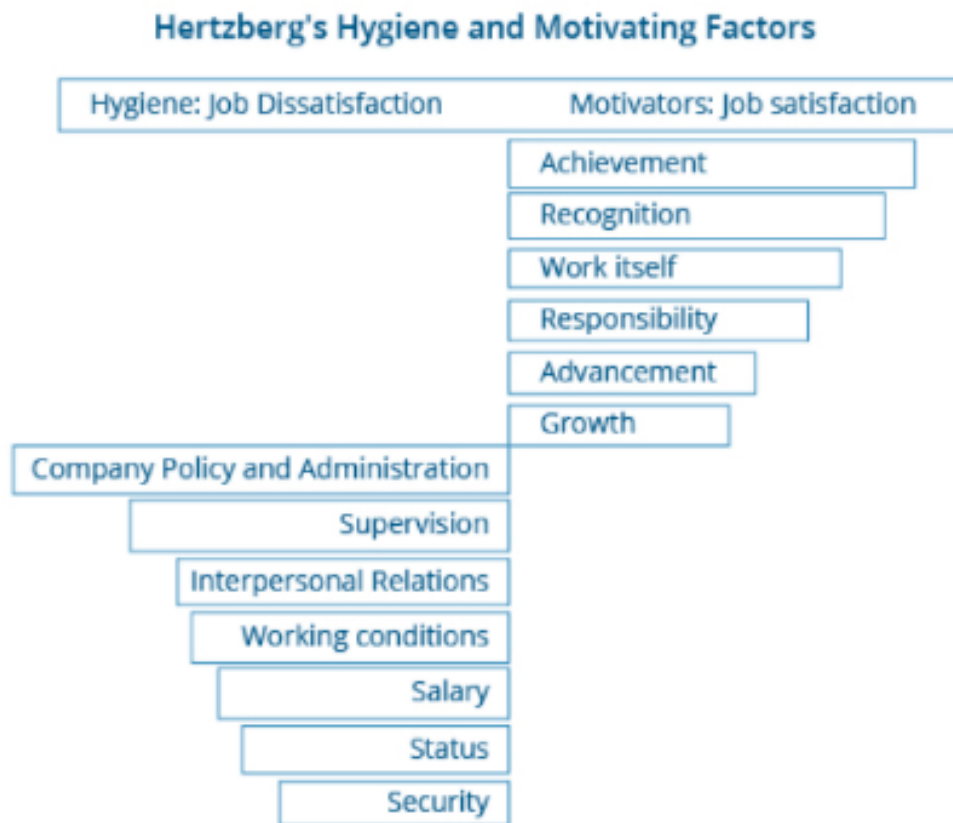
What do people want from their jobs? Do they just want a higher salary? Or do they want security, good relationships with co-workers, opportunities for growth and advancement – or something else altogether?

This is an important question, because it's at the root of motivation - the art of engaging with members of your team in such a way that they give their very best performance.

The psychologist Fredrick Herzberg asked the same question in the 1950s and 60s as a means of understanding employee satisfaction. He set out to determine the effect of attitude on motivation, by asking people to describe situations where they felt really good, and really bad, about their jobs. What he found was that people who felt good about their jobs gave very different responses from the people who felt bad.

These results form the basis of Herzberg's Motivation-Hygiene Theory (sometimes known as Herzberg's Two Factor Theory). Published in his famous article, "One More Time: How do You Motivate Employees," the conclusions he drew were extraordinarily influential, and still form the bedrock of good motivational practice nearly half a century later.

Motivation-Hygiene Theory



Herzberg's findings revealed that certain characteristics of a job are consistently related to job satisfaction, while different factors are associated with job dissatisfaction. These are:

Factors for Satisfaction	Factors for Dissatisfaction
Achievement	Company policies
Recognition	Supervision
The work itself	Relationship with supervisor and peers
Responsibility	Work conditions
Advancement	Salary

Growth	Status
	Security

Reprinted by permission of *Harvard Business Review*. From "[One More Time: How do You Motivate Employees?](#)" by Frederick Herzberg, January 2003. Copyright © 1968 by the Harvard Business School Publishing Corporation; all rights reserved. The conclusion he drew is that job satisfaction and job dissatisfaction are not opposites.

- The opposite of **Satisfaction** is **No Satisfaction**.
- The opposite of **Dissatisfaction** is **No Dissatisfaction**.

Remedying the causes of dissatisfaction will not create satisfaction. Nor will adding the factors of job satisfaction eliminate job dissatisfaction. If you have a hostile work environment, giving someone a promotion will not make him or her satisfied. If you create a healthy work environment but do not provide members of your team with any of the satisfaction factors, the work they're doing will still not be satisfying.

According to Herzberg, the factors leading to job satisfaction are "separate and distinct from those that lead to job dissatisfaction." Therefore, if you set about eliminating dissatisfying job factors, you may create peace but not necessarily enhance performance. This placates your workforce instead of actually motivating them to improve performance.

The characteristics associated with job dissatisfaction are called hygiene factors. When these have been adequately addressed, people will not be dissatisfied nor will they be satisfied. If you want to motivate your team, you then have to focus on satisfaction factors like achievement, recognition and responsibility.

To apply the theory, you need to adopt a two-stage process to motivate people. Firstly, you need to eliminate the dissatisfaction they're experiencing and, secondly, you need to help them find satisfaction.

Step One: Eliminate Job Dissatisfaction

Herzberg called the causes of dissatisfaction "hygiene factors." To get rid of them, you need to:

- Fix poor and obstructive company policies.
- Provide effective, supportive and non-intrusive supervision.
- Create and support a culture of respect and dignity for all team members.
- Ensure that wages are competitive.
- Build job status by providing meaningful work for all positions.
- Provide job security.

All of these actions help you eliminate job dissatisfaction in your organization. And there's no point trying to motivate people until these issues are out of the way!

You can't stop there, though. Remember, just because someone is not dissatisfied, it doesn't mean he or she is satisfied either! Now you have to turn your attention to building job satisfaction.

Step Two: Create Conditions for Job Satisfaction

To create satisfaction, Herzberg says you need to address the motivating factors associated with work. He called this "job enrichment." His premise was that every job should be examined to determine how it could be made better and more satisfying to the person doing the work. Things to consider include:

- Providing opportunities for achievement.
- Recognizing people's contributions.
- Creating work that is rewarding and that matches people's skills and abilities.
- Giving as much responsibility to each team member as possible.
- Providing opportunities to advance in the company through internal promotions.
- Offering training and development opportunities, so that people can pursue the positions they want within the company.

Macgregors theory (Theory X and Theory Y)

In 1960, Douglas McGregor formulated Theory X and Theory Y suggesting two aspects of human behaviour at work, or in other words, two different views of individuals (employees): one of which is negative, called as Theory X and the other is positive, so called as Theory Y. According to McGregor, the perception of managers on the nature of individuals is based on various assumptions.

Assumptions of Theory X

- An average employee intrinsically does not like work and tries to escape it whenever possible.
- Since the employee does not want to work, he must be persuaded, compelled, or warned with punishment so as to achieve organizational goals. A close supervision is required on part of managers. The managers adopt a more dictatorial style.
- Many employees rank job security on top, and they have little or no aspiration/ ambition.
- Employees generally dislike responsibilities.
- Employees resist change.
- An average employee needs formal direction.

Assumptions of Theory Y

- Employees can perceive their job as relaxing and normal. They exercise their physical and mental efforts in an inherent manner in their jobs.
- Employees may not require only threat, external control and coercion to work, but they can use self-direction and self-control if they are dedicated and sincere to achieve the organizational objectives.
- If the job is rewarding and satisfying, then it will result in employees' loyalty and commitment to organization.
- An average employee can learn to admit and recognize the responsibility. In fact, he can even learn to obtain responsibility.
- The employees have skills and capabilities. Their logical capabilities should be fully utilized. In other words, the creativity, resourcefulness and innovative potentiality of the employees can be utilized to solve organizational problems.

Thus, we can say that Theory X presents a pessimistic view of employees' nature and behaviour at work, while Theory Y presents an optimistic view of the employees' nature and behaviour at work. If correlate it with Maslow's theory, we can say that Theory X is based on the assumption that the employees emphasize on the physiological needs and the safety needs; while Theory Y is based on the assumption that the social needs, esteem needs and the self-actualization needs dominate the employees.

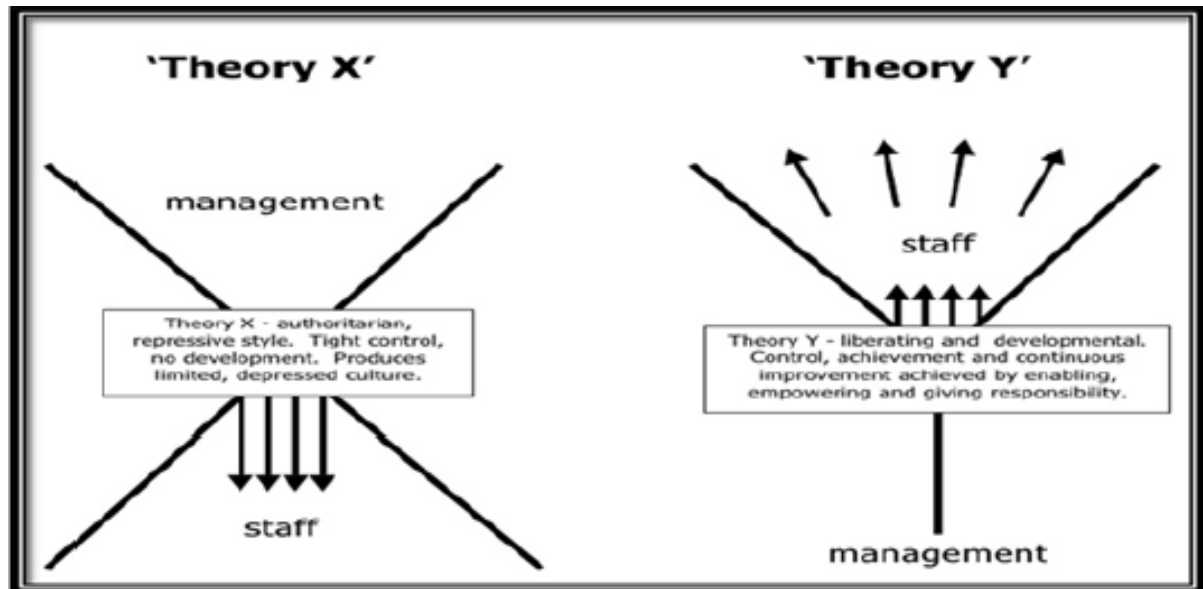
McGregor views Theory Y to be more valid and reasonable than Theory X. Thus, he encouraged cordial team relations, responsible and stimulating jobs, and participation of all in decision-making process.

Our management style is firmly influenced by our beliefs and assumptions about what encourages members of our team like: If we believe that our team members dislike work, then we tend towards an authoritarian style of management. However,

if we assume that employees take pride in doing a good job, we tend to adopt a more participative style.

Douglas McGregor, the eminent social psychologist, divides management style into two contrasting theories –

- Theory X
- Theory Y



Theory X

This theory believes that employees are naturally unmotivated and dislike working, and this encourages an authoritarian style of management. According to this theory, management must firmly intervene to get things done. This style of management concludes that workers –

- Disfavor working.
- Abstain responsibility and the need to be directed.
- Need to be controlled, forced, and warned to deliver what's needed.
- Demand to be supervised at each and every step, with controls put in place.
- Require to be attracted to produce results, else they have no ambition or incentive to work.

McGregor observed that X-type workers are in fact mostly in minority, and yet in mass organizations, such as large scale production environment, X Theory management may be needed and can be unavoidable.

Theory Y

This theory explains a participative style of management, that is, distributive in nature. It concludes that employees are happy to work, are self-motivated and creative, and enjoy working with greater responsibility. It estimates that workers –

- Take responsibility willingly and are encouraged to fulfill the goals they are given.
- Explore and accept responsibility and do not need much guidance.
- Assume work as a natural part of life and solve work issues imaginatively.

In Y-type organizations, people at lower levels are engaged in decision making and have more responsibility.

Comparing Theory X & Theory Y

Let us now compare both the theories –

Motivation

Theory X considers that people dislike work, they want to avoid it and do not take responsibilities willingly.

While, Theory Y considers that people are self-motivated, and sportingly take responsibilities.

Management Style and Control

In Theory X-type organization, management is authoritarian, and centralized control is maintained.

While in Theory Y-type organization, the management style is participative, employees are involved decision making, but the power retains to implement decisions.

Work Organization

Theory X employees are specialized and the same work cycle continues.

In Theory Y, the work tends to be coordinated around wider areas of skill or knowledge. Employees are also motivated to develop expertise, and make suggestions and improvements.

Rewards and Appraisals

Theory X-type organizations work on a 'carrot and stick' basis, and performance assessment is part of the overall mechanism of control and compensation.

Coming to Theory Y-type organizations, appraisal is also regular and crucial, but is usually a separate mechanism from organizational controls. Theory Y-type organizations provide employees frequent opportunities for promotion.

Application

Admitting the fact that Theory X management style is widely accepted as inferior to others, it has its place in large scale production procedure and unskilled production-line work.

Many of the principles of Theory Y are widely accepted by different types of organization that value and motivate active participation.

Theory Y-style management is appropriate for knowledge work and licensed services. Licensed service organizations naturally develop Theory Y-type practices by the nature of their work, even high structure knowledge framework, like call center operations, benefit from its principles to motivate knowledge sharing and continuous improvement

Stress Management

What is work stress?

W

ork-related stress is the response people may have when presented with work demands and pressures that are not matched to their knowledge and abilities and which challenge their ability to cope.

Stress occurs in a wide range of work circumstances but is often made worse when employees feel they have little support from supervisors and colleagues and where they have little control over work or how they can cope with its demands and pressures.

Stress results from a mismatch between the demands and pressures on the person, on the one hand, and their knowledge and abilities, on the other. It challenges their ability to cope with work. This includes not only situations where the pressures of work exceed the worker's ability to cope but also where the worker's knowledge and abilities are not sufficiently utilised and that is a problem for them.

A healthy job is likely to be one where the pressures on employees are appropriate in relation to their abilities and resources, to the amount of control they have over their work, and to the support they receive from people who matter to them. As health is not merely the absence of disease or infirmity but a positive state of complete physical, mental and social well-being (WHO, 1986), a healthy working environment is one in which there is not only an absence of harmful conditions but an abundance of health promoting ones.

These may include continuous assessment of risks to health, the provision of appropriate information and training on health issues and the availability of health promoting organizational support practices and structures. A healthy work environment is one in which staff have made health and health promotion a priority and part of their working lives.

What causes work stress?

P

oor work organization, that is the way we design jobs and work systems, and the way we manage them, can cause work stress.

Excessive and otherwise unmanageable demands and pressures can be caused by poor work design, poor management and unsatisfactory working conditions. Similarly, these things can result in workers not receiving sufficient support from others or not having enough control over their work and its pressures.

Research findings show that the most stressful type of work is that which values excessive demands and pressures that are not matched to workers' knowledge and abilities, where there is little opportunity to exercise any choice or control, and where there is little support from others.

The more the demands and pressures of work are matched to the knowledge and abilities of workers, the less likely they are to experience work stress.

The more support workers receive from others at work, or in relation to work, the less likely they are to experience work stress.

The more control workers have over their work and the way they do it and the more they participate in decisions that concern their jobs, the less likely they are to experience work stress.

Most of the causes of work stress concern the way work is designed and the way in which organizations are managed.

Because these aspects of work have the potential for causing harm, they are called 'stress-related hazards'. The literature on stress generally recognizes nine categories of stress-related hazards and these are listed in Table I. One should keep in mind, though, that some of these hazards may not be universal or may not be considered harmful in specific cultures.

The effects of work stress

When affected by work stress people may:

- become increasingly distressed and irritable
- become unable to relax or concentrate
- have difficulty thinking logically and making decisions
- enjoy their work less and feel less committed to it
- feel tired, depressed, anxious
- have difficulty sleeping
- experience serious physical problems, such as:
 - - heart disease,
 - - disorders of the digestive system,
 - - increases in blood pressure,

headaches,

- - musculo-skeletal disorders (such as low back pain and upper limb disorders)

Work stress is thought to affect organizations by:

- increasing absenteeism
- decreasing commitment to work
- increasing staff turn-over
- impairing performance and productivity
- increasing unsafe working practices and accident rates
- increasing complaints from clients and customers
- adversely affecting staff recruitment • increasing liability to legal claims and actions by stressed workers
- damaging the organization's image both among its workers and externally

(https://www.who.int/occupational_health/publications/pwh3rev.pdf)

Conflict Management

Conflict can be defined as a mental struggle resulting from incompatible or opposing needs, drives, wishes, and external or internal demands. Where there are people, there is conflict.

They are usually taken in a negative association. However, this is inaccurate as conflicts are necessary for healthy relationships. It all depends on the approach we use to resolve the conflict.

Classification of Conflict

When we think of the different types of conflict, we might instantly think of the ones referred to in literature, especially in fiction. They can be applied to real life, of course. However, in contemporary times, types of conflict which are easily identifiable are classified into four different types –

- Intrapersonal
- Intragroup
- Interpersonal
- Intergroup

Intrapersonal Conflict

Intrapersonal conflict takes place within an individual. The person experiences it in his own mind. Thus, it is a type of conflict that is psychological involving the individual's thoughts, values, principles and emotions. Intrapersonal conflict may come in different forms, from the simple mundane ones like deciding whether or not to go vegan for lunch to ones that can affect major decisions such as choosing a career path.

However, this type of conflict can be quite difficult to handle, if you find it hard to decipher your inner struggles. It results in restlessness and uneasiness, or can even cause depression. On such occasions, it is advised to seek a way to let go of the anxiety by communicating with other people. Eventually, when the person finds himself/herself out of the situation, he/she can become more empowered as a person. Thus, the experience invokes a positive change which helps in personal growth.

Intragroup Conflict

Intragroup conflict occurs among individuals within a team. The incompatibilities and misunderstandings between team members leads to intragroup conflict. It starts from interpersonal disagreements like team members have different personalities which may lead to tension or differences in views and ideas. Say for example, during a presentation, members of the team might find the notions presented by the one presiding to be erroneous due to their differences in opinion.

Within a team, conflict can be helpful in coming up with decisions, which will eventually allow them to achieve their objectives as a team. But, if the degree of conflict disrupts harmony among the members, then some serious guidance from a different party will be needed for it to be settled.

Interpersonal Conflict

Interpersonal conflict means a conflict between two individuals. Basically, this occurs because of some differences in people. We have varied personalities which usually lead to incompatible choices and opinions. So, it is a natural occurrence which can eventually help in personal growth or developing our relationships with others.

In addition, adjustments are necessary for managing this type of conflict. However, when interpersonal conflict becomes too destructive, calling in a mediator helps so as to have the issue resolved.

Intergroup Conflict

Intergroup conflict occurs when a misunderstanding arises among different teams within an organization. For example, the marketing department of an organization can come in conflict with the customer support department. This is because of the varied sets of goals and interests of these different groups. In addition to this, competition also contributes to intergroup conflict. There are other factors which increase this type of conflict. Some of these factors may include a rivalry in resources or the boundaries set by a group to others which forms their own identity as a team.

Conflict should not always be perceived as a problem rather at times it is a chance for growth and can be an effective means of opening up among groups or individuals. However, when conflict begins to suppress or disrupt productivity and gives way to more conflicts, then conflict management is what is needed for problem resolution.

Conflict Resolution

Conflict resolution is a method by which two or more parties find a peaceful solution to a disagreement among them. The disagreement can be personal, financial, political, or emotional. When a disagreement arises, often the best course of action is negotiation to resolve the disagreement. We all know that when people gather for a discussion, it is not necessary that what one thinks is right the other thinks the same way, this difference in thinking or mentality leads to conflict.

"I'm doing my best at work and you expect me to do more! Why don't you ask the other team members?" This is the start of a conflict! Let us know about some of the conflict management techniques.

Conflict Management Techniques

We get into a conflict when the person opposite to us has a different mindset. It is very common in a workplace to get into differences of opinion. Sometimes there is a conflict between two or more employees, sometimes employees have a conflict with their managers and so on. Now the question is, how can we manage disagreements in ways that build personal and collegial relationships?

Here are five strategies from conflict management theory for managing stressful situations. None of them is a "one-size-fits-all" answer. Which one is the best in a given situation depends on variety of factors, including an appraisal of the levels of conflict.

- **Collaborating** – win/win
- **Compromising** – win some/lose some
- **Accommodating** – lose/win

- **Competing** – win/lose
- **Avoiding** – no winners/no losers

Collaborating

This technique follows the rule "I win, you win". Collaborating means working together by integrating ideas set out by multiple people. The objective here is to find a creative solution acceptable to everyone. It calls for a significant time commitment but is not appropriate for all conflicts.

This technique is used in situations where –

- There is a high level of trust
- We don't want to take complete responsibility
- We want others to also have "ownership" of solutions
- People involved are willing to change their thinking
- We need to work through animosity and hard feelings

However, this process takes a lot of time and energy and some may take advantage of other people's trust and openness.

Example – A businessman should work collaboratively with the manager to establish policies, but collaborative decision-making regarding office supplies wastes time better spent on other activities.

Compromising

This technique follows the rule "You bend, I bend". Compromising means adjusting with each other's opinions and ideas, and thinking of a solution where some points of both the parties can be entertained. Similarly, both the parties need to give up on some of their ideas and should agree with the other.

This technique can be used in situations where –

- People of equal levels are equally committed to goals
- Time can be saved by reaching intermediate settlements on individual parts of complex matters
- Goals are moderately important

Important values and long-term objectives can be derailed using this technique. This process may not work if initial demands are high and mainly if there's no commitment to honor the compromise solutions.

Example – Two friends had a fight and they decide to compromise with each other through mutual understanding.

Accommodating

This technique follows the rule "I lose, you win". Accommodating means giving up of ideas and thoughts so that the other party wins and the conflict ends. This technique can be used when –

- An issue is not that important to us as it is to the other person
- We realize we are wrong
- We are willing to let others learn by mistake
- We know we cannot win
- It is not the right time and we would prefer to simply build credit for the future
- Harmony is extremely important
- What the parties have in common is a good deal more important than their differences

However, using this technique, one's own ideas don't get attention and credibility, and influence can be lost.

Example – When we fight with someone we love we choose to let them win.

Competing

This technique follows the rule "I win, you lose". Competing means when there is a dispute a person or a group is not willing to collaborate or adjust but it simply wants the opposite party to lose. This technique can be used when –

- We know you are right.
- Time is short and a quick decision is to be made.
- A strong personality is trying to steamroll us and we don't want to be taken advantage of.
- We need to stand up for our rights.

This technique can further escalate conflict or losers may retaliate.

Example – When in a debate the party with more facts wins.

Avoiding

This technique follows the rule "No winners, no losers". Avoiding means the ideas suggested by both the parties are rejected and a third person is involved who takes a decision without favoring any of the parties. This technique can be used when –

- The conflict is small and relationships are at stake
- We are counting to ten to cool off
- More important issues are pressing and we feel we don't have time to deal with this particular one
- We have no power and we see no chance of getting our concerns met
- We are too emotionally involved and others around us can solve the conflict more successfully

Using this technique may lead to postponing the conflict, that may make matters worse.

Example – Rahul and Rohit had a fight, their mother came and punished both of them.

Team Building

Definition: Team building is a management technique used for improving the efficiency and performance of the workgroups through various activities. It involves a lot of skills, analysis and observation for forming a strong and capable team. The whole sole motive here is to achieve the organization vision and objectives.

How to Build a Great Team?

Forming a great team requires a lot of skills and presence of mind. Usually, some managers specialize in team-building skills and are hired by the companies on this parameter.

The manager responsible for team building must be able to find out the strengths and weaknesses of the team members and create the right mix of people with different skill sets. He must focus on developing strong interpersonal relations and trust among the team members.

The manager must encourage [communication](#) and interaction among the team members and also reduce stress with the help of various team-building activities.

He must clearly define the goals and objectives of the organization to the team members. He must also specify the role of each member in the team to direct them towards the achievement of the organizational goals.

Tuckman: Forming, Storming, Norming, Performing model

Bruce Tuckman's 1965 Team-Development Model

Dr Bruce Tuckman published his Forming Storming Norming Performing model in 1965. He added a fifth stage, Adjourning, in the 1970s.

Four Stages

The progression is:

1. **Forming**
2. **Storming**
3. **Norming**
4. **Performing**

Here are the features of each phase:

Stage 1: forming

High dependence on leader for guidance and direction. Little agreement on team aims other than received from leader. Individual roles and responsibilities are unclear. Leader must be prepared to answer lots of questions about the team's purpose, objectives and external relationships. Processes are often ignored. Members test tolerance of system and leader. Leader directs (similar to Situational Leadership® 'Telling' mode).

Stage 2: storming

Decisions don't come easily within group. Team members vie for position as they attempt to establish themselves in relation to other team members and the leader, who might receive challenges from team members. Clarity of purpose increases but plenty of uncertainties persist. Cliques and factions form and there may be power struggles. The team needs to be focused on its goals to avoid becoming distracted by relationships and emotional issues. Compromises may be required to enable progress. Leader coaches (similar to Situational Leadership® 'Selling' mode).

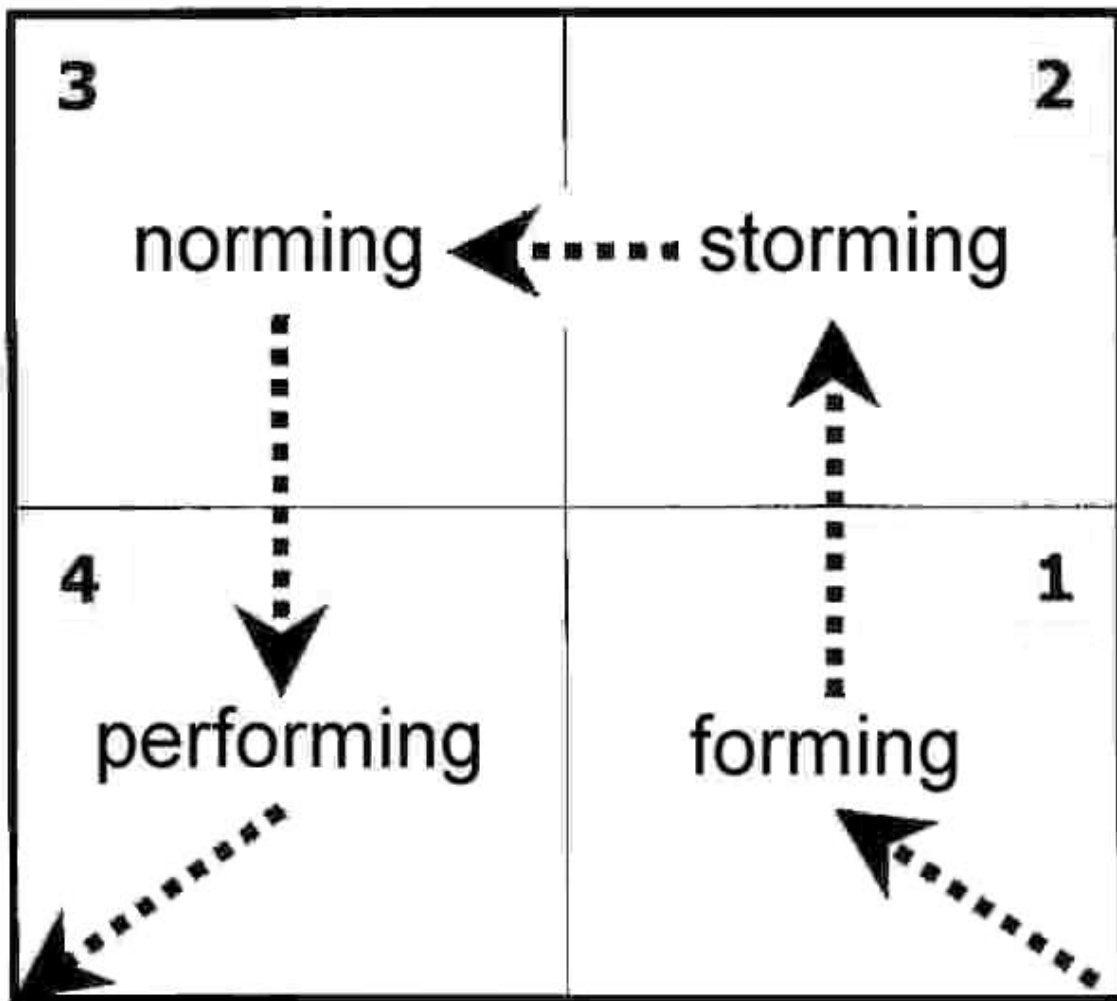
Stage 3: norming

Agreement and consensus largely forms among the team, who respond well to facilitation by leader. Roles and responsibilities are clear and accepted. Big decisions are made by group agreement. Smaller decisions may be delegated to individuals or small teams within group. Commitment and unity is strong. The team may engage in fun and social activities. The team discusses and develops its processes and working style. There is general respect for the leader and some of leadership is more shared by the team. Leader facilitates and enables (similar to the Situational Leadership® 'Participating' mode).

Stage 4: performing

The team is more strategically aware; the team knows clearly why it is doing what it is doing. The team has a shared vision and is able to stand on its own feet with no interference or participation from the leader. There is a focus on over-achieving goals, and the team makes most of the decisions against criteria agreed with the leader. The team has a high degree of autonomy. Disagreements occur but now they are resolved within the team positively, and necessary changes to processes and structure are made by the team. The team is able to work towards achieving the goal, and also to attend to relationship, style and process issues along the way. Team members look after each other. The team requires delegated tasks and projects from the leader. The team does not need to be instructed or assisted. Team members might ask for assistance from the leader with personal and interpersonal development. Leader delegates and oversees (similar to the Situational Leadership® 'Delegating' mode).

Diagram



Fifth stage: adjourning

Bruce Tuckman refined his theory around 1975 and added a fifth stage to the Forming Storming Norming Performing model - he called it Adjourning, which is also referred to as Deforming and Mourning.

Tuckman's fifth stage, Adjourning, is the break-up of the group, hopefully when the task is completed successfully, its purpose fulfilled; everyone can move on to new things, feeling good about what's been achieved. From an organizational perspective, recognition of and sensitivity to people's vulnerabilities in Tuckman's fifth stage is helpful, particularly if members of the group have been closely bonded and feel a sense of insecurity or threat from this change.

Negotiation

Negotiation Skills

Negotiations are formal discussions between people who have different aims or intentions, especially in business or politics, during which they try to reach an agreement. They try to reach a common ground eliminating their differences.

Negotiation in business has become one of the most important skills and abilities. While negotiation will happen between two parties for reaching an agreement, it is said that the most effective negotiator will be both competing as well as collaborating. An effective negotiator is one who creates value for the other while claiming value for the self. There must be meaningful give and take that should happen in negotiation.

Negotiation should always be win-win, where agreements are created by taking care of the interests of both the sides. Negotiation requires interpersonal skills, communication skills as well as problem solving skills.

Types of negotiation

There are broadly two types of negotiation namely distributive negotiation and integrative negotiation.

In distributive negotiation, the parties are only looking for their gain. It leads to a win-lose kind of outcome. In distributive negotiation, negotiation is carried out more as an one time transaction, not keeping in mind any kind of long term relationship.

While in integrative negotiation, the negotiators look for long term relationships and they try to ensure value for both sides. It leads to a win-win outcome.

Approach for negotiation

Negotiation can always be sensitive and should be carried out in a planned manner keeping in mind the end goals to be achieved. We should take care to ensure that negotiation does not get into an argumentative situation.

The negotiations process is made up of five stages:

1. Preparation and planning
2. Definition of ground rules
3. Clarification and justification
4. Bargaining and problem solving and
5. Closure and implementation

In order to achieve the desired outcomes from negotiation, it will be extremely important to do the initial homework. We must identify what we are looking at achieving from the negotiation. What are our best alternatives to a negotiated agreement (BATNA). It is also important for us to understand about the expectations of the other party and more information about their BATNA.

It is important to lay down the procedures for carrying out the negotiation, such as who will be part of negotiation, where the negotiation will happen and some basic ground rules to be followed.

Then the actual information and offers must be exchanged between the parties. Arguments and confrontations must be avoided in the process. At this stage the required bargaining should be done keeping good faith. Negotiation should always be done as a win-win outcome for both sides.

Once agreement is reached, the same should be implemented.

Skills in Negotiation

An effective negotiator will be using some of the below skills during the process of negotiation.

1. Active listening
2. Asking good questions
3. Communication skills (Specially verbal communication)
4. Decision making ability
5. Emotional control
6. Interpersonal skills

7. Preparing BATNA (Best alternative to a negotiated agreement, your alternatives)
8. Problem solving
9. Smart trade-off development
10. Ethics and collaboration

Conclusion

Negotiation skill is one of the most important skills. It is through effective negotiation we are able to eliminate differences and we arrive at common agreements. While we can adopt a structured approach for negotiation, but negotiation is an art which one can master only with time and experience.

Negotiation is a method by which people settle differences. It is a process by which compromise or agreement is reached while avoiding argument and dispute.

In any disagreement, individuals understandably aim to achieve the best possible outcome for their position (or perhaps an organisation they represent). However, the principles of fairness, seeking mutual benefit and maintaining a relationship are the keys to a successful outcome.

Specific forms of negotiation are used in many situations: international affairs, the legal system, government, industrial disputes or domestic relationships as examples. However, general negotiation skills can be learned and applied in a wide range of activities. Negotiation skills can be of great benefit in resolving any differences that arise between you and others.

Stages of Negotiation

In order to achieve a desirable outcome, it may be useful to follow a structured approach to negotiation. For example, in a work situation a

meeting may need to be arranged in which all parties involved can come together.

The process of negotiation includes the following stages:

1. Preparation
 2. Discussion
 3. Clarification of goals
 4. Negotiate towards a Win-Win outcome
 5. Agreement
 6. Implementation of a course of action
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1. Preparation

Before any negotiation takes place, a decision needs to be taken as to when and where a meeting will take place to discuss the problem and who will attend. Setting a limited time-scale can also be helpful to prevent the disagreement continuing.

This stage involves ensuring all the pertinent facts of the situation are known in order to clarify your own position. In the work example above, this would include knowing the 'rules' of your organisation, to whom help is given, when help is not felt appropriate and the grounds for such refusals. Your organisation may well have policies to which you can refer in preparation for the negotiation.

Undertaking preparation before discussing the disagreement will help to avoid further conflict and unnecessarily wasting time during the meeting.

2. Discussion

During this stage, individuals or members of each side put forward the case as they see it, i.e. their understanding of the situation.

Key skills during this stage include [questioning](#), [listening](#) and [clarifying](#).

Sometimes it is helpful to take notes during the discussion stage to record all points put forward in case there is need for further clarification. It is extremely important to listen, as when disagreement takes place it is easy

to make the mistake of saying too much and listening too little. Each side should have an equal opportunity to present their case.

3. Clarifying Goals

From the discussion, the goals, interests and viewpoints of both sides of the disagreement need to be clarified.

It is helpful to list these factors in order of priority. Through this clarification it is often possible to identify or establish some common ground. Clarification is an essential part of the negotiation process, without it misunderstandings are likely to occur which may cause problems and barriers to reaching a beneficial outcome.

4. Negotiate Towards a Win-Win Outcome

This stage focuses on what is termed a 'win-win' outcome where both sides feel they have gained something positive through the process of negotiation and both sides feel their point of view has been taken into consideration.

A win-win outcome is usually the best result. Although this may not always be possible, through negotiation, it should be the ultimate goal.

Suggestions of alternative strategies and compromises need to be considered at this point. Compromises are often positive alternatives which can often achieve greater benefit for all concerned compared to holding to the original positions.

5. Agreement

Agreement can be achieved once understanding of both sides' viewpoints and interests have been considered.

It is essential to for everybody involved to keep an open mind in order to achieve an acceptable solution. Any agreement needs to be made perfectly clear so that both sides know what has been decided.

6. Implementing a Course of Action

From the agreement, a course of action has to be implemented to carry through the decision.

See our pages: [Strategic Thinking](#) and [Action Planning](#) for more information.

Failure to Agree

If the process of negotiation breaks down and agreement cannot be reached, then re-scheduling a further meeting is called for. This avoids all parties becoming embroiled in heated discussion or argument, which not only wastes time but can also damage future relationships.

At the subsequent meeting, the stages of negotiation should be repeated. Any new ideas or interests should be taken into account and the situation looked at afresh. At this stage it may also be helpful to look at other alternative solutions and/or bring in another person to mediate.

See our page on [Mediation Skills](#) for more information.

Informal Negotiation

There are times when there is a need to negotiate more informally. At such times, when a difference of opinion arises, it might not be possible or appropriate to go through the stages set out above in a formal manner.

Nevertheless, remembering the key points in the stages of formal negotiation may be very helpful in a variety of informal situations.

In any negotiation, the following three elements are important and likely to affect the ultimate outcome of the negotiation:

- 1. Attitudes**
- 2. Knowledge**
- 3. Interpersonal Skills**

Attitudes

All negotiation is strongly influenced by underlying attitudes to the process itself, for example attitudes to the issues and personalities involved in the particular case or attitudes linked to personal needs for recognition.

Always be aware that:

- Negotiation is **not** an arena for the realisation of individual achievements.
- There can be resentment of the need to negotiate by those in authority.
- Certain features of negotiation may influence a person's behaviour

Knowledge

The more knowledge you possess of the issues in question, the greater your participation in the process of negotiation. In other words, good preparation is essential.

Do your homework and gather as much information about the issues as you can.

Furthermore, the way issues are negotiated must be understood as negotiating will require different methods in different situations.

Interpersonal Skills

Good interpersonal skills are essential for effective negotiations, both in formal situations and in less formal or one-to-one negotiations.

These skills include:

We provide a lot of advice to help you improve your listening skills, see our page [Active Listening](#).

- **Reducing misunderstandings** is a key part of effective negotiation. See our pages: [Reflection](#), [Clarification](#) and [The Ladder of Inference](#) for more information.
- **Rapport Building.**
Build stronger working relationships based on mutual respect. See our pages: [Building Rapport](#) and [How to be Polite](#).
- **Problem Solving.**
See our section on effective [Problem Solving](#).
- **Decision Making.**
Learn some simple techniques to help you make better decisions, see our section: [Decision Making](#).
- **Assertiveness.**
Assertiveness is an essential skill for successful negotiation. See our page: [Assertiveness Techniques](#) for more information.
- **Dealing with Difficult Situations.**
See our page: [Communicating in Difficult Situations](#) for some tips and

Management By Objectives (MBO)

Management By Objectives (MBO) is an **performance management** approach in which a balance is sought between the objectives of employees and the objectives of an organization. The essence of [Peter Drucker](#) 's basic principle: Management By Objectives is to determine joint objectives and to provide feedback on the results. Setting challenging but attainable objectives promotes motivation and [empowerment](#) of employees. By increasing commitment, managers are given the opportunity to focus on new ideas and innovation that contribute to the development and objectives of organizations.

However, [Peter Drucker](#) sets a number of conditions that must be met:

- Objectives are determined with the employees;
- Objectives are formulated at both quantitative and qualitative levels;
- Objectives must be challenging and motivating;
- Daily feedback on the state of affairs at the level of coaching and development instead of static management reports;
- Rewards (recognition, appreciation and/or performance-related pay) for achieving the intended objectives is a requirement;
- The basic principle is growth and development not punishments.

Management By Objectives (MBO) is also known as **Management By Results (MBR)**.

MBO Process Cycle Peter Drucker



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Management By Objectives steps

Peter Drucker has developed five steps to put Management By Objectives into practice:

1. Determine or revise the organizational objectives

Strategic organizational objectives are the starting points of management by objectives. These objectives stem from the mission and vision of an organization. If an organization has not formulated these yet, it does not make sense to carry out the next steps.

2. Translating the organizational objectives to employees

In order to make organizational objectives organization-wide, it is important that these are translated to employee level. For efficiency reasons, Peter Drucker used the SMART Goals acronym **SMART** (Specific, Measurable, Acceptable, Realistic and Time-bound). The element *Acceptable* is crucial in management by objectives as this is about agreement on the objectives between the employees and the

organization. The management by objectives principle does not allow management to determine the objectives by themselves. According to management by objectives, objectives should be clearly recognizable at all levels and everyone should know what their responsibilities are in this. Communication is also an important item for consideration when it comes to expectations, feedback and to giving rewards for objectives that have been achieved.

3. Stimulate the participation of employees in the determining of the objectives

The starting point is to have each employee participate in the determining of personal objectives that are in line with the objectives of the organization. This works best when the objectives of the organization are discussed and shared throughout all levels of the organization so that everyone will understand why certain things are expected of them. In this way, everyone can make their own translation of what their contribution can be to the objectives. This approach increases the involvement and commitment of the objectives. Instead of simply following expectations of managers and executives, everyone in an management by objectives approach will know what is expected of them. By broadening the decision making process and responsibility throughout the organization, people are motivated to solve the problems they are faced with in an intelligent manner and they are given the information they need so that they can be flexible in the changing circumstances. This participatory process ensures that personal objectives with respect to general team objectives, department objectives, business unit objectives and ultimately organizational objectives are made clear.

4. Monitoring of progress

Because the goals and objectives are SMART, they are measurable. If they cannot be measured, a system will have to be set up in which a monitoring function is activated when the objectives are deviated from. Detection must be timely so that large problems can be prevented. On the other hand, it is important that the agreed objectives do not cause abnormal behaviour of employees for example. For instance, when a service call must be handled within seven minutes and as a result employees finish these calls after 6 minutes and 59 seconds to meet this requirement. There are always exceptions to a rule and these situations should always be supervised.

In Management By Objectives, employees are not supported by their management through annual performance reviews. Management By Objectives is about growth and development. Each objective comprises mini objectives and it is about supporting these in small steps in the form of coaching by managers or executives. Create a clear path with sufficient evaluation moments so that growth and development can be monitored accurately.

5. Evaluate and reward achievements

Management By Objectives has been designed to improve performance at all levels within an organization. A comprehensive evaluation system is therefore essential. As goals and objectives have been SMART formulated, they make the evaluation of processes very easy. Employees are evaluated and rewarded for their achievements in relation to the set goals and objectives. This also includes accurate feedback. Management By Objectives is about about why, when and how objectives can be achieved.