



**Diploma
in
Business Administration**

Study Manual

ORGANISATIONAL BEHAVIOUR

The Association of Business Executives

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ABE Diploma in Business Administration

Study Manual

Organisational Behaviour

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Diploma in Business Administration – Part 1

Organisational Behaviour

Syllabus

Aims

1. Clearly understand the meaning and nature of organisational behaviour and its importance and relevance to management in a dynamic and changing world.
2. Demonstrate in-depth knowledge and understanding of people within organisations through analysis of the individual processes at work.
3. Understand the nature of groups and group processes. Key principles and practices of management should be related to effective leadership and the resolution of conflict within organisations.
4. Appreciate the nature of interpersonal processes as they impact on people and work performance. Relevant processes include motivation and the creation of job satisfaction.
5. Assess the ways in which organisational performance may be improved through organisational processes, such as communication, and better use of people.

Programme Content and Learning Objectives

After completing the programme, the student should be able to:

1. Understand the development of early management thought. This would include an appreciation of the main contributions of Scientific Management and Classical Management approaches to the study of people and organisations. Particular reference should be given to the work of F. W. Taylor, H. Fayol and M. Weber and the behavioural limitations of their approaches.
2. Understand the concept of a behavioural approach to management and recognise the value of behavioural science in understanding organisational behaviour. Identify and evaluate developments in organisational behaviour and management thinking. Develop an awareness and understanding of the ways in which human behaviour is influenced in organisations.
3. Outline the importance of the individual's contribution to the organisation and factors affecting behaviour. To recognise the significance of attitudes, their functions, change and measurement with reference to the culture of the organisation. Understand the process of perception, attribution and the problems that may arise. Differentiate between attitudes and opinions and understand problems arising from surveys and their assessment. Explain the principles and problems in the process of attitude change within the workplace and recognise the impact of behavioural issues on attitudes.
4. Appreciate the major difficulties in studying personality and approaches taken. Apply the key issues of personality studies to the organisation. Understand the links between personality and motivation. Identify the nature and extent of the factors, which create stress, assess its effects and appreciate the various types of adjustive reaction. Understand the role of the manager in stressful situations.

5. Define motivation and understand how people are motivated in different ways. Understand the basic theories of motivation and assess developments in thinking, in particular theories of expectancy, equity and an integrated model. Analyse problems of motivation in the workplace and the links to effectiveness. Contrast the implications for the manager of different theories and evaluate their relevance to specific work situations.
6. Explain the nature and meaning of job satisfaction and its relationship to performance. Analyse the dimensions of job satisfaction and work performance together with the variables that affect them. Appreciate the sources of frustration and alienation at work and consider the role and effectiveness of performance appraisal. Understand and appraise the main approaches to improving job design and work organisation. Assess broader organisational approaches to job design including task/job characteristics, flexible working, involvement, empowerment, and quality circles. Understand the link between motivation, management style and job design.
7. Explain the meaning and nature of groups. Identify different types of groups and understand the process of group formation and development. Appreciate the factors influencing group cohesion and performance. Assess the determinants of group cohesiveness and effectiveness including social and interpersonal relationships. Distinguish between different functions and member roles in teams and teamwork. Assess the nature of team spirit and effectiveness. Recognise the importance of understanding the operation of work groups.
8. Understand the meaning and importance of leadership in work situations. Recognise the nature of leadership and the exercise of power and authority. Examine leadership as an aspect of behaviour and explore theories including trait, style and contingency. Appreciate the variables, which determine effective managerial leadership.
9. Explain the sources and cause of conflict and the effects of conflict within the organisation. Understand the role of the manager in the management of conflict, identifying both the positive and negative effects of conflict. Assess the managerial issues in conflict, understand different models and styles of conflict resolution and appraise their relevance for the manager in handling conflict. Analyse specific conflict situations and plan a strategy for reduction and/or resolution of conflict.
10. Specify the steps in the communication process and identify individual and organisational obstacles/barriers to effective communication. Examine the formal and informal communication systems and recognise the need for effective communication in the fulfilment of management functions. Appreciate the dimensions of non-verbal communication. Understand techniques and strategies to improve communications.

Method of Assessment

By written examination. The pass mark is 40%. Time allowed 3 hours.

The question paper will contain:

Eight questions from which the candidate will be required to answer any four. All questions carry 25 marks.

Business format: candidates will be expected to comply with format requirements in questions. Marks for presentation will normally be awarded.

Reading List:***Essential Reading***

- Mullins, L. J., *Management and Organisational Behaviour*; Pitman

Additional Reading

- Meudell, K. and Callen, T., *Management and Organisational Behaviour: A Student Workbook*; Pitman
- Rollinson, D., Broadfield, A. and Edwards, D. (1988), *Organisational Behaviour and Analysis*; Addison Wesley Longman
- Veechio, R. P., *Organisational Behaviour*; Dryden Press
- Buchanan, D. and Huczynski, A., *Organisational Behaviour*; Prentice Hall
- Greenbury, J. and Baron, R. A., *Organisational Behaviour*; Prentice Hall
- Cole, G. A., *Management Theory and Practice*; D. P. Publications
- Handy, C. B. (1993), *Understanding Organisations*; Penguin

Study Unit 1

An Introductions to Organisations

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INTRODUCTION

Organisations are everywhere in our society and in other societies. From birth to death we find ourselves involved with them – we work in them, we buy our goods and services from them, we join them for social and sporting pursuits, etc. But what are they?

In this first unit we shall consider the nature of organisations and key aspects which condition the way in which they function. In doing so, we shall be introducing a number of concepts and themes to which we shall return throughout the rest of the course – in particular, organisational goals, culture and structure – as well as considering the central role of management in all these features.

A. WHAT IS AN ORGANISATION?

We shall start with a question:

Which of these would you call an organisation?

- A high street bank
- A school
- A family
- A shop
- A religion
- A sports team
- A theatre
- A manufacturing company
- A Civil Service department
- A crowd

Would you describe each of them as an “organisation”? Are a family and a bank sufficiently similar for each to be called an organisation?

Like many problems of definition, it is, perhaps, easier to say what is not an organisation, rather than what is. However, one feature that probably excludes a family, or a crowd, from the definition is the need for an organisation at the simplest level to be **organised**! Does a crowd have a sufficient level of organised relationships between the individuals of which it is made up to qualify as an organisation? Probably not!

Towards a Definition of Organisations

These “things” that are, generally, called organisations seem to have a number of common characteristics – at least, as far as many of the writers on the subject are concerned. For example, Porter, Lawler and Hackman, 1975 identify the following:

- they are composed of individuals and groups;
- they exist in order to try to achieve certain goals;
- they involve specialisation, and require rational co-ordination and control;
- they have some degree of permanence.

First of all, then, an organisation is, essentially, a **social** entity. It involves two or more **people** – but the actual number, and the way in which they are organised into groups, vary from one organisation to another.

In the **second** place, it is generally agreed that organisations can be distinguished from other social groupings by virtue of the fact that they exist to achieve certain **goals**. This is, obviously, a matter of

degree, for not all members may know – or agree on – what the goals are. The more explicit and specific the goals of a social grouping are, the more likely it is to be considered an organisation.

The **third** characteristic of an organisation is that it involves **specialisation** and requires **co-ordination**. The activities of people are organised into specialised groupings. Labour is divided up in ways that are believed likely to facilitate the achievement of organisational goals. Yet, this splitting-up creates a need for mechanisms to co-ordinate and put back together the various specialised activities. Once again, we must remember that the degree of specialisation and the ways of achieving co-ordination vary a great deal between different organisations. For example, a small organisation, in terms of numbers of members, probably only has a limited degree of specialisation – and, thus, only requires relatively simple co-ordination, often provided by the owner alone. In large organisations, specialisation and co-ordination are likely to be much more sophisticated.

A **fourth** point is that organisations have some degree of **permanence**, in the sense that they usually have more than a momentary existence – or, even, an existence tied to the achievement of one objective. Occasionally, organisations are created (such as a pressure group to resist the building of an airport in a particular location) which have only limited objectives and, once these are achieved, the organisation ceases to exist. On the other hand, some organisations which start out with similar limited objectives continue to exist after they have been achieved, as they develop new objectives.

We can, therefore, come to a general definition as follows:

“Organisations comprise two or more people engaged in a systematic and co-ordinated effort, persistently over a period of time, in pursuit of goals which convert resources into goods and/or services which are needed by consumers.”

Studying Organisational Behaviour

We noted above that the first characteristic of organisations is that they consist of people. In studying organisational behaviour, then, we are basically considering the behaviour of people in organisations. There are a number of aspects to this.

It is the way in which people interpret the world – how they learn, process information, form different attitudes and opinions, etc. – that condition, among other things, their attitudes towards work and the organisation. Here, we use aspects of **psychology** to help understand the nature of the individual as a basis for better understanding the behaviour of people at the individual level in organisations.

However, although the individual is the basic building block of organisations, people spend most of their time interacting with other people. Indeed, the very nature of an organisation being co-ordinated implies that the ways in which people interact with others – in groups – are fundamental to the functioning of the organisation. Here, we use aspects of **social psychology** and **sociology** to help understand the nature of social interactions and how they impact on, and may be influenced by, the organisation itself.

The types and degrees of specialisation, grouping of activities and co-ordination and control of these activities have become the province of organisational theory and organisation behaviour. The concept of organisation structure encompasses the relatively permanent patterns of relationships between individuals and groups within organisations. The ways in which these are constructed and maintained and the effects they have on the functioning of the organisation and on the attitudes and behaviour of its members, constitute a central area of organisational theory and research. This is also related closely to the subject of **management**, to which we shall return later in the unit.

However, not all the features of organisations are there because they were designed into the organisation deliberately. The intended, or **formal**, aspects of organisations are only one part of them.

The departments, rules, procedures, rewards and punishments, and values that constitute the formal organisation, are interrelated with the **informal** aspects of organisation.

These interactions affect people's attitudes and behaviour, and they are part of the province of organisational behaviour. One of the failings of many of the early attempts to improve the management of human resources in organisations was the failure to take sufficient – or, in some cases, any – account of factors outside the formal (intended) organisation. Telling people what they should do to make organisations work better, without trying to discover what the consequences of such changes might be on those involved, is a sure way of failing to achieve improvements in organisational functioning.

Organisations, though, do not only consist of people.

Organisations and, in particular, business organisations invariably have other resources as well as people – technical equipment; buildings; machinery; raw materials; money; and so on. These technical, financial and other resources are integrated with the human resources to a greater or lesser extent.

The achievement of the goals of organisations, whatever they might be and whoever may define them, is largely dependent on how effectively the various resources are combined together. Hence, in order to try to understand the behaviour of people at work and to try to influence that behaviour, it will not be sufficient to focus solely on the people dimension, and to deal with it in isolation. Although the “people-based” disciplines can contribute much to the understanding and management of organisational behaviour, they need to be combined with other disciplines and functional areas. One way of viewing the interconnections between people and the other areas of organisations is shown in Figure 1.1.

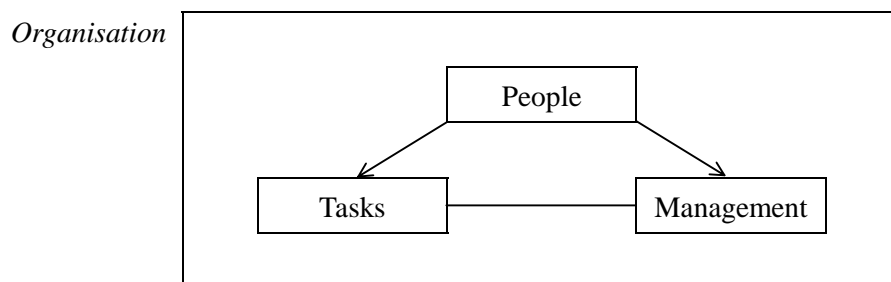


Figure 1.1: A framework of organisational behaviour

The Organisation in its Environment

Organisations do not exist in isolation. They are part of the wider fabric of society in general and as such are influenced by – and may, to some extent (depending upon the type of organisation), influence – the environment within which they operate.

It is usual to consider the environment through a form of analysis known as **PEST** from the initial letters of the four categories:

- Political
- Economic
- Social
- Technological

One way of illustrating the relationship between organisations and their environment is to consider the organisation as a system – taking inputs from the environment (raw materials, staff, etc.) and using them to produce outputs in the form of goods and services which are fed back in some way into the environment. Thus, we can see that an understanding of the environment is very important to organisational functioning. For example, the following factors might be identified as impacting on the organisation:

- political – factors affecting the requirements placed on organisations arising from the actions of national (and international) governments and governmental agencies, including legislation, and the general political dimension which issues and activities may assume.
- economic – factors affecting the financial functioning of the organisation such as the potential for growth or for retrenchment in the economy at large in relation to the market for the organisation's products, or the value of money as it impacts on rewards systems; and
- social – factors affecting the supply of labour, such as demographic changes in terms of the age profile of the working population, numbers of people in the job market, etc., and changing cultural norms of behaviour and attitudes in society at large which influence people's expectations and behaviour at work;
- technological – factors affecting the processes of production, such as changes in computer technology and communications, and the implications of new manufacturing processes;

We can illustrate these factors as follows:

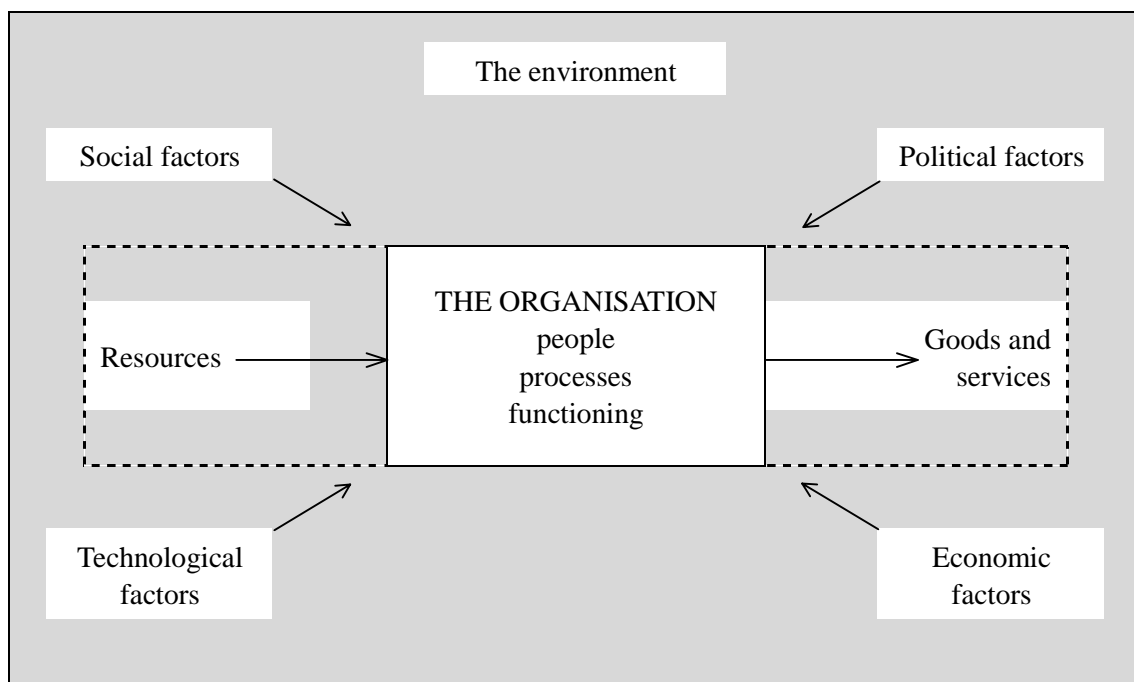


Figure 1.2: The organisation in its environment

Note that all four aspects of the environment act on and influence the inputs, nature of the organisation and its outputs.

There are a number of characteristics of the environment which are likely to affect organisations.

(a) Instability

Environments are not constant, but are subject to change. When change is rapid, we talk of a “turbulent environment” – i.e. the environment is changing so rapidly that it has become unstable and unpredictable. Clearly, an organisation trying to function in a country undergoing a violent political revolution would be in such an environment, but it is also possible that the pace of technological change may constitute extreme turbulence.

Instability and turbulence are not necessarily harmful to all organisations – they can be beneficial. Turbulence can throw up many new opportunities and some organisations will take advantage of these to expand and develop. On the other hand, some organisations will be incapable of coping with rapid change and do not survive in such times.

Turbulence may arise from rapid changes in any of the four sectors of the environment. For example, social changes can give rise to dramatic twists and turns in taste and fashion – we need only look at youth culture to see a continuing revolution in buying habits. The economic environment can become turbulent when there is rapid inflation. The technological environment can become unstable when new products and processes are developed in the short space of time. Finally, the political environment becomes turbulent when governments actively intervene in the way organisations are run.

(b) Constraints

All sectors of the environment can place constraints on organisations. These are most often seen in respect of the availability of inputs or the market for outputs – so there may be shortages of raw materials or restrictions on the type of acceptable energy sources used (technological factors), a falling birth rate restricting the market for children’s clothes (social), a trade slump or high unemployment affecting markets in general (economic). Constraints from the political sector may more directly affect the organisation itself by the issuing of new legislation on working practices, such as the length of the working week or a minimum wage.

When constraints from the environment are very tight and are generally seen as detrimental to the efficient running of an organisation, we refer to the environment as “hostile”.

(c) Complexity

Environments can be extremely complex. Again we can see this in all four areas – the large number of very different types of people which make up the market for a given product or service, the diversification of technology and the wide range of possibilities which it opens up, and the increasing complexity of the politico-economic environment as characterised by the rise of international institutions as diverse as such as the European Union, international trade forums and agreements and multinational companies.

All these factors mean that organisations must constantly monitor their environments and assess the impact that they will have on their operations.

B. ORGANISATIONAL GOALS

If we go back and dissect our original definition of “organisation”, we can identify two implied features:

- the members of the organisation are involved in activities in a co-ordinated and on-going fashion;
- they are seeking to achieve a particular purpose or purposes.

In fact, these are the wrong way round. The reason that the members of the organisation are engaged in systematic effort is to achieve the defined purpose. The purpose comes first and provides the rationale for the activities.

It is a characteristic of all organisations that they have a purpose or an end. These are more commonly called the organisation’s “goals” and/or “objectives”, and we need to spend a little time considering these here.

A useful definition of a goal is that provided by Amitai Etzioni:

“a goal is a future state of affairs which the organisation attempts to realise”.

As we noted previously, though, most organisations have several such goals.

Expressing Goals?

Goals are fundamental to activity – they provide the focus for action. If they are to provide that focus, they need to be specific. They need a clarity which allows people to share understanding and put their co-ordinated effort to a common purpose. They also need to provide some indication by which those undertaking the activity can assess whether they are successful. The ideal goal, therefore, is one which contains the following elements:

- it is challenging, but achievable – research clearly indicates that goals are more effective when they represent a challenge to the user, but there is no point in setting goals which, however worthy they may be, cannot be attained;
- it is clear and relevant – stating exactly what is required to be done in a way which is understandable to the user;
- it includes a standard or target against which achievement may be measured – that standard or target either being quantitative or qualitative (the former being a lot easier to measure);
- it includes some form of time constraint – stating clearly by when it must be achieved.

These elements provide an unambiguous statement of requirements, progress towards the attainment of which can be measured. However, certainly the last two elements are not that easy to meet in defining goals for many organisations. This is a point we shall return to shortly.

Types of Organisational Goal

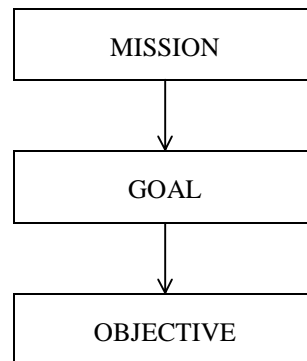
Most organisations have several “future states of affairs” which the organisation is seeking to achieve. These are not necessarily all of the same type. There are in fact many different types, although the term “organisational goal” is often used as a catch-all for the totality, and it is useful to follow this rather than continually have to refer to each different element.

One approach towards classifying goals is to postulate that there is a hierarchy of purposes in most organisations, involving progressively more specific statements of what the future state of affairs

looks like. This raises the vexed question of terminology again, in defining what we call these different types of statement – usually “mission”, “goal” and “objective”. Another approach is to classify goals by what they deal with.

(a) Missions, goals and objectives

The organisation is likely to have a range of future states of affairs which it is attempting to realise. Often, however, these are pretty vague and more specific definition is required if they are to serve as a target for organisational performance. Hence the notion of a hierarchy of expressions of purpose:



● **Mission**

An organisation’s mission is a generalised statement of its main purposes, often encompassing the key values which underlie those purposes and the way in which it seeks to achieve them. Many organisations now distribute their “mission statement” widely among staff and customers (and, indeed, among the public in general) in order to promote understanding of and sympathy with their overall purposes and ethos. A good example of this is the following from a local education authority:

“The education department strives to promote and maintain equality and quality in education, social justice and economic regeneration.”

Whatever you think of this, it is certainly a worthy statement of intent. However, in terms of giving those who work in the education department, or those who use its services, some clear expectations of exactly what the service will provide and how it will be provided, it is not that helpful. What is needed is to derive some more detailed statements – the next level of specification are the goals.

● **Goals**

Goals build on the mission statement and provide the long-term targets for organisational activities. They are likely to be specified for each organisational unit and sub-unit: thus for a manufacturing company, there will be goals for each division – R and D, production, marketing, personnel, etc. – and possibly for each part of, say, marketing (sales, advertising, etc.). This distinction between goals at different levels within the organisational structure is sometimes made by reference to “strategic” and “tactical” goals, the former being broadly defined targets often set at the highest level within an operational unit, such as “production”, whilst tactical goals are more closely specified targets at the unit level (such as a paint shop).

This level of expression of the “future state of affairs” is likely to be the most useful to those outside the organisation in understanding what it is that the undertaking is seeking to achieve. Goals are detailed enough to give a clear picture of the organisation’s targets,

but not so specific that they cloud the picture (not being able to see the wood for the trees).

Note that they are “targets” as opposed to the generalised statements of intent characteristic of the mission, and are usually measurable. Thus, progress toward their achievement is capable of being monitored. However, the nature of goals – even at the tactical level – is that they still tend to be broadly expressed. A goal of (to take a mythical example) “ensure payment of 95% of invoices within two months of issue” is clearly measurable, but it remains broad and provides no guidance about how it may be achieved. To give more specific expression, we need to move down one further level, to “objectives”.

- **Objectives**

These derive from goals to provide detailed, short-term targets, generally in the form of guidelines for action in a specified time span. They are almost always measurable and thus act as both planning aids and the criteria for performance review. These are much more meaningful to staff in that they define exactly what is expected of them and what it is their performance may be judged against (whether formally through some form of appraisal system or simply on an informal basis). They are, however, likely to be too detailed for those outside, and their wider distribution may even be seen as representing a hostage to fortune, an unnecessary stick with which the organisation may be subsequently beaten with.

Since objectives take the broad goals of an organisational unit and give them actionable expression, they are capable of being developed to provide targets for individual workers or groups. Indeed, a widely used technique known as “management by objectives” (MBO) extends objective setting to the level of the individual manager and/or operational sub-unit, thus integrating individual and organisation goals.

(b) A typology of organisational goals

Many theorists have attempted to classify organisational goals by their subject matter. We take here that of Charles Perrow, whose five categories provide a helpful insight to the multiplicity of goals that organisations may adopt and how they may be expressed (and incidentally, the different goals that interested parties, both within and outside the organisation, may see the organisation as having).

- **Societal goals**

These are the goals of an organisation as they are perceived by society. A production organisation’s societal goal may be to produce a certain type of goods – cars, beer, etc. A hospital’s societal goal would be to provide a range of health services to the population of a specified geographical area.

- **Output goals**

These are what the organisation produces or provides, expressed in terms of their use or value to the consumer. Thus, a service organisation, such as a nursing home, may have output goals relating to the benefits of the service to the user, such as maintaining independence and mobility, whilst providing support and assurance. There has been a far greater concern in recent years with meeting the needs of consumer groups or individuals in the provision of goods and services, and the whole movement towards “quality” may be seen in the expression of output goals.

- ***Product goals***

These relate to the outputs of the organisation as expressed in the characteristics of that output or product. They differ from output goals in that they are concerned with the product or service itself, rather than the consumer or user. Thus, goals may be expressed in terms of the number of units produced, delivery times and availability, etc. There may well be some overlap with output goals, as in the quest for quality, but here we are looking inward to the delivery of a service.

- ***System goals***

These relate to the functioning of the organisation and are concerned with the way in which it operates – the internal structure, controls, relationships, etc. Examples of such goals include the reduction of absenteeism or accidents, the growth or contraction of operations, increasing productivity and/or profitability, etc.

- ***Derived goals***

These are goals which are incidental to the primary purposes of the organisation and relate to the goals which it may pursue as a result of its position and power, and its value system. Many organisations, both public and private, have such goals, either as offshoots of their promotion and marketing activities (giving them a particular profile or image) or as altruistic endeavours – for example, the pursuit of political aims (not necessarily party political) or the support of charities, community projects, and arts, sporting and cultural events. They may also include goals as to the way in which staff are treated and the benefits available to them.

Value and Functions of Goals

Defining goals and objectives are crucial elements of the planning and decision making process, and also have a crucial role in the review and measurement of performance. In these respects, we shall come back to this subject many times during your studies. Here we shall make a few observations about the value of goals in general within the organisation.

As we saw with our initial definition of “organisation”, goals are necessary for concerted effort. They provide the focus for organisational activity and the degree of success in their achievement can provide a yardstick against which organisational performance may be judged. Their clear definition can promote understanding of the organisation’s purposes both within and outside its confines, and can also provide the basis for determining priorities for action. Goals therefore represent a positive resource to the organisation.

Mullins (*Management and Organisational Behaviour*) provides a succinct summary of the functions of goals, as follows:

- To provide a standard of performance, by focusing on the activities of the organisation and the efforts of its members.
- To provide a basis for planning and management control.
- To provide guidelines for decision-making and the justification for actions taken, reducing uncertainty in decision-making.
- To influence the structure of the organisation and help determine the nature of the technology employed.
- To help to develop commitment from individuals and groups towards the activities of the organisation.

- To give an indication of what the organisation is really like, both for members and the organisation's stakeholders.
- To act as a basis for the evaluation of change and the development of the organisation.
- To serve as a basis for the objectives and policies of the organisation.

Problems with Goals

Although they serve a key function in organisations, that is not to say that goals are not without their problems. These tend to revolve around three areas:

- difficulties in formulation;
- coping with change;
- goal conflicts – between goals, in interpretation and in commitment.

(a) Formulation

Many non-commercial and service organisations have traditionally had considerable problems with defining goals. This has much to do with the ethics of the provision of certain services (for example, health) in the past which saw such provision as being the domain of the professional and his/her judgement as being paramount. There was, therefore, considerable reluctance to prescribing goals and objectives which would limit professional autonomy. In addition, there is a real problem in ascribing quantifiable and measurable statements to the work of providing particular services – for example, exactly how do you quantify the outputs of a school? Firstly, there is little agreement about what it is that schools are trying to achieve (examination pass rates are one, measurable yardstick, but many would maintain that there are other, more important but more nebulous aims such as enabling children to develop to their potential or providing an appropriate learning environment); secondly, even if there was agreement on certain goals, the ability of a particular school to meet them may depend on many factors beyond their control, such as available resources and the quality of the pupil intake in any one year. The same arguments are true in health services and many charitable organisations where much of the work is concerned with issues about the quality of life of individuals or families.

(b) Change

The second problem of goals is that, once set, they may come to be seen as tablets of stone containing the final word on the purposes of the organisation. That cannot be so. Goals are part and parcel of the planning process and need to be reviewed regularly if they are to have any on-going meaning. All organisations have been subject to massive changes in their environment over the last thirty years – in terms of the available resources, the changes in technology, requirements placed on them by governments, the demands of the public and the changing nature of society that they operate in. The purposes of any organisation change over time, whether it is the type of car that needs to be produced or the type of services that a finance department is required to provide. The organisation's goals – mission, goals and objectives – need to change to reflect this. If they do not, there is an ever present risk of conflict between what the organisation is seeking to achieve (that future state of affairs) and the expectations of those with whom it deals – its consumers, the markets in which it operates, its own staff, etc.

(c) Goal conflicts

We have noted that organisations are likely to have multiple goals, reflecting the varied nature of their operations. Inevitably there will be conflicts between them – between the imperatives

of, say, marketing and production departments, or the roles of teaching and research in universities. In setting goals, there must be mechanisms to minimise these potential conflicts and their effects, and the concept of corporate planning and management goes some way to achieving this.

However, these conflicts exist anyway, whether a system of goal setting is in place or not. Goals can help clarify the problem areas and provide a framework for tackling them. The process of resolving conflict can be healthy for organisations as it concentrates attention on purposes and priorities, which may in turn facilitate change in line with new or developing circumstances and situations.

Finally, in our original definition, we saw that goals are a statement of a future state of affairs that the organisation seeks to attain. We have generally assumed that the definition of what this future state of affairs should be is made by management – probably at the top of the organisation and then progressively “handed down” through the various levels. This would be the accepted way of doing it, particularly in large generally bureaucratic organisations. The ability of the organisation to be successful in attaining such goals depends on the commitment of the members of the organisation to that statement of purpose – their willingness to work together to achieve it. That in turn depends on two things:

- a common understanding of what it is that is being sought – and this requires that the goals are clear and unambiguous, something that is not always true; and
- a common agreement to pursue these goals – and it is seldom the case that the organisation’s own objectives are the only ones being pursued at the workplace, nor are they necessarily the prime imperative to the workforce.

Severe problems can arise from differences between personal and organisational goals. If we take the example of a commercial enterprise, the goal of the organisation is to make a profit, but the employees have the goal of higher wages. The firm seeks efficiency, but the workers want job satisfaction. The firm aims at innovation and change, but the employees may want stability and security. If the organisation is to thrive, these conflicting goals have to be reconciled. When personal and organisational goals diverge in this way conflict is likely to occur and performance is likely to suffer. The organisation will be more effective when personal and organisational goals are compatible. When individuals have the opportunity to satisfy their own goals by contributing to the goals of the organisation, organisational effectiveness and performance should improve.

It is important, therefore, for management to clarify organisational goals and aim to integrate personal goals with the overall objectives of the organisation. The structure of the organisation should be such that individuals can satisfy their personal goals by helping the organisation to achieve its overall goals.

C. ORGANISATIONAL STRUCTURES AND CULTURE

In organisations there are deep-set beliefs about the way in which work should be organised, the way in which authority should be exercised, people rewarded and punished, etc. Consider for a moment the following questions in relation to any two organisations with which you are familiar:

- | | |
|--|-----------------------------------|
| ● How formal is it? | ● Do work hours matter, or dress? |
| ● Are there rules and procedures, or only results? | ● Who is allowed to sign letters? |

- Do committees control, or individuals?
- Who do you have to go through to see the boss?

It is likely that the answers to these questions will be different for each organisation.

The types of issues here are encompassed in the structure and culture of the organisation. These both have a very strong influence on the way staff behave and on way in which they are managed.

- **Organisational culture**

The culture of an organisation refers to the deep-seated values underpinning the organisation. It is manifested through a number of features (as discussed below) and it is increasingly being recognised that the culture is fundamental to the success or failure of organisations in meeting their goals.

Organisational culture is not something that is written down or, necessarily, is easily stated. Rather, it is an intangible mixture of rules, relationships, values, customs, etc. which, taken together, describe the distinctive “feel” of the organisation. It is within this culture that individuals work and from which they learn the norms and values to which they are expected to subscribe.

There is an associated term “**organisational climate**” which refers to the ways in which people involved with the organisation (its stakeholders and its competitors) perceive that organisation – for example, the degree to which it is friendly or formal/distant, whether it is people-oriented or task-oriented, how concerned it is with the welfare of its employees, or whether it is characterised by conflict or co-operation between teams and departments.

- **Organisational structure**

This is the arrangement and inter-relationship of the component parts and positions of an organisation. Whereas culture is hidden, structure can be seen and drawn in organisation charts. Structure may reflect culture.

Characteristics of Organisational Culture

We can recognise a number of characteristics from which it is possible to develop an understanding of an organisation’s culture, as follows.

- The organisation’s goals – particularly its **mission statement** – and the extent to which they are clear, communicated to and embraced by all levels of the organisation.
- The dominant **behaviour patterns** applying to the interaction within the organisation and between the organisation and its stakeholders (its existing and potential customers, investors, owners, etc.) – in respect to both what is expected and whether actual behaviour lives up to these expectations.
- The **distribution of authority** and decision-making through the organisation – basically along a continuum from it being concentrated at the top or spread downwards to teams working close to customers by the empowerment of employees.
- The **structure of the organisation** is closely related to the distribution of authority and may be easier to identify through the use of organisation charts, etc.
- The **nature of leadership** which refers to the way in which power and authority is exercised, again along a continuum from authoritarian to democratic.
- The **values of the organisation** terms of its responsiveness to the needs and aspirations of its own staff and to those of its stakeholders.

- The **entrepreneurial spirit** of the organisation, as revealed by the degree of enterprise, innovation, competitiveness, flexibility and drive for excellence of the organisation.
- Its **receptiveness to embrace change** arising from changes in its environment – particularly whether it is **proactive** (anticipating and planning for change) or **reactive** (coping with change as and when it arises).

Classifications of Culture

A number of writers have analysed organisational culture and we shall consider two approaches here.

(a) **Handy's four cultural types**

Handy's classification identifies four types of culture –power, role, task and person – which are closely related to the organisational structure that is adopted by senior/top management. He believes that organisation have a system of beliefs and values that form the basis and foundation of its culture.

• ***Entrepreneurial structure and power culture***

The first structure identified by Handy is the **entrepreneurial structure**. This structure places an emphasis on centralisation and central power. Such power exudes from the core of business and the figurehead is seen as a very powerful and influential individual, with the power and authority to allocate and control resources and to do this based on the fact that his/her position gives him/her *carte blanche* to do what he/she wants.

Handy suggests that the culture dominant in this type of structure is the **power culture**, and we can characterise such organisations as being like a web with a ruling spider. Those in the web are dependent on a central power source.

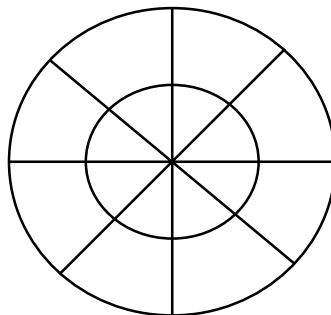


Figure 1.3: Power culture (the spider's web)

Rays of power and influence spread out from a central figure or group. There may be a specialist or functional structure, but central control is exercised largely through appointing, loyal key individuals and on interventionist behaviour from the centre. Such control may be exercised on whim and through personal influence rather than, necessarily, on procedures or purely logical factors.

Effectiveness is judged on results and, for the central figure, the ends can be held to justify the means. Individuals succeed as long as they are power oriented, politically minded and risk taking with a low need for security. The power of members is based on control over resources and personal influence with the centre.

This type of structure can be found in small and medium-sized organisations that are evolving (growing), are organic by nature and responsive to change.

The main advantage of such organisations is that they are strong, proud and dynamic, and able to react quickly to external demands. However power cultures may suffer from staff disaffection – people in the middle layers may feel they have insufficient scope, and the interventionist pressure and constant need to refer to the centre may create dysfunctional competition and jostling for the support of the boss. The organisation is also dependent on the ability and judgement of the central power – if it is weak, then the organisation will struggle.

As the power organisation grows, the centrist culture breaks down if it becomes impossible for the centre to keep up its interventionist, co-ordinating role. The large organisation may need to divisionalise (create other spiders webs linked to the central web).

- ***Bureaucratic structure and role culture***

The bureaucratic structure is based on logic and rationality. It places an emphasis on roles within the organisation, rather than one central figure, and relies heavily upon the distribution of power, authority, tasks and responsibilities. Handy indicated that the culture that is dominant in this structure is the **role culture**.

Handy characterised such structures as being like a Greek temple (Figure 1.4). The pillars of the bureaucracy represent functions and specialisms, usually delineated as separate departments – for example, finance, design, marketing, etc. Work within and between departments is controlled by procedures, role descriptions and authority definitions. Communication takes place within well defined systems and structures (committee constitutions and reports, procedure manuals, official memoranda, etc.). There are mechanisms and rules for processing decisions and resolving conflicts. Matters are taken up the line to the top of the structure where heads of functions can define a logical, rational and corporate response. Co-ordination is effected at the very top – by the senior management group.

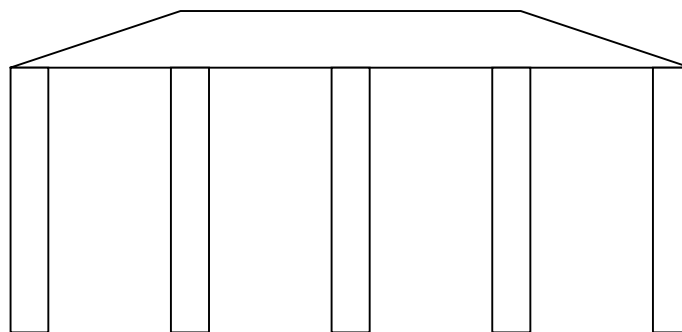


Figure 1.4: Role culture (Greek temple)

Efficiency stems from the rational allocation of work and conscientious performance of defined responsibility. Job position is central to this, but not necessarily the job holder as a person. People are appointed to a role based on their ability to carry out its functions – so effectiveness is seen in terms of satisfactory performance of role. Indeed, performance over and above the role is not expected and may disrupt.

Power is based on position, not personal expression, and the application of rules and procedures are the major methods of influence.

Role-cultures tend to develop in a relatively stable environments and provide predictability, standardisation, consistency and conformity. They tend to be effective where economies of scale are more important than flexibility, or technical expertise and specialism more important than product innovation or product cost. However, role cultures may find it hard to adjust to change – rules, procedures and tested ways of doing things may no longer fit the circumstances.

Work in a role-culture can be frustrating to someone who wants to exercise discretion and the opportunity for innovation in his/her work. Those who are ambitious will have to focus on exploiting existing procedures and methods, and work within the committee structure. However, employees do benefit from security and predictability in working patterns, can develop and apply specialist skills without risk, and salary and career progression are predictable.

Examples of bureaucracies and role culture are local government and the civil service, large insurance companies and IBM by the late 1980's. However, all these organisations have undergone extensive change in response to the pressures of market competitiveness and various forms of de-centralisation and deregulation. Downsizing, delayering and competitive tendering are examples of how such organisations have restructured to become more flexible and responsive.

- ***Matrix structure and task culture***

The matrix structure places an emphasis on the completion of projects by means of project teams or groups. Expertise is pooled in order to complete large projects that, ordinarily, could not be achieved by one person. The emphasis is on expertise and skill as opposed to power (in the entrepreneurial structure) and role (in the bureaucratic structure). Handy identified the culture that dominates the matrix structure is the **task culture**.

We can characterise this structure as a net with small teams of cells at the interstices. It is very much a small team approach to organisations.

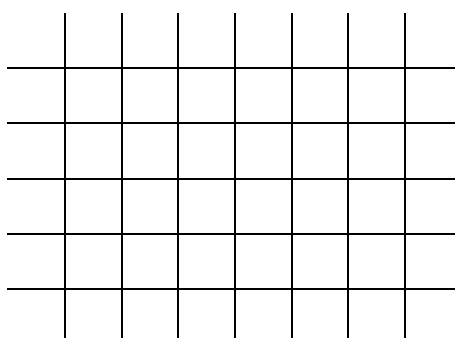


Figure 1.5: Task culture (the net)

As a culture, power and influence are distributed to the interstices of the net. The emphasis is on results and getting things done. Resources are given to the right people, at whatever level, who are brought together and given decision-making power to get on with the task. Individuals are empowered with discretion and control over their work. The task and results are the main focus, and team composition and working relationships are founded on capability rather than status.

Task culture is essentially flexible and adaptable, with teams being formed for specific purposes and then moving on, and team composition possibly changing according to the stage of the project. This allows flexibility and responsiveness to both the environment and client needs. On the other hand, people in the team who want to specialise may be sucked into general problem-solving and when the task changes they must move with it rather than pursue a particular scientific or professional specialism. Project based working often involves high risk and ambiguity, which means far less security and certainty for employees (particularly in comparison to bureaucracies).

Task culture is based on expert power with some personal and positional power. Influence tends to be more widely dispersed with team members feeling that he/she has more of it. In the team, status and individual style differences are of less significance – the group achieves synergy to harness creativity, problem-solving and thus gain efficiency. The aspirations of the individual are integrated with the objectives of the organisation.

Organisational control is exercised through the allocation of projects and target setting, project budgets/resource allocation and monitoring/review by means of progress reporting systems. Where resources become scarce, top management may intervene more closely and there may be competition between project leaders for available resources. Morale may suffer and individual priorities and objectives take over, with the result that the task culture may tend towards power culture.

We can see task culture existing in arrangements such as network organisations, where a large organisation effectively consists of small groups co-operating together to deliver a project, and matrix organisations which are entirely project oriented with ever changing project or contract teams.

- ***Independence structure and person culture***

The focus of the independence structure is on the individual. Individuals within this structure are far more autonomous, but meet together to make decisions that affect them as a whole. This structure is present in small companies such as consultancies, doctors' surgeries, law firms, etc., where individuals have their own objectives and skills and, in some cases, are largely responsible for their own income-generation. Handy suggested that the culture that dominates the independence structure is the **person culture**.

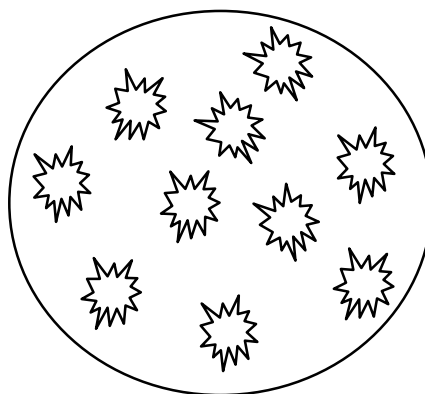


Figure 1.6: Person Culture (Cluster)

The structure exists only to serve the individuals within it – it has no superordinate objective. Power and influence are shared, being based on individuals seen to be equal.

They will tend to have strong individual values about how they will work and these will be respected by others. Where individuals from a person culture are working in other cultures, they will maintain their own cultural values – for example, the consultant or specialist who will do what is required to retain his/her position in the organisation, but essentially sees the organisation as a base on which he/she can build his/her own career or carry out his/her own interests. As such, they are very difficult for the organisation to manage.

This cultural type may be the only acceptable organisation to particular groups – such as workers' co-operatives or where individuals basically work on their own but find some back up useful. It is becoming increasingly popular as the number of consultancies increases.

It is possible that such organisations are likely to only be effective for their original members, or for small numbers of individuals. Where the organisation begins to take on its own identity, it will start to impose on individuals, so moving towards some of the other type of cultures.

(b) Peters and Waterman – rational and excellence models

The management experts Peters and Waterman have provided a comparative classification of what they see as the two main types of organisational structures and cultures found in modern society. They term these the **rational model** and the **excellence model**. The rational model derives its structure and culture from the ideas of classical and scientific management theory, whereas the excellence model is based on Peters own excellence theory together with the work of Senge (on learning organisations) and Deming (Japanese ideas). We shall examine these theories in detail in the next unit.

The Rational Model

The characteristics of this model are as follows:

- Organisations are large, so that they can reap the economies of scale.
- Low costs and cheapness of product or service are seen as the way to success.
- All activities are carefully analysed and controlled – for example, strict budgets, cash flow analysis, etc.
- All targets are firmly set in numerical terms.
- Low range forecasts are produced in detail.
- Orthodox thinking is encouraged and rewarded.
- The manager's job is decision-making, and subordinates implement these decisions.
- Organisational structures are complex, with detailed organisation charts and job descriptions.
- People are treated as factors of production.
- They use money as a motivator, and productivity is rewarded by bonuses.
- They dismiss staff who do not achieve performance targets.
- They use inspection to achieve quality control.
- Financial targets and their achievement are seen as the essence of business – profits must be generated at once.

- The organisation must continue to grow.

A useful way to remember the cultural and structural values characterised by the rational or traditional model of an organisation is by using the acronym **THROB**:

- T Tall.** This means there are many layers of management, ranging from junior managers through middle management to top management. The many layers of management and supervisors mean that there is a narrow span of control, i.e. relatively few subordinates for each immediate superior. A tall organisation offers a long ladder for promotion as individuals move up the structure.
- H Hierarchic.** This refers to clearly defined layers of power and authority, with instructions flowing downward from top to bottom, and information and feedback of results being reported upwards through the layers of management.
- R Rigid.** The structure of the organisation is based on a clear set of principles which can be applied to all organisations under all conditions.
- O Organised.** There is a strict division of labour allocating people to specific jobs, which are organised into departments, each of which has a specific function to perform and concentrate upon to the exclusion of anything else.
- B Bureaucratic.** The organisation is run by a strict set of rules, is formal and impersonal, and work roles are clearly defined. There is a ladder of promotion that may be climbed by gaining qualifications and by long service.

Peters and Waterman criticise the rational model for, in particular, its emphasis on numerical analysis, the orthodoxy of thought and the stress on cost reduction which give such organisations a built in conservative bias. In place of the rational model, they put forward their alternative model.

The Excellence Model

The excellence model is quite different from the rational model in that it has the following characteristics:

- An emphasis on quality and value rather than purely on price.
- A search for new products or services.
- A distrust of over-reliance on numerical analysis, because it leads to a fixation with costs.
- A belief in the innovative qualities of staff.
- The long view should replace short termism in organisational decisions.
- The main assets of an organisation are the people who work in it.
- People should not be afraid of making mistakes as they strive to improve the organisation.
- Management and organisational structures should be flexible.
- There is a stress on values instead of merely profits.
- Parts of the organisation are encouraged to compete against each other.
- Management should have vision and motivate others to share this vision.
- Managers should realise that people are not always rational.
- Organisational structures should be as simple and “flat” as possible.

You can remember the excellent or flexible model of an organisation by using the acronym **FELT**.

- F Flat.** This refers to there being few levels of management.
- E Empowered.** This means that workers have greater control over decisions which affect their work, making the culture more democratic.
- L Lean.** This refers to keeping stock-holding to a minimum by having just in time (JIT) deliveries and also to outsourcing all new core activities.
- T Teams.** This refers to the replacement of conventional departments with multi-functional teams. Within the teams, work roles are flexible and individuals are encouraged to learn and deploy new skills.

Organisational Structures

The structure of an organisation is the formal pattern or framework of interactions and co-ordination designed by management to link the tasks of individuals and groups in the achievement of organisational goals. In this respect, they are very much a part of the organisation's culture – perhaps even being seen as an embodiment of certain aspects of it.

The traditional approach to specifying organisational structure is to distinguish between two aspects – the infrastructure and the superstructure. This approach has its origins in the organisational principles underpinning rational cultures as discussed above.

(a) Infrastructure

This refers to the structure through which authority is distributed in an organisation and where decisions are made. There are a number of possible patterns, including the following:

- ***Rigid or flexible***

Organisational structure may be rigid and bureaucratic, characterised by behaviour being governed by a strict set of rules which state how the organisation is to be run, the criteria for promotion, etc. On the other hand, the structure may be flexible and open to change to meet new challenges. Such organisations are not overburdened by rules and precedents.

- ***Centralised or decentralised***

In a centralised structure decisions are taken at the top and passed down through the layers of management. A decentralised structure spreads much of the decision-making to various parts and levels of the organisation.

Some modern organisations have gone beyond decentralisation and are deploying the concept of empowerment. Empowerment means freeing employees from the close control associated with decisions about their work being taken higher up in the organisation. Empowerment allows employees to make decisions at the point where work is being carried out, although these decisions will be guided by the core values of the organisation, e.g. “quality” or “customer care”.

- ***Tall or flat***

A tall organisational structure has many layers of management; in contrast a flat organisation has relatively few layers between top management and the front-line operators of the organisation. Many modern organisations are using the technique of

delayering (i.e. the stripping out of layers or levels of management) to convert traditional tall structures into flat structures.

We shall return to consider these structural issues in more detail later in the course when we examine authority in the organisation.

(b) Superstructure

The superstructure refers to the way staff and tasks are deployed and grouped into various departments, sections and teams. Again, there are a number of possible patterns of superstructure that may be adopted by organisations.

- Grouping by product – where the division is on the basis of the organisation's outputs of goods and services, with separate divisions being established for each product – for example, a motor manufacturer may be made up of a car division, a bus division and a truck division. In this type of grouping it is not uncommon for each division to be autonomous to quite a large degree.
- Grouping by process – where the division is made according to the processes carried out – for example, the pressing out of vehicle bodies, the engine department, or the paint department.
- Grouping by function – where departments are grouped according to the functions they perform for the organisation – for example, production, sales, finance and personnel.
- Grouping by markets – where departments are structured according to the markets which they set out to serve, either on the basis of product (for example, a motor manufacturer may have company and private car divisions) or on geographic lines.

Modern theorists tend to combine infrastructure and superstructure into a consideration of a unified, but flexible organisational structure and we shall briefly examine two such approaches.

Mintzberg's Model

This model, developed by the American Henry Mintzberg, identifies five key elements to an organisation's structure. Figure 1.7 combines these with the link to customers/clients, a link which is considered crucial by many experts.

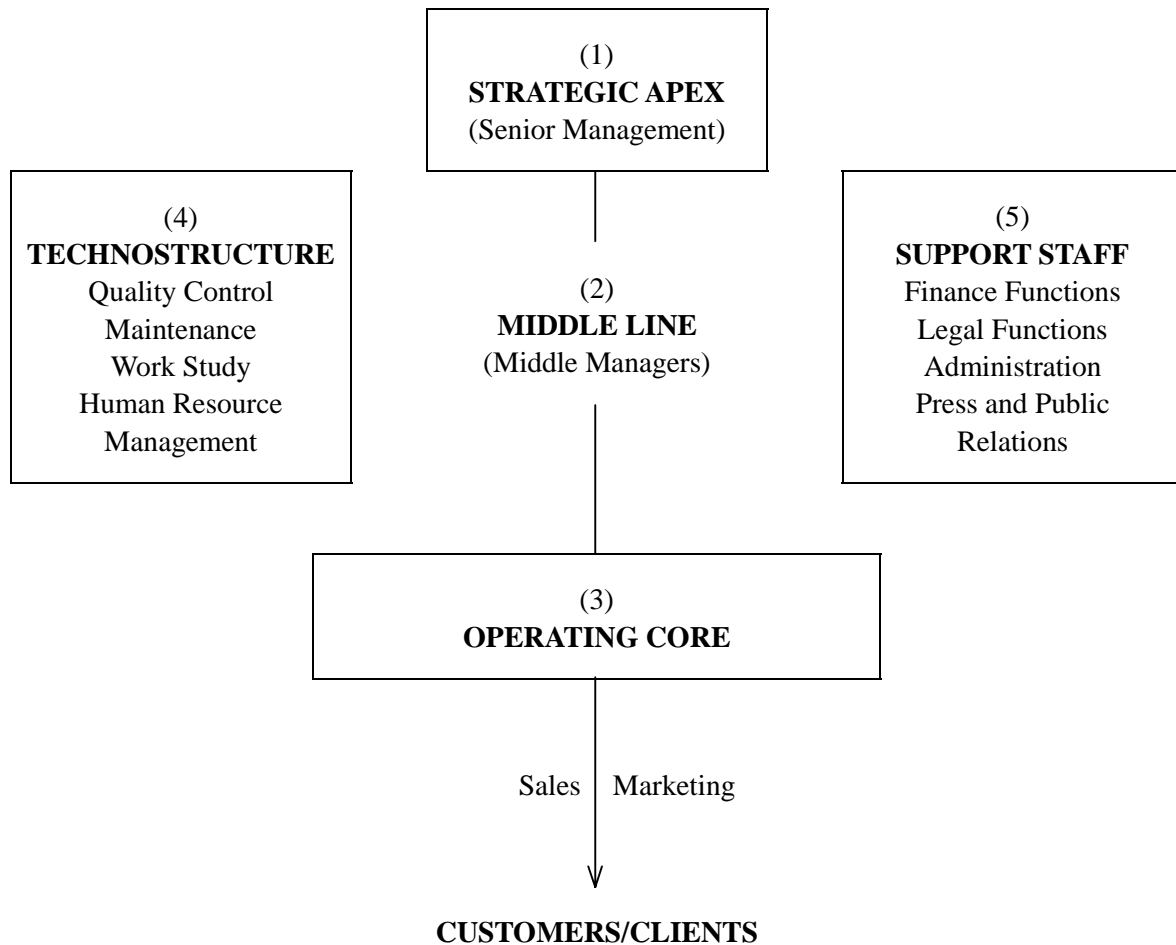


Figure 1.7: Mintzberg's model of organisational structure

The elements which make up this structure are as follows.

- (1) **Strategic Apex:** Senior management take the ultimate decisions for the organisation. They establish the core values which are made manifest in the mission statement of the organisation.
- (2) **Middle Line:** This reflects the authority structure (infrastructure) linking senior managers through middle managers/supervisors to the workers in the operating core. Information flows both ways along this line.
- (3) **Operating Core:** This consists of the people who make the goods and/or perform the services. In small organisations this may be most of the organisation.
- (4) **Technostructure:** The function of this element is the co-ordination of the work of the organisation. A key technique for this is **Total Quality Management (TQM)** – standardised high quality production is the objective.
- (5) **Support Staff:** The function of this element is to provide the indirect services required by the organisation. Here are found the legal, financial, press and publications experts and professionals.

The development of modern organisations has seen the growth of (4) Technostructure and (5) Support Staff. The flexible organisation can adapt by allowing certain sections to expand, while increasing productivity can bring lower numbers of workers to the operating core.

Re-engineering Organisational Structures

Many theorists, including some supporters of excellence theory, put forward overall structural views which are more radical and flexible than those put forward in models like Mintzberg's. The flexible view is encapsulated in the concept of **re-engineering**, an approach which calls into question a great deal of what is accepted wisdom in more orthodox models of structure.

Re-engineering replaces many of the departments of organisation by allocating the tasks of functions of "support staff" to outside specialists. The non-core functions are moved right outside the organisational structure by a technique known as **outsourcing**. Special services are called in as and when required. Peters goes so far as talking about the **virtual organisation**, where every possible function is outsourced – workers are encouraged to work at home (telecommuting) making use of IT to link to the organisation and each other. When people have to spend time working in the organisation, they make use of resources in sequence – for example, a number of employees make use of the same office, as and when they are there (hot desking). The overall size of the organisation is reduced to its central core by means of down sizing and the authority structure is simplified by stripping out layers of middle managers (delayering).

Department or formal structures are replaced by **teams**. The essence of team approach is that it is customer-led rather than oriented to production. The team follows a sequence of steps: ascertain customer needs; agree orders for price, quality, delivery time; design and produce goods; deliver, invoice, and obtain payment for goods. The team completes all the necessary paper-work, making use of the appropriate business information technology.

The re-engineered structure has implications for the authority structure of an organisation as decision-making moves to the teams who are close to customers from the more remote levels of management, many of which have been stripped out.

D. MANAGEMENT

There is no single, universally accepted definition of management. Indeed, there are probably as many views as there are writers – to quote just a few:

"deciding what should be done, and then getting other people to do it" Rosemary Stewart

"to forecast and plan, to organise, to command, to co-ordinate and to control" Henri Fayol

"the organisation and control of human activity directed towards specific ends" International Labour Office

"sensible working arrangements" Mary Parker Follett

Whilst these writers all emphasise different elements, there are a degree of commonality in what they have to say. We could pick out four processes as being central to management – planning and decision making, organising, directing and controlling. We can also add two other elements which apply to all these processes – that they are all carried out with the goal of achieving the organisation's purpose, and that they are all carried out in relation to the human and non-human resources of the organisation.

So we have a composite definition which goes something along the lines that:

management involves the processes of planning, organising, directing and controlling the organisation's resources in order to achieve the organisation's goals.

Note that we have not mentioned anything about maximising profit! Management is the means by which the organisation's resources are applied in pursuit of the organisation's goals – whether they are about making money at any cost, or about providing a range of user sensitive services for the general public.

We have to admit, though, that this definition is pretty vague. We can better clarify what management is about through examining some of the activities, processes and functions encompassed within it.

Planning, Organising, Directing and Controlling

These are the four key management functions and most management texts deal with them in some systematic way.

(a) Planning

Planning is the process by which the organisation, or any particular part of it, determines what is to be done. It is the process of systematic thought that precedes action, during which resources in hand, or those likely to be available, are matched against known or predicted conditions in order to achieve organisational goals. It involves a number of related processes:

- forecasting – analysing known information (within and external to the organisation) in order to predict future conditions;
- goal setting – the determination, in the light of forecasts and other imperatives (including policy), of what the organisation wishes to achieve in the relevant time span;
- decision making – making choices between different goals and courses of action, including the identification and resolution of problems, conflicts and priorities.

One of the keys to this process is an understanding of where the organisation is coming from and what the future may be like. This requires information – about how the organisation is performing now (and this in turn derives from the monitoring and review elements of the control process – see below) and what the future holds. Information and its distribution and availability, in various forms, flows through the whole of the management process.

Another key conditioning element is the scope for decision making in the determination of goals. It is invariably the case that management does not have a free hand in setting goals. There are policy and other organisational imperatives (what can be expected of staff, the available technology or accommodation, competing priorities, etc.) which constrain the process.

(b) Organising and directing

Organising is the management process which actually arranges for the work to be done. It is concerned with the allocation of resources – both staff and others (finance, materials, time, etc.) – and their arrangement into working units and relationships, such that the agreed plans may be carried out and achieved.

Directing arises out of organising, being about ensuring that employees are appropriately engaged in working on activities to meet goals and plans. This involves motivating and supervising staff towards the concerted efforts needed for effective performance.

The two elements are grouped together here because they combine in their effect on people. Organising involves both the division of the work into logical tasks and its allocation to staff, and the structural arrangement of staff into groups and organisational relationships. This point about organisational relationships is important. It implies that management is not just about the setting up of structures, but also the way they continue to operate – ensuring harmony in staff relationships, that staff are working appropriately, etc. There is a necessary overlap with the

directing process here in respect of influencing relationships and monitoring their effect on performance, and also with the role of the personnel or human resource management function.

Again it is worth noting the importance of the role of information and communication in the organising and directing elements of the management function. These involve not only the establishment of structures, but their on-going operation – working with people and ensuring their continuing understanding and commitment to organisational goals and the activities necessary for their achievement. This must require a level of communication to establish and maintain such conditions, and to ensure appropriate co-ordination of effort, particularly in times of rapid change.

(c) **Controlling**

Management control is the process of monitoring and regulating performance to ensure that it conforms to the plans and goals of the organisation. This is not just some element added on to the end of the management process, but an integral part of it – control starts from the moment plans are put into action. It involves continuous monitoring and review of the way in which goals are being met through performance of the designated activities.

If you cast your mind back to the definition of what a well expressed goal contains, you will remember that it should include measurable targets or standards, together with a timescale for its achievement. These are the indices which, in an ideal world, performance is measured against – are the standards or targets being achieved, how well is progress being made towards the desired end?

Control also involves taking the appropriate corrective action to ensure that what is actually happening is in accordance with the expectations of the planning process. This does not necessarily involve cracking down on staff who are not performing to the expected standards! It may, but it may also mean reviewing the plans and amending them where it can be demonstrated that they were defective in some way or that conditions have changed.

Again, the process is heavily dependent upon information. Management information is crucial to assessing the level of achievement – financial reports, output totals, qualitative progress reports, etc. are the raw material of performance review. The results of this also feed back into the planning process as part of a on-going cycle in determining the next round of goals and plans (or even the review and amendment of the current ones).

Management Roles

One of the classic studies into the work of managers was conducted by Mintzberg in 1980. His analysis of the masses of detailed notes on exactly how managers spent their time resulted in his developing a typology of management roles which provides a slightly different overview of what management involves from the functional approach.

Mintzberg identified three general roles:

- interpersonal – dealing with the maintenance of relationships with others within and outside the organisation;
- informational – dealing with the gathering and provision of information, again within and outside the organisation;
- decisional – dealing with organisational and operational problems and difficulties.

Within these three categories, ten more specific roles were set out, as summarised in Table 1.1.

Table 1.1: Management roles

Role	Description
<i>Interpersonal</i>	
Figurehead	– Formal, representational and symbolic duties
Leader	– Relationship with subordinates – motivating, communicating, coaching, etc.
Liaison	– Contacts with others outside work unit, for assistance, information, etc.
<i>Informational</i>	
Monitor	– Ensuring acquisition of information necessary for work
Disseminator	– Distributing information throughout organisation and outside
Spokesperson	– Formal provision of information on behalf of organisation
<i>Decisional</i>	
Entrepreneur	– Initiating, developing and facilitating change and innovation
Disturbance handler	– Trouble shooting problems as and when they arise
Resource allocator	– Distributing and arranging use of resources (staff, finance, materials, time)
Negotiator	– Representing organisation in negotiations within area of responsibility

Whilst this categorisation of roles is different from the functional definitions we considered above, it does not clash with them. Rather, Mintzberg's roles provide an alternative perspective, emphasising three key elements which spread across the spectrum of management processes – planning, organising and controlling.

Management Activities

Another approach to explaining management is to look at the various activities carried out by managers and attempt to classify them in some way. The traditional approach to this is to break down the main functions into their component parts, and Mullins provides an interesting framework for reviewing this, drawing the activities together and stressing their interdependence.

We can summarise the activities as follows and it is easy to see how these link with the processes of planning, organising, directing and controlling..

(a) Determining objectives

All managerial work involves identification of goals or objectives – deciding what it is one is seeking to achieve. Without this, work can become unfocused and, whilst a particular course of action may deal with the immediate problem, it may create others later because it has not focused on the real purpose.

(b) Defining the problems that need to be solved to achieve the objectives

Having decided what it is one is seeking to achieve, the next step is to consider what problems must be overcome in doing it. This is easier said than done. There are rarely issues which do not give rise to some sort of problem in their solution, even in meeting the mundane objectives – for example, just getting the morning’s post delivered to desks by 9.30 am may raise issues of how the post is handled, the number of messengers employed (and what they will do for the rest of the day), etc.

(c) Searching for solutions to the problems which have been specified

There is rarely just one solution to a problem, nor should management be about just picking one and living with it. The optimum method should be to generate a number of different ways of resolving the problems – decentralising post handling, expanding the work of the central post section, etc. There are obvious limits to how far management can go in searching for alternatives (particularly in terms of the time/cost implications), but having a range to evaluate will certainly help to clarify the “best” solution and probably assist in its acceptance.

(d) Determining the best solutions to the problems

This can be the most difficult activity. On the face of it, it is simply a matter of identifying effective solutions (ones that actually resolve the problems) and then choosing the most efficient one. However, life is rarely that easy! In reality, there will have to be some compromise between effectiveness and efficiency (usually cost efficiency, but other constraints may also apply, such as organisational policies or availability of staff).

(e) Securing agreement on implementation

It may be thought that this is relatively straightforward, given that a systematic appraisal of alternatives has resulted in the “best” available solution being selected. However, others have invariably to be convinced of that as well – committees who have to agree and allocate the necessary funds, staff (and their representatives) who will be involved in the consequent changes, outside interests including customers, suppliers and competitors.

(f) Preparation and issue of instructions

This should be the easy part, but not necessarily – the activity is relatively simple, it is just that management is usually terrible at carrying it out! This is all about how one communicates decisions and directions about what needs to be done to give effect to them. The scope for misunderstandings, deliberate or misconceived interpretations, errors in distribution, bad timing, etc. is enormous. There is a real premium on the ability to prepare and disseminate clear, unambiguous and relevant information to the right people to the right time.

(g) Execution of agreed solutions

We could summarise the action necessary for this activity as being about organising, allocating resources and directing. Organising is the allocation of responsibilities and authority – the establishment of a structure of functions, roles and relationships. This is very much the difficult interface between the organisation’s objectives and its goals – to what extent does the former facilitate or hinder the achievement of the latter, and how easy is it to affect change to ensure compatibility. Allocating resources is about ensuring that the right people are in the right positions at the right time and with the right materials and equipment in order to achieve the desired ends. This must also involve ensuring the appropriate funding is available and that sufficient time has been allocated to enable the work to be done. Finally, directing is the business of appropriately leading, motivating and supervising the work of the members of the organisation. We stress “appropriately” because there is no one simple method of so doing – it

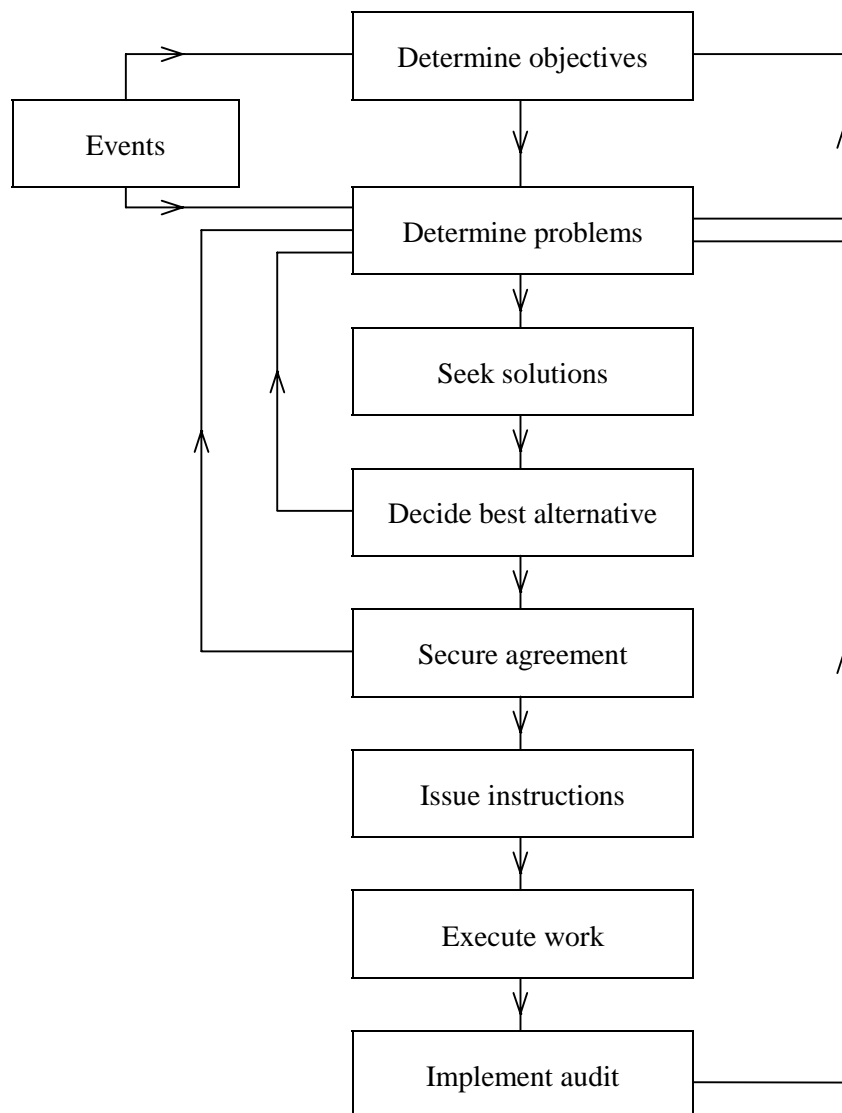
will depend on the nature of the work, the nature of the workforce and the nature of the manager him/herself. Inappropriate direction can be counter-productive.

(h) Devising and discharge of an auditing process

The final management activity is the continuous monitoring and assessment of the extent to which the undertaking is successful. Success must be measured in terms of the achievement of the organisation's goals as expressed in the chosen solution (remembering that the solution may have been a compromise that cannot be expected to be 100% effective in meeting the goals). The use of the term "audit" here draws a parallel with the process of checking and ensuring the authenticity of financial accounts – something that is well established and, by and large, done extremely well. More general management audits are less well established and less well done! Nevertheless, there is no substitute for a system of reviewing progress and controlling the implementation process.

There is a certain logic in considering these activities as a list since they tend to follow one after another in the sequencing of a rational process. However, management is an on-going process, and at any one time will involve activities across the range, often in the same project. It is impossible, in reality, to compartmentalise these activities. In addition, it is important to note the way in which they inter-relate and how one depends on another in order to complete the process. We can show this in diagrammatic form as set out in Figure 1.6.

The links shown illustrate some of the key inter-relationships, but by no means all. For example, if the result of the audit process discovers that a correctly implemented solution has not resolved the problem or met the goals, then either a new solution must be found, or the objectives need to be reconsidered and revised. Give some thought to this and come up with some examples of your own about the links and inter-relationships, both as they are shown here and those that are not.

Figure 1.8: The inter-relation of management activities

Levels of Management

The various different processes, roles and activities of management apply to management throughout the organisation. Whilst there may be different emphases in different parts of the total management structure, broadly speaking, all managers are involved in carrying out the same functions.

Most analyses of management structure identify three broad hierarchical levels.

- First line management or (as it is commonly called) supervision – taking place at the lowest level in the hierarchy and directly responsible for the operation of discrete tasks and non-managerial personnel. This level is sometimes referred to as the “technical” level, being concerned primarily with the undertaking of actual work processes.
- Middle management – the “meat in the sandwich” between senior management and first line supervisors, this level is responsible for the work of managers at a lower level (supervisors or possibly other middle managers) and/or a range of more senior operational staff such as specialist technicians and professionals. In some analyses this level is referred to as the “organisational” level, being concerned with the organisation and integration of work processes across a broader range.

- Top or senior management – which is where responsibility for the entire organisation, or significant large parts of it, is located. Such management is also responsible for the middle tier of management. This level is often referred to as the “institutional” or “corporate” level, being concerned more with the organisation as a whole, its goals and its relationship with its environment.

We can consider the differences between the levels under the three elements we have previously used to discuss the nature of management.

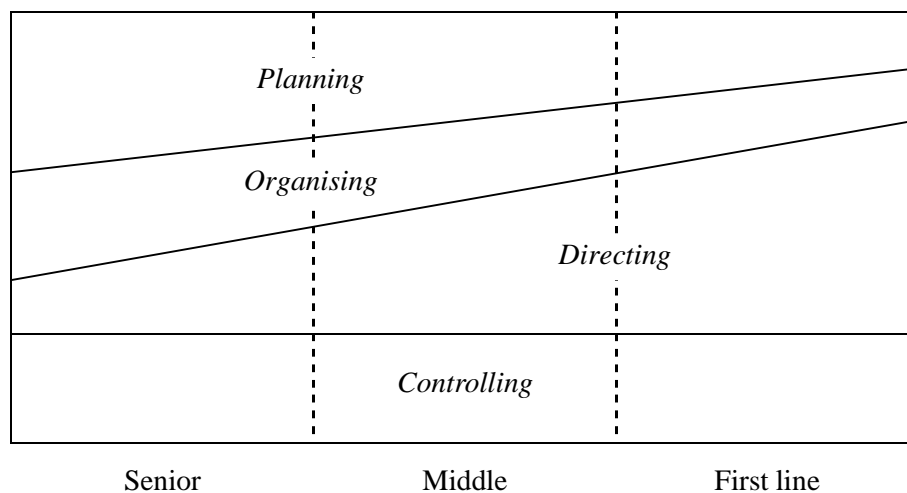
(a) Management functions

The relative importance of the functions of planning, organising, directing and controlling does vary between the three levels, as illustrated by Figure 1.8.

Planning is seen mainly as a function performed by the more senior strata in the hierarchy. Senior management is responsible for making overall decisions on goals and plans for the organisation as a whole. This level will also need to work closely with middle management in developing operational plans for the achievement of those goals. Whilst all levels are involved in the determination of goals to some extent, at the lower levels there is less emphasis on decision making and planning, with it likely to be carried out within a pre-determined framework.

In respect of the organising function, the allocation of resources is controlled at the highest levels, again primarily on an organisation-wide basis although there will considerable oversight of the organisational arrangements at lower levels. Middle management carries the detailed responsibility for the planning and organising of work on a broad level – allocating resources and instituting overall structural arrangements and relationships. Again, first line management tends to work within a framework determined elsewhere and has more limited scope for organising in respect of resource allocation and operational arrangements. However, when we consider directing, there is a much greater responsibility for the detailed aspects of ensuring the appropriate functioning of working arrangements, particularly in respect of staff relationships and methods of working, at the supervision level. This is the front line of organising people in getting the work done.

Control tends to be a more constant function across the three levels, with each needing to monitor and review progress towards goals in relation to their responsibilities.

Figure 1.9: Management functions at different hierarchical levels**(b) Management roles**

Minzberg's research indicated that all managers had a similar range of roles, irrespective of their position in the management hierarchy. However, he did note that their relative importance varied with position. Indeed, there would appear to be different emphases on different roles within each of the three general role areas:

- In the interpersonal role area, the role of figurehead tends to be more important at the senior levels of management, reflecting the greater positional power and weight often necessary for such duties. By contrast, the leader role is central to supervisors, reflecting their greater involvement in ensuring the smooth operation of staff relationships.
- In the area of informational roles, again the spokesperson role is more predominant at the higher levels, for the same reasons as is the figurehead role.
- As far as decisional roles are concerned it is interesting to note that the entrepreneur role is seen as equally important throughout the hierarchy. However, there is a clear differentiation between those of disturbance handler, which is emphasised at the lower levels (where more, although not necessarily more important, problems arise), and resource allocator which, by its very nature is seen more at the middle and senior levels of management.

(c) Management activities

This view of management provides a rather different insight into the strata of management levels. Rather than stressing the variations in emphasis apparent at the three levels, or seeking to identify different activities associated with them, this approach highlights the inter-relationships between activities carried out in different parts of the structure.

Thus, senior management is concerned with the determination of objectives and deciding upon appropriate courses of action at the highest level – the institutional level. The decisions made at this level become the events which condition the determination of objectives at the next level down. Indeed, securing agreement at the highest level may mean liaison with middle management to ensure the acceptability of the proposed plans. Again, the issuing of instructions and the development of schemes of work to be executed become the raw material for lower levels to work on – specifying their own problems and solutions, developing their own schemes of work and issuing their own instructions to the next tier. At each level, the process is repeated in increasing detail as befits the responsibility for more technical work.

This emphasis on the inter-connections between the different levels draws attention to a necessary interdependence. In order for the organisation to be successful in achieving its goals, it needs co-operation and successful achievement of objectives at all levels in the structure. Successful senior management is as much dependent upon successful first line management as is the reverse.

Study Unit 2

Theories of Organisation and Management

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INTRODUCTION

As we have seen, there are a variety of different approaches to the study of organisations and management. It is usual to classify these into “schools” of thought, but this should not be taken to imply that each school represents a uniform approach. Rather, they represent similar ways of thinking about the way organisations operate and could or should be managed.

The main “schools” we shall examine here are:

- the classical school, incorporating the scientific management theories of F W Taylor and others, the identification of management principles associated with Henri Fayol and Leonard Urwick, and the work of Max Weber on bureaucracy;
- the human relations or behaviourist school, deriving primarily from the work of Mayo and the Hawthorne studies, and the notion of participation in the organisation
- the systems approach, incorporating the application of cybernetics to organisation; and
- the contingency theories of Woodward and Burns and Stalker.

In addition, we review two contemporary approaches to management – that of the influential American management protagonist Tom Peters, and those based on the success of Japanese management methods.

A. CLASSICAL SCHOOL OF MANAGEMENT AND ORGANISATION

The “classical” school was effectively the first coherent set of theoretical perspectives about organisation and management. It arose at the end of the last century as the early writers sought to make sense of the newly emerging large scale forms of work organisation by concentrating firstly on purpose and structure.

The approach centres on understanding the purpose of an organisation and then examining its structure. Thus, for a car manufacturer, the purpose would be to build and sell a range of cars and trucks. Having identified the general objectives of the organisation, it was believed that you could then move to more specific purposes and responsibilities – to, say, undertake research and development, manufacture the cars themselves, market the products, etc, and to further break that down into, say, different models and designs. This breakdown of purpose into a hierarchy of objectives would form the basis for both the structure of the organisation and of work itself.

The next level of concentration is on the operations which have to be undertaken within an organisation to meet the objectives. Once these have been identified, the accent is on logical groupings of functions to form individual jobs, sections, departments and so on. Special care is taken over the span of control within management. Co-ordination is effected by clear hierarchies which identify authority, responsibility and accountability, and through duties being clearly specified for each post. A key emphasis in all of this was a belief in the efficiency of specialisation of labour – individuals being responsible for one particular task to the exclusion of others, thus being able to build up expertise in that task and contribute to the greater efficiency of the whole.

This general approach is sound enough and is obviously a common sense place to start the study of organisations. If you think about your own organisation, it is probably the way in which you would attempt to describe it, and it is a tribute to the enduring practical value of the classical approach that

much of the way in which many organisations operate still derives from the principles laid down by this school of thought.

Scientific Management

In 1911, Frederick W Taylor's book "The Principles of Scientific Management" was published and, with it, management as a separate field of study had arrived. Taylor had risen from pattern-maker in a steelworks to chief engineer at the age of 28 – and indeed was a competent engineer, making a number of inventions and improvements in technology. Bethlehem Steel Co hired him to reorganise the plant, but his fresh ideas brought opposition from other managers. Taylor would not compromise, and he was summarily sacked. Thereafter he undertook teaching, writing and consultancy work.

Taylor's view was that all work processes can be systematically analysed and broken down into a series of discrete tasks, and that one best way can be determined to undertake each task. The main elements of this view of management are:

- the detailed and careful analysis of all processes and tasks within the organisation to identify each component part;
- the review of all routines and working methods, using (principally) time and motion studies – what we would now just call "work study" – to find the best way to do the job
- the standardisation of all working methods, equipment and procedures, so that the precise way in which each task should be done can be laid down and monitored;
- the scientific selection and training of workers who would then become first-class at their particular jobs;
- the introduction of payment on a piecework basis which would both be an incentive to maximise productivity and produce high wages for the workers, although there would be penalties for falling below the prescribed standard – "a fair day's pay for a fair day's work" in Taylor's words.

Taylor did not believe, as some have characterised him, in autocratic management in order to achieve this. He felt that the scientific approach to organisation and management would be accepted by all as the best way to operate and it would result in everyone getting what they wanted – higher output, higher pay, higher profits. Thus, management and labour would co-operate to accomplish the best results

Taylor's main disciples were Henry Gantt (another engineer) and Frank Gilbreth (a building contractor and one-time bricklayer). Note how all three were practical men, with shop-floor experience, not academics. Both tried to take Taylor's work further by developing particular aspects – in Gantt's case by attempting to address the fraught labour relations which the application of scientific management techniques brought about (Taylor seeing workers as essentially just machines in the production process) through improved payment systems and production control, and Gilbreth by refining the processes of time-and-motion study, including introducing the concepts of ergonomics to take account of the conditions in which people worked.

Scientific management brought in the concept of the systematic analysis of work processes and the techniques of work study and organisations and methods in order to achieve it. This approach to organisation and management has had a profound effect. As we noted earlier, most organisations display at least some of the characteristics of organisation along these lines, and generally speaking, it has been of great value of maximising efficiency and effectiveness.

However, Taylor's approach has very significant and fundamental problems associated with it, principally in the view of workers as simply mechanistic cogs in the production process whose sole

motivation is money. The notion that adherence to the determinants of scientific management would resolve all the problems of management was clearly naive. Most particularly, the unpredictability and unreliability of the human factor in organisations could not be addressed by this approach – thus resistance to change at all levels in the organisation in the methods and processes at work, which Taylor envisaged would be continuous as new machines and other developments came along, was not foreseen. With the advent of trade unionism, workers are no longer prepared to be docile recipients of management edicts (no matter how apparently objective and scientific the processes underlying them are) and Taylor's assumption of a workforce giving up union representation and collective bargaining in return for a united, co-operative enterprise with management was decidedly optimistic. Taylor also presumed that the workforce would comprise just “first-class men” and there was no place in his thinking for developing them through training and retraining schemes or other forms of motivation. And lastly, the primacy of economic incentives ignores the many other elements of human needs which may be satisfied through the workplace.

Taylor was just concerned with one narrow aspect of organisation and management, too locked into the advantages of specialisation in automated processes to see the implications for people or to give any credence to the human dimension in organisations. In recognising the serious shortcomings of the scientific management approach, we must be careful not to denigrate the value that it has, and this is significant. His work has had a lasting impact on management and although it has traditionally been of most importance in manual work and automated processes (where payment systems based on standardised work practices continue to be used), the scientific approach still underlies most ways of organising clerical and routine administrative work. Just look around your office!

Toward the Identification of Management Principles

The main contribution of the scientific management school has been to provide the concentration on, and tools to achieve, the breakdown of work processes into their component tasks. However, it does not offer a great deal in terms of how to actually manage the undertaking of those tasks. We really need to be thinking about how to group and co-ordinate them.

The key thinker in what is sometimes known as the administrative management school was Henri Fayol, a French mining engineer. His book “Administration Industrielle et Generale” (General and Industrial Management) appeared in France in 1916, but was not translated and published in the USA until 1949. However, an English management consultant, L Urwick, propagated some of Fayol's ideas before World War II. A second disciple of Fayol's is E F L Brech, a distinguished English author and teacher of management.

(a) Henri Fayol

Fayol suggested that the activities of work organisations can be divided into a number of groups – technical, commercial, financial, security, accounting and management. His analysis of management is our concern here, and in this he developed a number of ideas which continue to have validity even though much of his writing was unsubstantiated conjecture.

Perhaps his most enduring thesis was his definition of management itself:

“To manage is to forecast and plan, to organise, to command, to co-ordinate and to control”.

Against each management function, Fayol made interesting proposals. For example, under “forecasting and planning”, he advocated that large-concerns need forecasts on daily, weekly, monthly, yearly, 10-yearly and special bases, where an activity-cycle exceeds one or more 10-year period. However, Fayol's contribution is most notable under the subject of

“organisation”. Within this, he enunciated 14 “principles of organisation” which, whilst they may not be universally accepted today, still have much to commend them.

The central theme of his proposals was that of the “hierarchy” or scalar chain – the establishment of a “line of authority” by which the management can ensure compliance with its intentions throughout the undertaking. A formal plan of the organisation should be drawn up – now generally represented through the “organisation chart” – with specific job descriptions defining duties clearly for each post in the organisation. Fayol urged the value of specialisation and division of labour (as Taylor did), but unlike Taylor, he insisted on a “unity of command”, the notion that there should be one boss and one plan for all activities serving the same objective. The span of control of a superior must not exceed 4 or 5 subordinates if supervision is to be practicable. (Think of the degree to which these principles are reflected in the structure of your organisation.)

Fayol was also aware of the human dimension to the organisation, and he saw the need for involving staff in the development of the business. Thus, he advocated a fair system of remuneration, equity in the treatment of employees and a positive approach to encouraging staff to put forward ideas and initiatives. In addition, Fayol must be credited with seeing the value of training for managers, and that management should be taught in educational centres as well as “on the job”. In identifying training as a continuous process – not a brief, once-for-all time episode – he foresaw what we now term “management development”.

(b) Lyndall Urwick

Urwick, writing some twenty years after Fayol, consolidated his ideas and, to an extent, synthesised them with the approach of scientific management. He put forward ten principles of organisation, as follows:

- **Principle of the objective**

Every organisation and every part of the organisation must be an expression of the purpose of the undertaking concerned, or it is meaningless and therefore redundant.

- **Principle of authority**

In every organised group the supreme authority must lie somewhere, and there should be a clear line of authority from the supreme authority to every individual in the group (this is also known as the “scalar principle”).

- **Principle of responsibility**

The responsibility of the superior for the acts of his subordinates is absolute.

- **Principle of correspondence**

In every position, responsibility and authority should correspond.

- **Principle of continuity**

The organisation is a continuous process over time, and specific provision should be made for this continuity of process in every undertaking.

- **Principle of specialisation**

The activities of every member of any organised group should be confined, as far as possible, to the performance of a single function.

- **Principle of definition**

The content of each position, including the duties involved, the authority and responsibility contemplated, and the relationships with other positions, should be clearly defined in writing and published to all concerned.

- **Span of control**

No person should supervise more than five, or at the most six, direct subordinates whose work interlocks.

- **Principle of co-ordination**

The purpose of organising *per se*, as distinguished from the purpose of the undertaking, is to facilitate co-ordination – for example, to achieve unity of effort.

- **Principle of balance**

It is essential that the various units of an undertaking should be kept in balance to the purpose of the organisation (a cryptic phrase, but, for example, in the health service there is constant criticism that the proportion of administrative staff to front line nursing staff is “out of balance”).

To these ten principles of Urwick’s let us add one of Fayol’s, as follows:

- **Unity of command**

Each member of an organisation should have only one boss, with no conflicting lines of command.

These eleven principles encapsulate most of the classical school of management thinking (and their very enunciation is a manifestation of that school in its assumption that it is possible to define such principles in the first place). As such their place is assured as a key determinant of the way in which many companies, particularly older, large scale companies and governmental bodies, are organised. It is not difficult to see the clear lines of authority, hierarchies of responsibility and clearly defined roles in such organisations.

However, these ideas are now seen as being far too mechanistic and rigid, when we demand a more flexible approach to management and organisation. For example, the straight line structure of the proposed hierarchy makes sense in terms of clarity and the avoidance of conflicting orders and standards, but it is generally accepted now that all but the smallest undertaking needs some form of structure which enables functional specialists to provide advice, guidance and orders to staff apart from their direct line manager.

At best, then, the principles are only a very superficial checklist of points which may bear investigation in reviewing an organisation structure. The first five – those of the objective, authority, responsibility, correspondence and continuity – are still generally accepted, but the others would be severely questioned in the light of current thinking on motivation and situational needs.

B. BUREAUCRACY

We saw that Fayol in France and Taylor, with Gantt and Gilbreth in the USA were working independently around the turn of the century, to arrive at what were not greatly inconsistent doctrines and which we now characterise as the Classical School. Contemporaneously in Germany, the sociologist Max Weber (1864-1920) was turning his attention to the subject of organisation and postulated the concept of bureaucracy, which is in keeping with the Classical School. Weber was

trained in law and spent his life as an academic studying the broad sweep of civilisation and, in particular, sociological aspects of religion and of economic affairs. He was interested in the use of power and authority and this prompted his investigations of, and the formulation of certain ideas on, organisation.

Note, though, that Weber was not – like Taylor and Fayol – saying this is how an undertaking should be run (though he did write approvingly of bureaucracy) nor was he like other early writers telling “How I did it” (he was a university professor). He was trying to describe what seemed to him the prevailing kind of organisation, at that stage of social and economic development, and to explain its growing importance. Further, he was writing from a distance. Unlike the later behavioural scientists, he did not go into organisations and see them functioning. However, his account of what many managers would view as a sound organisation is broadly correct, and still serves as a starting point for a great deal of current thinking about organisation.

Weber and Types of Authority

Weber distinguished between kinds of organisation by diagnosing the source of authority in each case. He suggested a three-fold typology as follows:

- charismatic
- traditional
- rational-legal

Using this typology, Weber saw organisations developing through three stages towards the ultimate expression of authority, that of rational-legal power in a bureaucracy. However, it is possible to see all three types of authority present within the one organisation and this is something we shall return to later when we consider the subject of leadership in detail.

● **Charismatic basis for authority**

The Greek term “charisma” refers to the special personal quality or power of an individual making him or her capable of influencing or inspiring others. It is a rare quality, possessed by few people who are able to lead through the force of their personality alone (or in conjunction with other qualities). The classic examples are from political leaders (Hitler, Mao Tse Tung) and it is sometimes present in organisational leadership (for example, Henry Ford and Lord Nuffield of Morris Motors). You will almost certainly know, or know of, others in other walks of life.

Organisations characterised by charismatic leadership are largely governed or managed in accordance with the leader’s wishes and invariably have staff who give dedicated service. However, such an undertaking has a built-in instability. It is dependent upon the quality of the leader’s decisions and the maintenance of his or her charisma, and towards the end of the leader’s active life, jockeying for position can occur, and eventually a “succession crisis” may emerge – perhaps even fragmentation of the concern under different disciples claiming to be the “true heirs”. The new management almost invariably lacks the charisma of the old and therefore the organisation becomes one of Weber’s two other types.

● **Traditional basis for authority**

Precedent and usage are the bases for the exercise of authority in this type. What has always happened shall continue to happen (and it may, indeed, be viewed as sacred), and any proposal for change is considered sacrilege, treason and so on. The leader has the authority which by tradition attaches to the post of leader, as distinct from the authority being personal because of the individual’s “charisma”.

In this type of system, there are no disciples. People follow the leader because of the accepted power of the office. Distribution of power is at the disposal of the leader and again derives from the power of the leader's office. Thus organisations may be characterised by simple patronage, where appointments are in the personal gift of the leader (and may sometimes be employed directly by him or her), or by feudal systems of delegating power conditional upon continued support of the leader.

Whilst history supplies the more obvious examples of these situations, modern management also furnishes some. It is by no means uncommon for managerial posts to be handed down through members of a family – virtually hereditary transmission of a dynasty – or for managers to bring in their “own man” to reinforce their position.

- **Rational-legal basis for authority**

The final stage of development from charismatic authority comes when complete de-personalisation is affected. Neither the exceptional leader nor respected tradition is the fount of authority. The system is called rational because it is, thought Weber, based on reason or logic – the means are specifically designed to serve the ends (or “goals”) with the organisation like a well-planned machine where each part takes its share of making the whole function efficiently. “Legal” applies because authority is seen as “the rule of law” within the organisation, the rules being laid down by those allotted the right and duty to lay them down and accepted by staff precisely because that power is legitimate.

Rational-legal authority requires as its organisational system what Weber termed “bureaucracy” – a system of accepted, legitimate rules and regulations governing the functioning of the organisation.

Weber saw this as the dominant system in society. It seemed to offer the most efficient and enduring form of organisation, one which would allow the continuous economic growth which in those days appeared both desirable and essential. (Remember that he was writing at the beginning of the century when social conditions were rather different from now – for example, the owner-manager was only just giving way to the employee-manager, standards of education of the masses were low and trade unions weak. And you can probably think of many other differences that have affected organisations since those times.)

Bureaucracy and its Operation

Weber saw bureaucracy as being the ultimate expression of organisational form:

“The decisive reason for the advance of bureaucratic organisation has always been its purely technical superiority over any other form of organisation”.

Certainly bureaucracy is, or at least has been, the prevailing form of organisation for most enterprises – in industry and commerce, government institutions, trade unions, the military, etc. etc. It has dominated management thinking as the appropriate method of structuring and making legitimate the operation of an organisation. So, exactly what does it mean?

You will certainly be aware of the more pejorative meanings deriving from the way in which bureaucracies often tend to operate in practice. These describe a certain kind of organisational behaviour which, when we suffer from it, is intensely irritating and frustrating, involving “red tape”, inexcusable delays, inhumanity, indecisiveness, blind adherence to rules, and so on. Bureaucracy is also used to describe a system of rule by officials, whereby what should be an open institution appears to have insulated itself against participation by the general public and is no longer representative of the people to which it is supposed to be responsible – the public in the case of governmental institutions and shareholders and customers in the case of industrial or commercial undertakings. We

shall try to avoid such meanings, although it is clear that the shortcomings of bureaucracy as an organisational form give rise to these criticisms.

We have, rather, a more objective meaning to discuss. In the study of management and organisations, “bureaucracy” is a description of a way of organising a social institution, incorporating a specification of one approach to structure, internal relationships, distribution of authority and working procedures. The major characteristics are summarised below, and it is interesting to note how similar they are to the principles laid down by the major proponents of the Classical school.

- **Specialisation**

“The regular activities required for the purposes of the organisations are distributed in a fixed way as official duties.”

The duties of each post are closely defined, and so are the qualifications of the person required to fill it. The main emphasis is on the tasks and standard of performance needed by the undertaking in order to ensure efficient performance. Because that performance is, essentially, an impersonal thing, the individual employee’s personality and other talents are irrelevant.

- **Hierarchy of authority**

A detailed and precise stratification exists throughout the organisation. Each manager has clearly defined authority (which he must not exceed) over his subordinates in a particular field (beyond which he must not stray), and they must obey. Each office is supervised by the one above it.

- **System of rules and procedures**

Activities are governed by “a consistent system of abstract rules ... (and) ... consist of the application of these rules to particular cases”. Hence, the bureaucracy has a firm code of procedure to cover all possible foreseeable events – and should the unforeseen occur, a decision is sought from “higher authority”, and the precedent established is added to the book of rules. Extensive written records are necessary and, indeed, verbal communication without any written confirmation of decisions and actions is positively unsound. Training of employees consists largely of teaching them to find their way about in the rules.

The dominance of the system of rules and procedures should ensure that uniformity of performance should follow, irrespective of the abilities and personality of the individual office-holder.

- **Impersonality**

“The ideal official conducts his office ... (in) ... a spirit of formalistic impersonality, ‘sine ira et studio’ without hatred or passion and hence without affection or enthusiasm.”

Detached impersonality governs decision-making and activities generally – both internally, for example in dealings with work colleagues, and externally when dealing, for example, with customers and/or clients. Impartiality and equitable treatment come from stern non-involvement in – or even a seeming unconcern for – the particulars and problems of others; what matters is how the case fits the rules and that, and only that, tells the official what should be the higher authority’s considered decision.

- **Employment**

There is a great deal of certainty and security about working in a bureaucracy, and the overall treatment of staff both derives from the above characteristics and supports the whole fabric of the organisation.

Recruitment is based on precise qualifications for each level, rather than on personality, and indeed impersonal competition is desirable (as, for example, has been the case for many years in the civil service). Salaries are related to posts occupied, not to individual holders' talents and performance. Security of employment is absolute, subject to good behaviour. Promotion is governed partly by achievement, partly by seniority. In return, absolute loyalty to the undertaking is demanded.

The Efficiency and Effectiveness of Bureaucracies

The bureaucratic form of organisation – for better or worse – continues to be a most enduring form, particularly in those undertakings which are concerned with the application of set standards and of rules of eligibility for certain services (and most notably these include governmental institutions and financial services). To have endured in this way, bureaucracy must have something to offer, and it clearly provides a framework in which a permanent system of work can be carried out in a regular manner, even though the individual office holders may change.

The benefits are obvious. The definition of responsibilities and duties of each position within the hierarchy derives from the overall objectives of the organisation and there is no room for subversion of those objectives. Work is highly regulated in that every eventuality is covered by the laid down rules and procedures and there is a system for ensuring that new developments can be incorporated. All necessary tasks are covered and the hierarchy of supervision, against prescribed methods and standards, ensures the desired level of performance.

The existence of tight job descriptions and person specifications means that, in theory at least, staff are obtained with specific skills and abilities related directly to the tasks to be performed. (For example, the British civil service, prior to reforms in the early 1970s, had a rigid system of recruitment into four “classes” based on intakes at honours degree level, good ‘A’ level, fair ‘O’ level, and the ordinary school leavers as clerical assistants.)

Blau sums it up as follows:

“The combined effect of bureaucracy’s characteristics is to create social conditions which constrain each member to act in ways which, whether they appear rational or otherwise to his individual viewpoint, further the rational pursuit of organisational objectives.”

Whilst to our more liberal perceptions of the 21st century, the impersonality of bureaucracies seems somewhat stultifying, the attractions to staff should not be overlooked. The bureaucratic form strongly supports the application of rules and regulations with which many employees – particularly, but not exclusively in the public sector – are concerned and the feeling of certainty that this provides in a stressful workplace can be very reassuring. Imagine what life in your office might be like without it! Security of employment and the very impersonality of the work practices and procedures is also important, encouraging faithful performance of duties, confidence in the system and opportunities within a regularised promotion system which removes many of the stresses of the “rat race” (for example, toadying to superiors, trying to impress by “clever” innovations, emphasising one’s own successes and other people’s mishaps, etc.).

Rosemary Stewart makes an important point:

“Bureaucracy is bound to develop in an established and continuing organisation which seeks to be efficient. Some degree of bureaucracy is essential for effective management: the problem is – how much?”

However, despite the clear advantages of the bureaucratic form of organisation, are bureaucracies efficient? Weber claimed that they are capable of achieving the highest efficiency, but is this true

today? Nearly all governmental organisations adopt this form of organisation to some extent and it is increasingly being recognised that those which come closest to Weber's ideal bureaucracy are perhaps not as efficient as Weber believed. Why is this?

Lack of flexibility is now recognised as the great dysfunction of the bureaucratic system. And this is becoming increasingly significant as the environment within which organisations exist is subject to rapid change.

The dominance of rules and procedures can cause the organisation to be extremely inflexible in its dealings with people. A bureaucracy may serve most of its clients well – most of the time.

“Impersonality” to clients ensures a common level of treatment. Unfortunately, human beings and individual circumstances do vary well-nigh infinitely and trying to apply rigid rules can mean inefficiency, even injustice, in the non-standard case. No account can be taken of individual circumstances – of either the member of staff or the customer/client. The essence of this is that each activity/transaction/contact has to be categorised according to the rules and there is no incentive to distinguish cases and develop new approaches. This leads to a lack of adaptation to the changing needs and demands of people both inside and outside the organisation.

Officials in a bureaucracy are employed, trained and paid to maintain routine efficiency, to follow precedent and conform with the rules – not propose changes in the drills prescribed by their seniors. Yet every undertaking (even the payroll section of a finance department!) needs at least a proportion of non-conformists – “thrusters” and not only “sleepers”, as they have been called, or, in the best term of all (Enoch Powell's in “Medicine and Politics”), some “upsetters” – to challenge accepted practices and help the organisation move forward.

The culture engendered by this dominance of rules can also create unwarranted adherence to them. A familiar feature to all who have been mismanaged or mishandled by bureaucracies is that when you ask the question why something is being done, there often seems to be no reason which can be given. What was a rule has now become an end in itself, and what was once done to achieve the organisation's goals has now itself become the goal. Sometimes this can be so prevalent that the goals of the organisation become subservient to the carrying out of outdated rules.

“Adherence to the rules, originally conceived as a means, becomes transformed into an end-in-itself: there occurs the familiar process of displacement of goals whereby an instrumental value becomes a terminal value.” (R K Merton)

“Punctilious adherence to formalised procedures becomes the primary objective of bureaucratic activities, and displaces their original objectives in the thinking of officials.” (P M Blau)

Bureaucratic theory, concentrating as it does purely on the formal structures of the organisation, makes no mention of other forces at work in the organisation. However, as we shall see in the next section on the human relations school, some degree of informal structure is inevitable in all organisations. It has been suggested that the formal organisation positively needs the informal to give cohesion and help communication, and we can perhaps postulate that bureaucracy can function only through the informal organisation's “interpretation” of rules.

Robert Merton found that highly bureaucratic organisations tend to concentrate excessively on the regularisation of behaviour. This meant that administration, rather than looking outward and reviewing the environment and the continued effectiveness of the rules and procedures, is often internally concentrated on the control of behaviour, on diminishing the personal elements of the job and on checking that jobs have, in fact, been done.

Thus, bureaucracy is well suited to the steady production of a standardised product (say, manufacturing cigarettes) or the provision of a standardised service (say, the Inland Revenue), but it is highly inefficient in creative, dynamic situations, such as the computer industry. Nor, when it does face uncertainty or change, is it effective in reaction and adaptation.

The industrial and commercial scene is now very different from the time when Weber produced his writings on bureaucracy. Then, the picture was one of industrial stability with production dominating consumption – today the picture is one of consumption dominating production. The same can be said too of governmental institutions – the increasing accent on the primacy of the “customer” means that the local government services, for example, must be responsive to the people they serve. Whereas, in the past, it was less possible for the bureaucracy to be out of place with the environment because organisations guided the development of that environment, today it is the other way round – it is impossible for any organisation to exist for long if it is out of step with the environment.

In addition to lack of flexibility, the very impersonality which gives strength to the administration and application of rules and procedures can also have dysfunctional effects.

We have seen that the absence of personal responsibility is a positive benefit; and some people enjoy the freedom and lack of stress that engenders, handling problems by “going by the book” or alternatively “passing the buck” instead of having to make up their own minds. But research shows that many officials find this restricted role frustrating

“The clerks of departments find themselves sooner or later in the condition of a wheel screwed on a machine; the only variation of their lot is to be more or less oiled.”

(Balzac)

Especially at lower levels, and among younger employees, “alienation” from the organisation is quite likely, particularly where the work is machine-paced, repetitive and does not call for individual decision-making and judgement.

There is an inevitable reduction in personal relationships within the organisation, since interaction in work terms is solely on the basis of role. One consequence of this emphasis on role is that promotion is invariably on the basis of seniority – how long someone has been in a role without taking into account the achievement and ability of the individual. Further, impersonality as between employees hits the social and ego needs of workers, and is contrary to established ideas of good supervision.

We have seen that, from one point of view, there is a value in this. The reduction in personalised relationships increases the tendency of people to internalise their role, share common goals and to see themselves as part of a group. High morale can then result with a tendency for the members of the organisation to defend it against outside pressures. But again, carried to an extreme this group cohesion can work against the interests of the organisation. For one thing, too much can get invested in protecting the group’s interests to the detriment of adaptability. Further, though, it is very often the case that sub-units within the organisation will develop their own group goals and ways of defending their position against outside interference and attack. These may well be at variance with the goals of the organisation as a whole, particularly in very large organisations. So, far from contributing to the coherence of the undertaking, the very impersonality of the bureaucratic form may be a cause of its fragmentation.

Further Analyses of Bureaucracies

To conclude this review of thinking about bureaucracy, we shall consider briefly two studies from the 1950s and 1960s which explore the workings of the form and shed more light upon it.

Alvin Gouldner’s study of events at a gypsum mine and its associated factory in 1955 gave rise to some interesting thoughts on the nature of authority and the position of managers in bureaucracies.

He identified a management dilemma arising from the conflict between the formal and the informal structures operating within the organisation. To gain acceptance, the manager needs to conform to the existing social processes – yet management goals are set through the formal structure and if reliance is placed solely on the authority of the formal organisation, there is a strong risk of conflict.

(Note that, strictly speaking, Gouldner should not be thought of as from the classical school, but rather of the human relations school because of his concern with the consequences of bureaucracy for people in the organisation. However, we have included his views here as they help to complete the picture on bureaucracy as a topic.)

Gouldner postulated a typology of bureaucratic rules which can clearly be seen at work in most organisations.

- **Mock bureaucracy**

This is characterised by rules imposed by some source external to the location in which they are to be applied (for example, by a distant head office) which neither management nor subordinates view as legitimate. This may especially be the case if they have not participated in their formulation. The result is a tacit acceptance that the rules shall not be observed.

- **Representative bureaucracy**

Here, rules are accepted as necessary and fair, often stemming from expert knowledge or experience, and acceptable to the value-system in the work group. (Examples include safety rules and quality control mechanisms which do not threaten the individual.) Such rules will be obeyed with equanimity. This type is clearly the “best” form of authority and conforms to the rather pious hopes of Taylor for a common approach between managers and managed.

- **Punishment-centred bureaucracy**

This type contains rules which are made after coercion by either management or workers – for example, management imposing clocking-on by workers, or workers insisting on a particular system of job demarcation. There is grudging compliance to such rules, although some form of close supervision is probably required, and there is a strong likelihood of conflict. Weber, while welcoming the type of organisational form characterised by representative bureaucracy, saw this type of authority, enforced through the clear hierarchy and impersonality principle, as being the system’s source of strength and efficiency.

Michael Crozier, a French sociologist, reported in 1963 on the workings of very stable bureaucratic organisations (as opposed to the highly volatile organisation studied by Gouldner). In establishing as observed fact much of what Weber postulated, Crozier effectively put flesh on the bones of the theoretical approaches we have considered previously. Some of the key findings were in relation to:

- job satisfaction – operatives’ attitudes towards their jobs in a bureaucracy differed little from those found in any other form of organisation;
- authority relationships – with a comprehensive rule-book, the supervisors’ role virtually disappears;
- decision-making – where power is largely centralised, decisions that are taken at the periphery are often bad ones, with the result that the residual delegated power tends to be taken away, and thus decision-making becomes more remote and poorer still;
- hierarchical tensions – impersonality entails reduced face-to-face contacts, so what contacts do take place are hampered by unfamiliarity, status-consciousness, and so on. Lack of co-operation means that further face-to-face contacts are avoided;

- power relationships – when most sources of uncertainty are removed, by provision in the rules, power rests especially with those whose role is to cope with what uncertainty still exists and with the unplanned. For example, in one of the organisations studied, the technical engineer and his staff handling machine breakdowns had a real power quite beyond that provided in the organisation chart and the rules.

Crozier postulated that there was a “bureaucratic vicious circle” evident from the organisation’s attempts to resolve the problems brought about by the operation of the bureaucracy. This can be seen in the response to poor decision making and the hierarchical tensions noted above. Although this does not basically constitute a condition of conflict – Crozier talks of a “self-reinforcing equilibrium” – it does give rise to a striking conclusion:

“A bureaucratic organisation is an organisation that cannot correct its behaviour by learning from its errors.”

C. HUMAN RELATIONS SCHOOL

The main feature of the Classical School is its concentration on structure – rather as though we tried to describe a person by stating her height and weight, then described her skeleton, muscular system, circulatory system and so on; in short it is as if we simply outlined anatomical features with no regard to the mind, soul or personality. This view sees the person virtually as a machine, and indeed another term for this view of organisations is “mechanistic”. (To complete our jargon, note that it is also called the “formal” organisation.)

Whenever we have looked at the implications of the classical theorists for management and organisation in practice, we have noted that, yes the technical features are all there, but something is missing. We need to consider the human dimension – the people who fill the posts in the organisation and their behaviour. Whilst there is some consideration of a need to take account of human factors, by and large the human dimension is not seen as important to the form of organisation. This approach allows the theorists to propose ideal types of organisation and management unencumbered by the problems that arise from actually having people involved in them.

In the 1920s and 1930s greater attention began to be paid to the way in which the human dimension affected the operation of organisations and what this meant for management. The basic idea underlying all the work considered in this section under the general heading of “human relations” is that to understand and improve an organisation you need to understand the people who work for it, take account of their various needs, build on their strengths and ensure their weaknesses are either overcome or prevented from having an adverse effect on the organisation’s working.

Note that, unlike the classical theorists, the writers of the human relations school are not postulating any organisational solutions as such. They are more concerned to shed light on the way organisations work in practice and to identify possible organisational practices which may bring the needs of the formal organisation in line with the reality of the way people behave.

Elton Mayo and the Hawthorne Studies

The key work which defines the human relations approach comes from Elton Mayo’s studies at the Hawthorne plant of Western Electric Company between 1927 and 1932. Without going into great detail about the studies, the background was that the researchers were trying to find the optimum level of lighting in the plant in order to maximise productivity. As such, it started out as a strictly scientific management approach. However, the surprising finding was that productivity increased among the group of workers being studied both when the level of illumination was increased **and** when it was

decreased. Subsequent studies by Mayo led to the conclusion that what was affecting performance was the special attention being paid to the group of workers rather than any external physical factors. Their working lives had suddenly become more interesting because of the experiments which were taking place, they felt important and valued, and the result was increased enthusiasm for their jobs and a higher output.

This phenomenon has become known as the “Hawthorne effect”.

Having established from this that performance was related to psychological and sociological factors as well as purely physical ones and the organisational structure, Mayo went on to investigate what other forces were at play in the workplace. In summary, his findings were that:

- workers are strongly motivated by social needs (for social interaction, self esteem and recognition, a sense of belonging and security) and seek satisfaction of those needs over and above any others, including the need for money once a certain level of remuneration has been achieved;
- individual workers belonged to groups at the workplace which had their own codes of behaviour, leaders and means of enforcement of the group norms (which included notions of what appropriate output standards were), constituting a whole “informal” organisation within the formal one.

These startling discoveries shifted the entire emphasis in organisation and management thinking. Mayo demonstrated that human attitudes and behaviour seem to be what govern activity at the workplace, and what was required was to examine the needs and interaction of individuals, the ways in which groups operate and what this means for management.

Key Insights of the Human Relations School

From the simple experiments of Elton Mayo, a vast body of work has now built up about the nature of the human dimension to organisations. Most of this work, led mainly by sociologists and psychologists, continues to explore the elements identified by Mayo – the nature of the informal organisation and the needs of individuals at work – and to develop ideas on how these factors can be taken account of in management.

(a) The informal organisation

It must be recognised that the formal structure, organisation, values and goals of an undertaking are by no means the only, or even the main, determinant of behaviour in the workplace. There will always be an informal network of work groups and interactions which constitute an alternative form of organisation for the workforce, and one which is invariably far more important in their lives.

This “informal organisation” determines, to a large extent, worker’s attitudes to the formal organisation and, therefore, how they view the formal structure of authority. It is work group norms which tend to set standards of performance, such as timekeeping, output, quality, attitudes towards customers and clients, dress codes, etc., and management cannot impose standards which are not acceptable in this alternative culture.

This is a major problem for management since managers themselves are party to the informal organisation and culture as well. And the patterns of relationships among managers can be particularly complex as they cross the divide between identification with their management peers and their subordinates (and especially so in cases of internal promotion).

The notion of an alternative “culture”, where this operates against the interests of the formal organisation, can be very damaging. It means that management has little control over working

practices and standards of performance, and there is often very low morale among the workforce. Of course, management can always use sanctions to force compliance with formal authority, but this is likely to cause resentment and lead to conflict if the informal organisation does not accept the legitimacy of compulsion – and there are many organisations where this is indeed the case.

The principle of the informal organisation and culture is easily observed in everyday experience. Consider how difficult it can be to get certain things done in your organisation which, on the face of it, should be easily achievable in terms of formal rules and relationships. And consider as well how your own view of the organisation accords with the values and attitudes of your work colleagues, and how this affects the manner and extent of your work. Who really sets the rules – the organisation itself or you, the workers?

(b) Complexity of workers' needs

The second element identified by the human relations school is the extent to which people come to work to gain satisfaction of needs other than that of simply earning money. This is in stark contrast to the view of the classical school of management theory.

People have a great variety of needs in life, and if you think about it, it is clear that they are likely to want to have many of those met in the place where they spend a considerable amount of their time – the workplace. Obviously there is a need to make a certain amount of money, but where this has been secured (and in organisations which offer secure employment with salaried posts, this is relatively certain) the imperative of financial reward is considerably reduced. There is rather a need for social interaction, self esteem and being valued, achievement, and many others, and these needs can be manifested in all sorts of ways. (For example, a worker's complaint may not necessarily be a recital of facts about a particular issue – it may be a symptom of the need for recognition or a product of feelings about status. In many cases, merely being able to voice the complaint may resolve the problem.) Managers ignore these factors at their peril.

The problem for management is to provide the conditions in the workplace for as many of those needs to be met as possible. Thus, ensuring enthusiastic co-operation from the workforce is likely to require good communications, recognition of effort (not just effectiveness) and providing scope for achievement and advance.

We shall return to this subject in detail later in the course when we look at people's behaviour in organisations and, particularly, the topic of motivation.

D. SYSTEMS THEORY

Ideas about systems tend to be much less specific than the approaches we have considered so far. This is because it does not describe aspects of the organisation which can be easily seen, as is the case in respect of the formal and informal organisation, but rather looks at what organisations do. This is a far more nebulous concept, and one which many find difficult to pin down, but nevertheless it is worth persevering with because it offers some important insights into organisational form.

Systems theory developed in the 1950s and 1960s alongside management science, and derives from the work being done on mechanical, electrical and biological systems. It is also related to the science of cybernetics which is the study of control in various types of system.

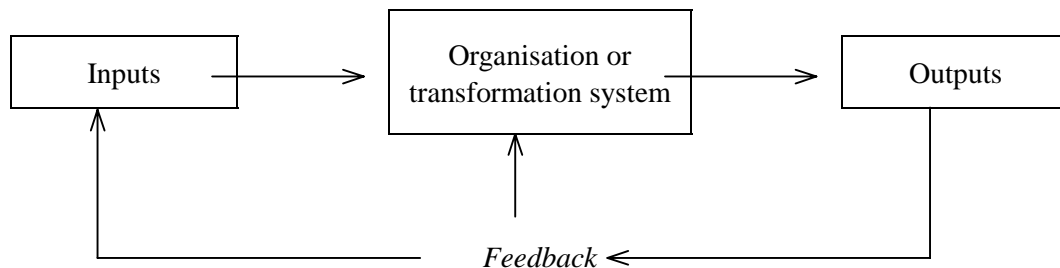
The Systems Approach

We can illustrate the basic idea of a system by reference to a biological system, such as a human being or any other animal – but the principles remain true for any type of system, be it an information system (like a computer) or an organisation. The system, at its most simple level, takes inputs, such as food and drink, sights and sound, from its environment and transforms them through various physiological and psychological processes into outputs – such as actions of different kinds. The object of this transformation must at the very least be the survival of the system (ie. that the animal shall continue to live), but it may be possible to attain further goals which, for the human animal, may be happiness, contentment, etc.

The same line of thought can be applied to organisations in that they take inputs of varying kinds, let us say raw materials like people (labour), steel, plastic and rubber, and transform them through a series of processes into outputs – cars. The organisation is essentially the transformation process, but in viewing it we must be aware of the inputs and outputs as well.

This basic concept can be illustrated diagrammatically as follows.

Figure 2.1: Basic elements of a system



The feedback loop is included to show that outputs commonly have an effect upon the system, often by returning as an input.

Before we go on to look at some of the implications of considering organisations as systems, and thereby complicating this simple diagram somewhat, we need to make a number of further observations about the nature of systems.

(a) Sub-systems

Within each system, there are likely to be a number of “sub-systems”, each a separate entity but each forming an integral part of the whole. Notably, the outputs from one sub-system are likely to form, at least in part, the inputs for another sub-system. The whole can, then, be seen as a system of interdependent parts, constantly in action and reaction both internally in relation to each other and externally in relation to the environment of the system.

This can be crucial in organisations since any change within a particular sub-system will inevitably have repercussions throughout the whole system. Management must, therefore, understand and consider the inter-relationships and inter-dependence of the various part which make up the organisation. (And how many times have you experienced the problems caused by ignoring this – for example a new purchasing system which meets the needs of the finance department, but not the needs of, say, the production department.)

(b) Boundaries and the environment

A boundary is regarded as existing around each system or sub-system, defining it and separating it from all others.

There are certain types of system which function entirely within their boundaries and are totally unaffected by anything outside. These are known as “closed” systems. However, far more common are “open” systems where flows occur across the boundary and factors outside the system affect it significantly.

Anything outside the boundary of a system with the potential to affect its operation constitutes the “environment”.

These are important concepts since managerial problems often arise at the boundaries of a system or sub-system, and events in the environment are often outside of the control of those responsible for the system itself. Indeed, environmental monitoring is a key activity for management as it enables managers to be aware of change which may affect the functioning of the organisation.

(c) Objectives and goals

The last introductory concept to consider briefly here is that of what the system exists to do. All systems must have a purpose, at the very least to survive, but in terms of the types of organisation we are concerned with, some form of mission expressed as aims, objectives or goals.

This applies to sub-systems as well as the whole system. Thus, Ford would have as its objective the production of motor cars, but each of the myriad sub-systems which make up the organisation would have its own goals – for example, to paint the body parts and, a sub-system of that, to mix paints into the correct colours.

The outputs of the transformation process are designed to meet these objectives.

The Organisation as a System

The systems approach concentrates attention on the dynamics of the organisation. It allows us to consider not just how the organisation functions in formal or informal terms, but what it reacts to and how change may affect it.

Obviously, if there is no change in the environment and inputs can remain constant, the organisation will remain static and we can concentrate on the formal structures of the transformation system. However, the human relations school taught us that the people who work in the organisation are themselves a dynamic and there are very likely to be variations in the attitudes, motivations, etc. of staff as an input. Crucially, though, the environment within which most organisations operate is constantly changing, both in the nature of the outputs required and the inputs available.

To view the organisation as a system, or as a complex of inter-related sub-systems, is to study the extent to which it is able to achieve a balance in its internal and external relationships, and how far it can develop and progress in relation to the changes in those relationships.

The inputs of a university, for example, include resources such as staff (and not just the physical numbers of people working for the organisation, but their knowledge, skills, experience, and their attitudes, motivations, effort, etc.), money, land and buildings, and importantly, information – about, say, the demand for graduates and research, costs, rules and regulations of various kinds (on assessment, entry, etc), etc. The outputs would include the different services provided – obviously education, but also housing and welfare, careers advice, catering, etc. – plus the various benefits to staff such as pay or social clubs. Inputs and outputs need to be in some kind of reasonable accord, a balance which meets the goals of the system. So, in the case of the goal of providing appropriate housing to meet the needs of students, the outputs in terms of, say, maintenance of the current halls of residence must be in rough balance with the expectations and requirements of the service from the

students; if not, there pressures and conflicts arising from the problems – complaints by students, possible deterioration in results, etc. – and a need to change through new programmes and working practices, possibly new forms of control over staff and work, etc. Or, in the case of the goal of retaining and developing good staff for the organisation, there needs to be a balance between the expectations and demands of staff for appropriate pay and working conditions with the outputs of levels of remuneration, conditions of service, state of the offices, etc.; and again, if these are not in balance, staff will be disenchanted, unproductive and may leave.

Inputs and outputs are invariably from and/or to the environment of the system, and as that environment changes, so must the system. All organisations have experienced an enormous amount of environmental change in the last 20 or 30 years in respect of both inputs (principally in terms of technology) and outputs with new products and standards being demanded. In addition, the expectations of people, both as customers and staff, have changed considerably – consider what people now expect in terms of product specification for a new car or their treatment when reporting problems with that car, compared with 30 years ago, or what staff now expect their working environment to be like. As inputs and outputs change, the organisation must be capable of changing to accommodate the new requirements and maintaining equilibrium – that essential balance in a constantly shifting environment.

Elements of the Organisational System

So far, we have noted that the organisation as a system has myriad inputs and outputs which are constantly changing in response to environmental pressures. How do we make sense of this seeming morass of different elements?

Proponents of the systems approach, notably Kast and Rosenzweig, and Trist and Bamforth, have attempted to develop categories for the different elements across the organisation as a whole, so that we can concentrate more clearly on the organisational implications of each. Three main sub-systems can be identified:

- the technical sub-system
- the psycho-social sub-system
- the structural sub-system

In addition, Kast and Rosenzweig proposed two further elements:

- the goals and values sub-system
- the managerial sub-system

As we look at these in a little more detail, it will be apparent that classical management theory emphasised the structural sub-system and the human relations school the psycho-social sub-system, while those concerned with management science and operational research have largely been interested in the technical sub-system. The systems approach allows us to unite those approaches and study their interaction within the organisation as a whole.

● **The technical sub-system**

Any organisation employs technology in its broadest sense to assist it in carrying out its tasks. In industry this will include factory machines, robotics technology, etc. to make, say, cars. In the service sector, the accent is more on office technology – computers, photocopiers, telephones, etc., as well as systems for filing and other forms of record keeping. Indeed, all the paraphernalia of information and communications.

The technology used is an important determinant of the organisation. It prescribes to a considerable extent the way the work is done, the organisation form and the relationships between people. Thus, examining the technical sub-system, and the way in which it changes, can explain a great deal about organisation and management.

This is apparent if you consider the impact of the use of information technology in administration over the last twenty years, beginning with the wider use of centralised mainframe computers and the later introduction of networked personal computers as is mostly the case now.

- **The psycho-social sub-system**

The other key element that organisations employ is, of course, people. The goals, values, aspirations and modes of behaviour of the members of the organisation will also be important determinants of the way work is done and the relationships between people in the organisation.

This gives recognition to the nature of the informal organisation and culture, and its impact on organisational form and management. However, it does not just stop there. If we consider the significance of the technical sub-system we can see that it makes demands on staff – an organisation based on the use of personal computers needs different abilities and aptitudes, more personal motivation, control and initiative, than one based on a manual clerical system. Thus, to give recognition to the sub-system of the people in the organisation emphasises the formal demands on people as well.

- **The structural sub-system**

Organisations employ technologies and people in order to get the work done, or if we put it in systems terms, in order to process inputs into outputs. The structural sub-system is concerned with the ways in which this is achieved – the division of tasks, their grouping into operation units, their co-ordination and control. This is very much the approach of the classical management school, and indeed the formal expression of the structural sub-system would be the organisation chart.

Here again it is clear that structural form will have a crucial effect on the way an organisation works and the relationships between people. For example, a marketing department could be organised along functional lines with different divisions for each type of activity (advertising, sales, etc.), or geographical lines with integrated services in, say, each country within which the company operates, or on product lines with one division for, say, chocolates, another for ice cream, etc. Whichever form of structure is adopted will affect the way the department works.

Once again if we consider the interaction of the sub-systems, we can see that the structural form exerts its own demands on both the technical and psycho-social sub-systems – for example, geographical divisions need different sorts of staff and technical support than the specialised product groupings. It is also true that structural form is constrained by the availability of appropriate personnel and technology, so the interdependence can be seen.

- **The goals and values sub-system**

Whilst the psycho-social sub-system is concerned with the goals and values of the members of the organisation, the goals and values sub-system emphasises the formal goals and values of the organisation itself – the purpose of the undertaking and the supporting sub-goals and value systems required to give expression to that purpose throughout the organisation. For productive industry, goals and values are generally expressed in terms of, or at least underpinned by, quantifiable targets – profits, numbers of units produced over time, etc.

Lastly here, though, it is worth noting that goals and values do change considerably over time and can have a significant effect on the operations of organisations and their members. Take, for example, the impact of equal opportunities legislation and the promotion of non-discriminatory frameworks and value systems over the last twenty years. This has required changes in both the structural and psycho-social sub-systems.

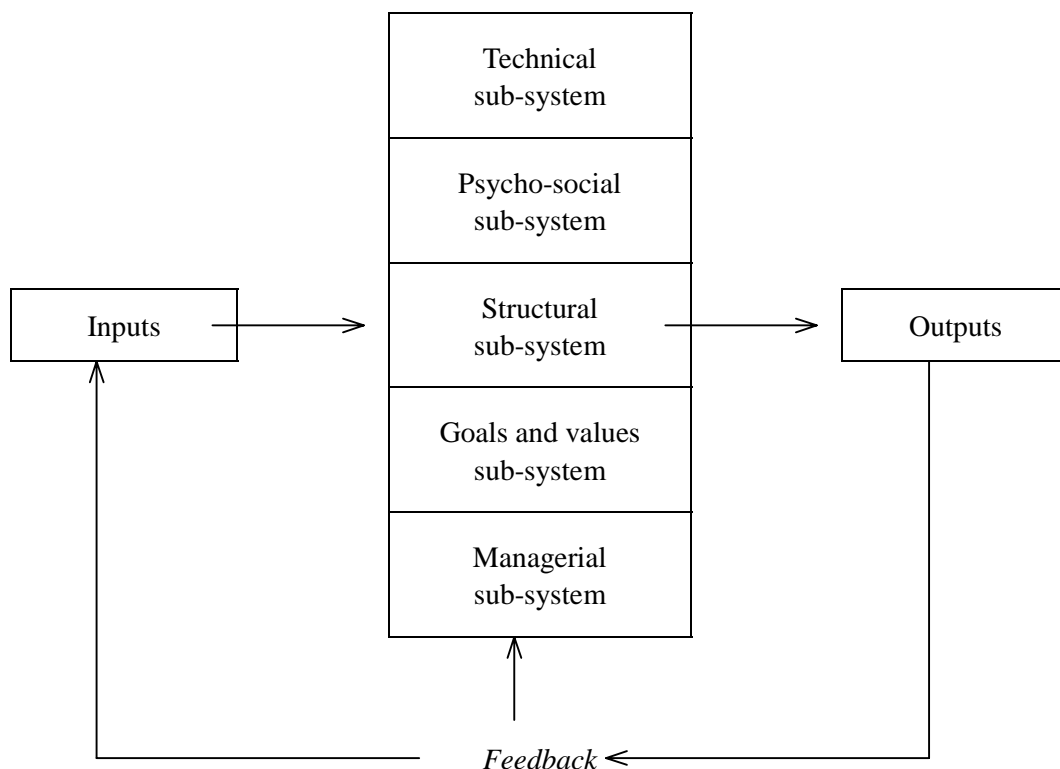
- **The managerial sub-system**

This last category concentrates attention on the mechanisms of co-ordination and control, beyond the formal lines of the structural sub-system. It includes the form of management within the organisation and the techniques employed to ensure that the work is carried out effectively and efficiently, such as budgeting, management by objectives, work study, quality control.

Again, the managerial imperatives can also exert their own requirements on other aspects of the organisation. The best example of this is the recent concern with “quality” across activities – customer care, total quality management – which demand that values, structures and technology are employed in a particular way in order to give proper expression to the particular managerial purpose

We can now redraw our simple system diagram to take account of the sub-systems we have identified:

Figure 2.2: The organisation as a system



Levels within the Organisation

Just as it is useful to classify certain organisation-wide elements to help clarify the processes at play in the system as a whole, it is also useful to look at the different levels of process within the organisation. Organisations are not just one monolithic structure, but have different levels of operation which each have their own purposes, require different inputs and outputs and, hence, a different transformation or organisational process. We can see three levels.

- **The technical level**

At this level, concern is with getting the actual task done. For example, in a finance department, the task may be the payment of creditors. The emphasis will be on determining the most efficient and effective method of achieving this – the cost of doing it (do you wait until there are sufficient cheques needing to be produced in a batch or do them on demand?), the measurement of results, etc. The time scale under consideration is generally short term.

- **The organisational level**

The second level is concerned with the co-ordination and integration of the technical level. Here, the emphasis is on mediation and compromise between the various constituents of the organisation in order that the whole enterprise can work well together. To pursue our previous example, left to its own devices, the technical level concerned with the payment of creditors might institute a system incompatible with the system for, say, the payment of wages and that for accounting for expenditure. Thus, in the finance function generally, the organisational level will determine overall financial systems and policies so that the different activities fit together in a co-ordinated fashion.

The organisational level is concerned with both the short term time scale of the technical process and the longer term needs of ensuring continuity and consistency across operations.

- **The institutional level**

At this, more organisation-wide, level the concern is to deal with the development of the organisation in relation to its environment – considering the internal and external pressures and uncertainties and forming policy judgements about responses. It is about determining the future direction of the operation, the overall methods of achieving development and gaining commitment.

The time scale for this type of concern tends to be long term, although the exigencies of the environmental pressures often dictate a much tighter timetable for action.

Table 2.1 brings these concepts together.

Table 2.1: The organisation as a system of levels

Level	Task	Timescale	Approach
Technical	Specific operations	Short	Costing and measuring
Organisational	Co-ordination of specific operations	Short - medium	Mediation and compromise
Institutional	Selection of operations in light of changing environment	Long	Forecasting and negotiating

E. CONTINGENCY THEORY

We are concerned here with the influence of the large number of variables which exist within the situation in which the organisation – or any part of it – operates. This can encompass a wide variety of factors including, for example, the size of the organisation, what is actually being done (goals and objectives, etc.), the environment in which the organisation is situated, etc. There are two key studies, by Joan Woodward and by Burns and Stalker, which define this approach.

Contingency theory does not aim to help us identify any particular approach to organisation and management. Rather, it takes view that there is no one best form of organisation and that one needs to consider the impact of the situation in which the organisation finds itself – the form of organisation and management will, or should, be conditioned by the demands placed upon it.

Joan Woodward – the influence of technical processes

Joan Woodward conducted a large scale study of different types of firms in S E Essex to analyse the relationship between organisational structure and success (as measured by various indices). This was prompted by an earlier survey which showed no coherent pattern of adherence to the classical theorists' principles of organisation.

In looking at the results of the study, no obvious pattern was found to the variety of different organisational structures displayed among the firms – in terms of their numbers of levels of authority, span of control, clarity or otherwise of definitions of duties, amount of written communication and specialisation. Certainly it did not seem to relate to “business success”. Eventually it was spotted that differences in technology were the major factor in determining the organisational pattern, and the kind of technology employed, of course, depends on the objectives of the organisation.

Woodward identified three broad categories based on the degree of technological control over the production process.

- **Unit or small batch production**

This is where there was least automation of processes, the accent being on “one off” or short runs for which it is not appropriate to gear up machines to control production. A hierarchy of increasing application of technology within the category covered the production of items to customers' specifications and prototypes, the making of large equipment in stages, and the production of small batches of items.

In this category, it was found that organisational structure was quite loose, there was much delegation of authority within a standard pyramidal hierarchy characterised by relatively small spans of control and quite permissive management attitudes.

- **Large batch and mass production**

Here, the production process is much more automated, the firms being those concerned with the production of standard items in large quantity, and assembly line working. However, the technology is not entirely dominant since variations and uncertainties occur even in the mass production lines of car manufacturing.

These organisations were characterised by much tighter control procedures and rigid large scale hierarchies with the traditional pyramid shape being very elongated at the base, reflecting the way in which large numbers of workers are required at the lowest levels, but there are relatively few middle and senior managers. Span of control is very large (which may account for the management problems experienced by many large industrial concerns).

- **Process production**

This is characteristic of the oil refineries and chemical manufacturers studied where the production process is more or less certain and completed automated.

Such firms tended to be flexible again, but within a different organisation structure – diamond shaped hierarchies which reflected the small number of operatives required to service and maintain the process machinery, but there was a larger group of middle managers, scientists, accountants, etc. In these concerns, problems tended to arise in this “bulge” in the middle where opportunities for advancement were limited and the production process limited individual initiative.

Woodward’s key contribution to organisational theory was the discovery that, far from there being a set of preferred principles of organisational principles, the main determinant of structure is the kind of activity and the technology with which organisations are concerned. As she stated:

“The criterion of the appropriateness of an organisational structure must be the extent to which it furthers the objectives of the firm – not, as management teaching sometimes suggests, the degree to which it conforms to a prescribed pattern. There can be no one best way of managing a business.”

Burns and Stalker – the influence of the environment

Burns and Stalker studied management and economic performance in a series of electronics firms where the key to success was the ability to respond quickly to technological innovation. It was found that those organisations which embodied formal structures of hierarchies and working relationships tended to be slower off the mark and less profitable than those firms which were organised informally, had more lateral communication and allowed talented individuals more personal initiative.

This led them to propose two “ideal types” of management organisation which form the extremes of a continuum along which most organisations can be placed:

- **The mechanistic system**

This system corresponds closely to Weber’s rational-legal bureaucracy in that there is a high degree of specialisation, a clear hierarchy within which co-ordination, control and communication are constrained, and an insistence on loyalty to the goals of the concern and the rules of the formal structure. This rigid system is most appropriate to stable conditions.

- **The organic system**

This is a more fluid system appropriate to changing and uncertain conditions when new and unfamiliar problems continually arise which cannot be broken down and distributed among the existing specialisms within the organisation. Such systems are characterised by a flexible structure involving continual adjustment and re-definition of individual tasks with a constructive rather than restrictive view of the application of specialist knowledge. Interaction and communication occurs at any level in the organisation and there are a range of different integrating mechanisms, such as liaison teams, to ensure cohesion. Such a system was seen as generating a higher degree of commitment to the organisation’s goals.

The contingency models of organisation identified by Woodward and Burns and Stalker concentrate attention on what is an appropriate organisational form in the light of the situational pressures on the organisation. Even though these studies were conducted in industrial organisations, we can see the same processes at work in all types of organisation. The impact of new office technologies is a clear example of the type of influences identified by Woodward, and administrative support structures have been moving steadily away from the highly rigid rule-bound bureaucracies of the past, along the

continuum proposed by Burns and Stalker, towards a more organic structure in response to the continual pressure of change to which they have been subjected.

F. CONTEMPORARY THEORIES

Two approaches have emerged in the last twenty years which are worthy of inclusion here in our review of the development of management thinking. There are certain similarities between them in that they are both based on analyses of highly successful undertakings – one on a number of US companies and the other on the general nature of Japanese company practices – and both advocate an organisational commitment to value systems as underpinning organisational performance.

Excellence

A study of 62 American companies with outstandingly successful performance conducted by Peters and Waterman resulted in the publication of their hugely influential publication “In Search of Excellence” in 1983. The central theme of this, and subsequent work by Peters, is that the primary concern of management is the pursuit of excellence – the striving for, measurement and eventual achievement of high standards of performance. This principal has been generally accepted as at least one of the main tenets of modern management thinking and whilst there may be doubts about its detailed prescriptions, it undoubtedly raises aspirations as to what the organisation can achieve.

The theory is based on a total commitment to a series of management and organisational imperatives. These are expressed in eight attributes characteristic of excellent, effective and innovative companies.

- **Bias for action**

Even though the companies studied by Peters and Waterman were analytical in their approach to decision making, they were not restricted by too much analysis (what they call “paralysis by analysis”). Rather than create cumbersome committees generating reams of documentation, small task groups are established, not so much to talk about an issue, but to do something, even experimentally – often by the “standing operation procedure” of do it, fix it, try it”. Bias for action, however, requires the organisation to be tolerant, both of risk taking and of mistakes being made.

- **Autonomy and entrepreneurship**

Excellent companies foster many “leaders” and many innovators throughout the organisation. People should not be held on so tight a rein that creativity is stifled. Practical risk taking is to be encouraged and such organisations are supportive of “good ideas”. In the words of one chief executive, “make sure you generate a reasonable number of mistakes”. Being given the chance to try, even if your efforts fail, is highly motivating.

- **Close to the customer**

Excellent companies learn from the people they serve, often differentiating their products to suit client needs. This is the essence of the marketing approach as opposed to a selling approach. Everyone, from the highest to the lowest employee needs to be committed to the concept of customer service. Many of the most innovative companies were found to have got their best ideas from their customers. Excellent companies listen intently, and regularly, to their customers.

- **Productivity through people**

The excellent companies treated even their rank and file employees as a source of ideas, not just a pair of hands. This is rooted in the concept of respect for every individual, no matter how

lowly his or her status. Putting this concept into effect helps to break down the “them and us” attitudes so prevalent in western organisations and to generate commitment to the company, both of which can provide a direct boost to productivity.

- **Hands on, value driven**

It is organisational achievement and performance that count, and over-riding concern for these derives from an organisational value system which demonstrably supports and promotes them. Everything else is secondary. Peters and Waterman cite the anecdote of the Honda worker who straightened the wiper blades of all the cars as he walked past on his way out of the factory each evening because he was so committed to the company value of perfection that he could not bear to see a “flaw” in a car.

- **“Stick to the knitting”**

This premise relates to the injunction that you should never get involved in a business or undertaking that you do not know how to run. It is principally concerned with the issues of acquisitions and mergers in industry, but has application elsewhere as organisations seek to expand their range of work. Although Peters and Waterman note that there are exceptions to this rule, the odds on excellent performance seem to strongly favour those companies that stay reasonably close to the business they know. In effect, they are saying that if you do not have the expertise to achieve high levels of performance, leave it lone.

- **Simple form, lean staff**

Although most of the companies studied were very large, they were characterised by relatively simple management structures and relationships. For example, none of them used “matrix” forms of multi-disciplinary project teams. Top level staffing tended to be small and multi-billion dollar enterprises had central corporate staff of fewer than 100.

- **Simultaneous, loose-tight properties**

There is a place for both centralised and decentralised forms of organisation. On the one hand, the “what” – key objectives, values and standards – should be centrally determined and monitored for the whole organisation and no deviation should be allowed. On the other hand, the details of “how” can be delegated. As long as the key standards are maintained, individual departments should have as much freedom as possible in determining how to attain them.

Theory Z

William Ouchi developed this approach in an attempt to apply the lessons of Japanese organisation and management styles and practices to the Western (mainly American) cultural experience.

It is worth reviewing the key points of the Japanese approach as a starting point. Ouchi identified these as:

- secure lifetime employment
- consensual, participative decision making
- collective responsibility for decisions, standards and performance
- slow personal development, evaluation and promotion
- implicit, informal control based on the over-riding value system
- non-linear and non-specialised career paths

- holistic concern for the well being of the organisation and all its employees (including their families) in the widest sense.

In applying these to the context of Western organisations, one must recognise the far greater emphasis in our culture on individual expression and responsibility, lack of company loyalty, and the expectation of short-term and more immediate personal rewards for performance. However, it is considered that some mitigation of these tendencies, in effect some subjugation of the individual to the greater good of the company is necessary. The key principle of the approach is, therefore, that the organisation should develop a philosophy and value system which fosters commitment to organisational goals through the following practices:

- long term security of employment
- consensual, participative decision making
- individual responsibility for decisions, standards and performance
- slow personal development, evaluation and promotion
- implicit, informal control within a framework of explicit formalised measures
- generally linear and moderately specialised career paths
- holistic concern for the well being of the organisation and all its employees (including their families) in the widest sense.

Note the subtle differences in the development of these principles for application to western cultural values.

Study Unit 3

The Individual and the Organisation

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INTRODUCTION

People are an organisation's most valuable and expensive resource, but they are the most difficult element of an organisation to manage. You will remember that in an earlier study unit we pointed to the way in which management could be defined as "getting things done through people". This is more easily said than done.

Individuals are almost infinitely different, they act differently in different circumstances and are, in many ways, entirely unpredictable. This means that, unlike machines, they are not interchangeable or able to be easily designed to do the jobs required of them.

In terms of the organisation, what we are interested in is the way in which people behave at work – that they perform effectively in pursuit of the organisation's goals. The starting point for this is an understanding of what makes people behave in the way they do. Then we may be able to direct their behaviour for the good of the organisation.

We shall look at the social influences on behaviour in a later unit in respect of the nature of groups, but here we shall concentrate on the individual him/herself. In terms of the individual person, these basic determinants of behaviour may be said to be:

- personality – the individual psychological structures and processes which shape a person's actions and reactions with the environment;
- perception – the process by which the individual interprets the stimuli received from his/her environment;
- attitudes – the set of mental views or dispositions, based on beliefs and feelings, which a person brings to any situation; and
- learning – the process by which individuals acquire new knowledge, skills and attitudes.

These are the four main areas of study in this unit, and we shall end with a review of their implications for the individual at work.

A. PERSONALITY

Although psychologists do not agree on a single definition of "personality", there is some consensus that it is concerned with:

"...characteristics patterns of behaviour and modes of thinking that determine a person's adjustment to the environment" (Hilgard et al. 1979)

Two features of this definition are noteworthy. In the first place, the word "characteristic" suggests a degree of permanence in personality. In the second place, "environment" suggests that personality is displayed in a social and physical context.

Beyond this consensus, there is a great deal of disagreement over the development, structure and dynamics of personality. A number of differing and influential approaches have been put forward over the years, and we will review some of the more important of these below. One of the reasons for doing this is that the correct interpretation and use of the results of personality measures and tests depends a great deal on the theory or approach on which the instruments are based. Without this knowledge, the description of "personality" may well be misused.

Psychoanalytic Approach

This approach concentrates on the “unconscious” bases of behaviour and has its origins in the work of Sigmund Freud. Others – for example, Jung, Adler, Horney and Fromm – have developed it over the years. In Freud’s case, much of the approach grew out of his clinical work with patients suffering from psychological and emotional disturbance.

As the psychoanalytic approach has the unconscious as its fundamental subject matter, it has clear problems of accessibility to information. Only overt behaviour can be observed, and unconscious motives have to be inferred from that behaviour, unless they reveal themselves in some other way. Freud believed that dreams were such a source – hence, the importance attached by him to their interpretation in psychoanalysis.

Another method used to unlock the unconscious is free association. Here, the subject is asked to respond with the first word that comes to mind as the analyst produces a list of words. The association of ideas involved in this process is thought to reveal unconscious connections and motives for overt behaviour.

Freud’s approach considered three major elements of personality:

- (a) the structure
- (b) the development
- (c) the dynamics

The structure consisted of three parts:

- the id – the primitive, pleasure-seeking urge, that requires immediate gratification.
- the ego – an intermediary between the id and the real world. It is the part that tests images against reality, and thinks, learns and perceives.
- the superego – a representation of social values and morals. It is made up of the conscience that punishes through guilt and the ego-ideal that rewards through pride.

Although at birth the id may be relatively well formed, both the ego and the superego are not. Personality, in Freud’s view, develops throughout childhood and, to a lesser extent, afterwards. The main force in this development is “libido” – a form of instinctive and sensual energy.

The path of development proceeds through a series of overlapping stages. Experience, in these stages, is vital to the adult personality. Failure properly to pass through each of these psycho-sexual stages may result in “fixation” at a particular stage. For example, overindulgence at the “oral” stage – the first of Freud’s stages – may lead to optimism, verbosity and a fondness for oral pleasures, such as eating, drinking and smoking, in adulthood. Deprivation may result in pessimism and reticence. Some support for these propositions has been found.

The other stages are the anal, the phallic (where jealousy of the same-sexed parent and love of the opposite one may lead to an Oedipus or Electra complex), a latency period and, finally, the genital period.

Another notable feature of the Freudian approach is the concept of the person’s reducing anxiety by defence mechanisms. One of these is repression, where the impulse is pushed into the unconscious. Another is displacement – slamming the door shut because of an argument with the boss, displaces the aggression on to an inanimate object, rather than on a powerful animate one!

The later psychoanalytic writers, such as Adler, have focused their attention more towards the influence of society and culture on personality, and rather less on the Freudian emphasis on instinctive and biological aspects.

Criticisms that have been made of the psychoanalytic approach include:

- that it is unscientific – its propositions are not testable;
- that it concentrates too much on the sexual, perhaps because of the nineteenth century culture that surrounded Freud;
- that it is based on observation of an “abnormal” minority and, hence, is not relevant to the normal majority;
- that it is weak in predictive power – different behaviour patterns may result from the same motives.

Despite these limitations, the approach has been influential in its impact on everyday thinking and vocabulary, in drawing attention to the unconscious and to the impact of early experience in shaping personality. The clinical method of psychoanalysis has also proved to be popular, especially in the United States. That is not to suggest that managers should attempt personally to employ such methods, as their misuse is likely to be counterproductive at best.

What we need as managers is probably to have a general level of awareness that behaviour may have unconscious causes or motives. The psychoanalytic approach to personality can thus contribute to the management of human resources.

Personality Types and Traits

An altogether different approach to personality concentrates on identifying and classifying those features that individuals may share. The different categories or types serve to emphasise the similarities within each group and the differences between the groups. These attempts to classify personality features are often referred to as the “type” or “trait approach”.

For example, Jung divided personality on the basis of two major types of behaviour:

- The **introvert** tends to withdraw, to be shy, and prefers to work alone;
- the **extrovert** tends to be sociable, to seek out others, and to work in contact with other people.

Unfortunately for this classification, most people tend to be neither typically introverted nor extroverted. Indeed, in one situation, an individual may well appear outgoing (extroverted), whereas in another he may appear withdrawn (introverted). However, both the concepts and the terms have survived and form part of a number of personality theories (see Eysenck, below).

These type approaches have the attraction of simplicity – but therein lies their problem. There is usually only a very limited number of types into which individuals can be placed, and this would suggest that the range of differences between people’s behaviour and underlying temperament is also very limited. Yet, even cursory observation shows that individuals are considerably more complex than these types suggest. In order to try to take account of this potential for variation, a number of psychologists have adopted a “trait” approach to personality.

In the trait approach, people are assumed, first, to differ on a wide variety of factors or traits. In the second place, unlike with many type approaches, each trait is seen as a continuum, rather than as a discrete category. Individuals are viewed, for example, as **more** or **less** outgoing, rather than being either outgoing or not.

As in any classification approach, a major problem is to decide on the number and range of categories to be used. In order to do this, it is useful to reduce the number of categories by grouping together descriptions that apply to the same or similar behaviour. A statistical technique that helps to do this is factor analysis.

Factor Analysis

Factor analysis is a technique which takes numerical information from, for example, questionnaires, and groups together the underlying factors. It can, thus, reduce the huge variety of adjectives available to describe aspects of personality and behaviour to a manageable list. However, there are at least two methods of factor analysis available. One produces discrete factors or dimensions. That is to say, each dimension identified by this method is totally independent of every other dimension. This is the method used by Eysenck. The other produces dimensions that may be slightly intercorrelated. This is the one favoured by Cattell. Neither method is, in a statistical sense, better than the other – they are just different. They do, however, lead on to rather different lists of personality traits.

(a) Cattell and the 16 PF

Using factor analysis on the results of questionnaires, tests and observations over a period of some 30 years, Cattell (1950) has refined the number of traits down to 16 (a relatively small number compared Allport's 17,000 (Allport, 1937)!). These traits are the 16 factors that, he believes, underlie the structure of personality.

He developed a questionnaire (the 16 PF) that provides scores for each of the factors for an individual. From these, a personality profile, such as the one shown in Figure 3.1, can be drawn up. In this example, the broken line represents an “average” profile obtained from a group of business students, while the other line is that of a particular student. As can be seen, this individual is very similar to the average of the group, except that he is notably more outgoing, more happy-go-lucky, and somewhat more imaginative, and less controlled.

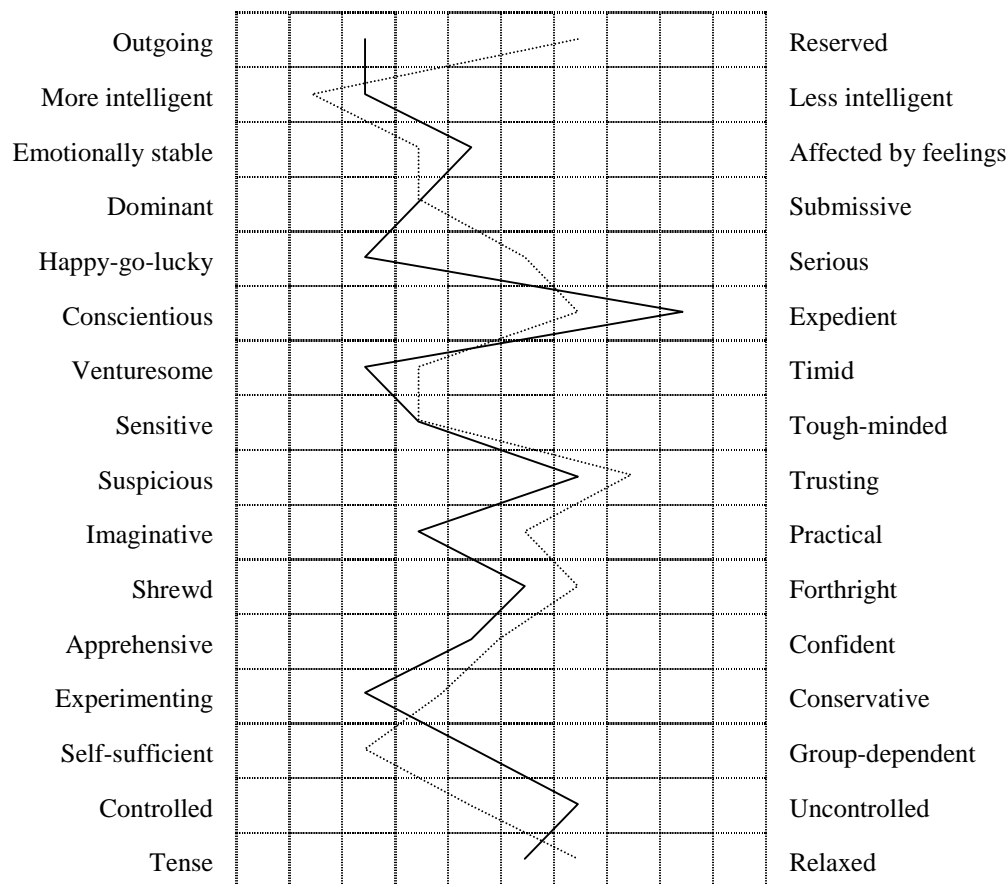


Figure 3.1: Cattell's 16 PF

Knowledge of these traits may help in assigning such individuals to workgroups, so that some sort of balance is achieved in the group. In a later study unit, on teams, we shall see a relationship between personality and developing effective teams, although personality by itself is not a sufficient criteria.

(b) Steers – clusters of traits

Steers (1984) suggests that traits may be reduced to six clusters of like factors. These clusters are:

- interpersonal style – for example, trust, authority orientation
- social sensitivity – for example, empathy
- ascendant tendencies – for example, assertiveness, dominance
- dependability – for example, self-reliance, integrity
- emotional stability – for example, control, anxiety
- cognitive style – for example, inflexibility, risk-taking, complexity of thought

Research has produced some examples of how these may relate to organisations. Individuals rated high in authoritarianism have been shown to produce more under autocratic supervision than their low-rated colleagues, who reacted more positively to more participative styles of supervision. These authoritarian individuals are also more likely to conform to group norms and obey authority figures, as are those high in anxiety. People high in ascendancy are more likely to emerge as leaders, and tend to be dissatisfied with other people's leadership.

High risk takers tend to take more rapid – and, thus, less well researched – decisions, as do dogmatic individuals. Cognitive complexity also has implications for leaders and managers, as it may affect their ability to lead a disparate groups of followers. Similar findings relate to research on needs in personality and motivation, especially the needs measured by the Thematic Apperception Test (see below, under personality measures).

(c) Eysenck

Eysenck has reduced the clusters of traits still further. He recognises only three factors or scales which he believes are characteristic of a person:

- extroversion – introversion;
- neuroticism – stability; and
- psychoticism.

As noted earlier, his methodology ensures that these are independent of each other. He, like Cattell, has produced pencil and paper tests for measuring these factors, although usually only the first two scales are used (for example, the Eysenck Personality Questionnaire, or EPQ). The results on the two dimensions can be plotted on a chart, as shown in Figure 3.2. The chart also includes examples of adjectives that describe particular positions on the chart.

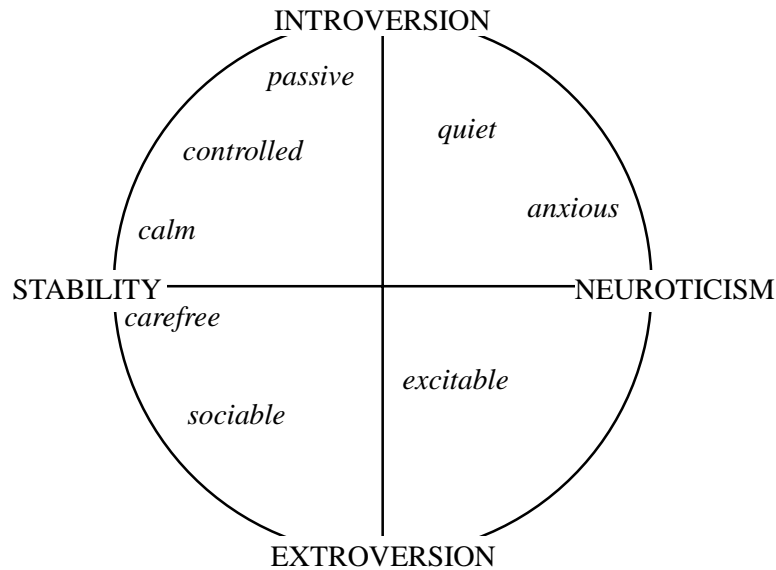


Figure 2.2: Eysenck's personality traits

The Self

A very different way of looking at personality is to lay the stress on how people actually see themselves – to emphasise their own self-concepts.

(a) Carl Rogers

“.....the best vantage point for understanding behaviour is from the internal frame of reference of the individual himself.” (Rogers, 1951)

The self is the result of a continuous process of redefinition, based on experience and social interaction. The self has two parts:

- the personal – the image we would like to present to the world, and
- the social – a combination of how others see us, and our perception of their view.

The more each of these selves is like the other, the more stable and consistent our personality. When they vary, anxiety and defence mechanisms (such as those described by Freud) may occur.

Rogers also proposes that people are primarily motivated towards self-actualisation, to become as near as possible to their ideal self. This idea forms the central part of Abraham Maslow's work – an influential theory of human motivation, with which we shall deal in a later unit.

(b) Kelly

Starting from a similar standpoint, Kelly bases his view of personality on the “constructs” that people use to understand their world. A construct is just a pair of opposites, such as black and white, short and tall. Both people themselves and situations affect what is seen as opposite. For example, when you are thinking of roses, the opposite of white may be red, and not black.

Personality is seen as the complex map of these constructs that is particular to the individual. The technique developed to access this map is the “**repertory grid**”. This method can bring out not just the constructs themselves, but also their relationships with each other. This can then give an indication of the way in which the person sees, and relates to, his/her world. A

further use of the method is to use it as a preliminary to the use of questionnaires, in order to establish which categories may be appropriate for pre-coding answers.

To illustrate the technique, think of the first three people who come into your head. Next, say how two of them are similar, and how the other one is different from the other two. These specifications represent the opposite ends of a construct. You can carry on picking out the similarities between all the possible pairings of two out of the three, and their differences from the other one, until you run out of constructs.

Measures of Personality

Apart from observing, interviewing or getting the opinions of others, there are a variety of standardised tests available to assess personality according to the approaches we have discussed above. Many of these are relatively easy to use, and readily available. Some, however, require a trained and qualified person to administer them and interpret the results. It should also be clear by now that the nature and results of a personality test will depend on the nature of the personality theory on which it is based.

The most popular tests are paper and pencil tests. These may ask the respondent to agree or disagree with a statement (as for example, in the 16 PF), or to show a measure of agreement on some rating scale (for example, “strongly agree”, “agree”, “neither agree nor disagree”, “disagree”, “strongly disagree”), or to choose between two or more paired items. Such tests are frequently based on the trait approach, and they produce a profile of results.

One problem with all tests is “faking”. Although some do have “lie” scales of various sorts – for example, asking the same question in a slightly different way – the respondent can still try to answer in a socially-desirable way. (The use of the Eysenck Personality Inventory for selection of military pilots exemplifies this – this test contains statements with which the respondent has to agree or disagree, including items referring to physical health such as “often feel dizzy or faint” which are intended to be related to the stability-neuroticism scale. In this case, “faking good” on the part of the respondents seems not just likely but almost a necessity!)

The projective tests, such as the Rorschach Ink Blot Test and the Thematic Apperception Test (TAT), derive from the Freudian and phenomenological (or self) approaches.

The basic idea is that, when faced with an ambiguous stimulus, such as an ink blot or an ill-defined picture, the person will project his/her personality – especially, perhaps, the more repressed parts – on to the stimulus. In the TAT, the subject is shown a series of vague pictures, and asked to make up a story about them. The content of this is analysed for recurrent or strongly-expressed themes, which may indicate the strength of certain needs.

These projective tests present considerable problems in their use and interpretation, and are not recommended for use in a work setting, especially not as the sole basis for any important decisions about personnel.

A final point on personality is to stress again the importance not only of the person, but also the situation. Behaviour takes place in many different contexts and is the product of the interaction of the person and the situation.

B. PERCEPTION

As you read this study unit, you are engaged in two major processes: sensation and perception. Your senses are receiving stimuli (things that stimulate the senses) – in this particular case, it is the sense of sight that is mostly concerned. The stimuli are light-rays that are bombarding the retina at the back of

your eye. These stimuli are then changed into electrical impulses that are transmitted to your brain via the optic nerve. In the brain, the stimuli are organised – some (probably most) are ignored, some compared with familiar patterns and some are stored for further reference. Very rapidly, what were purely physical sensations have been transformed into meaningful information.

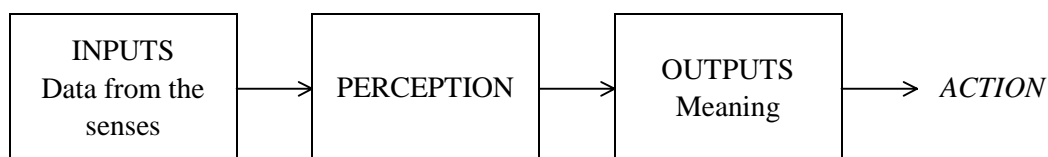
So, the process of perception requires sensation – the receipt of stimuli – but it is **more** than just sensation. Perception is the process by which we extract meaning from what may appear to be a confused and confusing universe.

This process is highly subjective and, hence, the way in which different people perceive the same situation can vary enormously. This can be very important in organisations, as in other walks of life, where people's behaviour is conditioned by the way in which they perceive events, situations and other people. An understanding of the way in the process operates is, therefore, fundamental to understanding behaviour.

(Note that we shall meet some these concepts again when we study communications in the organisation later in the course.)

The Process of Perception

In the language of the systems approach, perception is a transformation process. **Sensations** (sight, touch, smell, feel, taste) are the inputs to the system; **perception** is the process, or “black box”, that takes the inputs from the senses and turns, or transforms them, into outputs. These outputs are information, patterns and meaning, which may then become inputs to a further system that has action or behaviour as its outputs.



Sensation, or the way that stimuli are received and transmitted, is probably similar for different people. This does not mean, though, that two people will “see” the same situation in the same way. In the first place, they may “sense” different stimuli, depending on their respective positions in relation to the events. In the second place, the way the stimuli are processed or perceived may differ. So, two people witnessing the same event may extract different meanings from it, and may give differing accounts of what happened. Consider how an accident at work may be viewed and reported on by people in different parts of the factory, or by those who belong to different authority levels. What a manager may consider to be perfectly fair criticism of a subordinate's performance, the subordinate may see as victimisation.

The first stage in perception, as in most communication processes, is the receipt of stimuli. If this does not occur, then the process will not start – so, one barrier to perception is a failure of one or more of the senses. In the case of communication with a subordinate, for example, if the message is not received at all, then the rest of the perceptual process is irrelevant. And if a spoken instruction is (literally) misheard, then the way it is perceived or interpreted is unlikely to be as the sender intended. So, sensory distortion is another barrier to perception.

Once the stimuli have been received, they are interpreted, and the general principles underlying this part of the process will be examined. This part of the process also has ample scope for distortion. Fortunately, although each person's perception of each event is unique, there is a measure of

agreement in perception of events by people who share a relatively common culture and similar experiences.

Principles of Perception

Most of the processing of sensory stimuli in perception involves attempts to classify them and fit them into the patterns and categories that we have learnt, and which we recognise as a result of our cognitive development and experience.

The classification categories can vary in breadth. For example, to recognise an object as a “thing” is to group it with a very wide variety of other objects – if it is an “animal”, this narrows the field but it still includes quite a number of objects, while recognising it as a “dog” does reduce the range substantially.

Being able to recognise and perceptually organise into groups is not, however, necessarily the same as being able to define the essential qualities of a member of that group. Most adults and children with experience of dogs can perceive the essential “dogness” of a German Shepherd dog or a Spaniel, without, probably, being able to say exactly what makes it a dog. For a lot of categories of objects there may well be a large measure of agreement between individuals over what falls into the category – and, where this happens, perceptual differences and the communication problems associated with them may be minimised.

Where people share a culture or sub-culture, this similarity in perception is most likely – in the first place, since experiences are more likely to be similar and, in the second place, because the concepts used to describe and classify such experiences are likely to be shared. Culture may well also affect the relationship between concepts, for example:

- in most western cultures, the dog is associated with companionship and as a pet in the home, but in some eastern cultures, it may be seen as food;
- in an organisational setting, the concept of management may be associated with conflict, power and exploitation by those from a Marxist background, or it may be associated with compromise, the right to manage, and fairness, by those in or aspiring to enter a managerial position.

Some 80 years ago, Wertheimer (1923) noted eight principles underlying the categorising process of visual perception. These were:

- familiarity
- perceptual set
- proximity
- similarity
- common movements
- continuity
- closure
- pregnance

Attention is very often given to stimuli that are unfamiliar, with those thought to be familiar (that fit neatly into the perceptual set) receiving little attention. For example, failure to notice that a guard is not properly placed on a machine, or that a foreign object is lying across electrical connections, or that a scaffolding joint is not secured (the list of potential sources of accident is endless) may all occur because of the familiarity of the other factors in the situation.

The tendency to use just one factor (say, proximity) to categorise or group people together represents an area of possible perceptual error. For example, in organisations, it may lead to people being seen and treated as a group, when they share no other features. Similarly, familiarity may lead a manager to take his colleagues and the workforce for granted, and so, he may fail to notice their efforts and successes and, hence, fail to reward them sufficiently. Closure may lead a manager into believing that he has the agreement of all of a workgroup when he has only approached part of the group.

Perception of apparent trends in performance (similarity and closure) may arise because of infrequent measurement of performance, or because of improvements in output when the manager does his rounds, and not at other times. Perceptions of continuity and the “pregnance” of its familiarity may lead to resistance to change, and to the adoption of new ideas by organisational members.

Failure to provide continuity may also lead to difficulties. Luthans (1973) reports on a firm that trained previously long-term unemployed personnel for work on an assembly line. The training took place some distance from the line, in quiet classroom settings. When the trainees started work on the noisy lines, their performance was well below that which had been expected. Fortunately for them, the trainers realised that the problems lay with the transfer from training to work and was not related directly to the trainees. In other organisations, this might well not have been the case, as the stereotype of the “untrainable, workshy unemployed” might have been seen as being confirmed. In the event, the company placed its subsequent training sessions next to the factory floor.

We shall consider certain aspects of the ways in which we process sensory information in more detail.

(a) **Selectivity**

For most people, their five senses are continuously receiving stimuli. Huge amounts of information are being sensed. Were we, as perceptual processors, to absorb every item of information and try to make sense of each part of this massive input, we would almost certainly overload our mental systems. One major principle of the process of perception is that only certain stimuli are selected for processing. We appear to have “threshold” levels, below which stimuli are ignored. As part of our perceptual and cognitive development, we learn to ignore the familiar, although this does not mean that we cannot adapt to new situations. For example, the new rattle in the car is worrying for the first few times that it occurs, then it becomes familiar and is ignored – it is though, probably, still sensed, because later on it is worrying when it has stopped rattling!

As a result, there are a number of factors which can be used to catch someone’s attention – for example:

- size and intensity – the bigger an object, the louder a noise, or the brighter a light, the stronger a taste or smell, the more it is likely to be noticed;
- contrast – for example, the use of black typescript on white paper and, surprisingly, a presenter or lecturer who starts talking very softly and quietly to a noisy audience can often capture its attention;
- repetition – particularly when attention is low, repetition may improve both the reception of information and its perception, although too much repetition leads to familiarity, and attention will start to wander.

In organisational settings, these principles are often applied to such things as safety notices, warning signs, and guards on machinery and fire alarms. Managers may use a new approach to a subordinate to try to capture his attention, perhaps by meeting at a different venue from the manager’s office. Having got someone’s attention, one may need to use different principles to hold the attention and maintain interest. These frequently derive from personality or motivation

theories. So, some parts of an advertisement will have more to do with motivating you to buy the product while others may be there simply to catch your attention.

(b) Perceptual sets

The result of experience, development and learning is that individuals come to recognise objects and events in certain ways. They organise their experiences into a framework of familiar groupings and concepts. Psychologists refer to the framework as the individual's "perceptual set". This then becomes the framework within which we interpret the signals we receive.

(c) Figure-ground ambiguity

Look at Figure 3.3(a) and 3.3(b).



Figure 3.3

Figure 3.3(a) is a widely-used example, first published in 1915 by the cartoonist, W E Hill. Do you see a young woman or an old woman? About 60% see, on first sight, a young woman, about 40% an old one. In Figure 3.3(b), do you see a vase or two faces in profile?

Amusing and interesting though these examples may be, their relevance to organisations may be apparently obscure. Yet, even in organisations confusion over what are foreground and what are background factors can lead to ambiguity or conflict.

What is for one person the central feature of an issue is for someone else merely a background factor. Female employees may see their femaleness as something that should be irrelevant to their job and to decisions about reward or job context or promotion. For managers or supervisors, gender may be the crucial issue. Conflict may then arise, especially if the manager "discriminates" on the basis of what, to him, is a central fact but which to the subordinate is a peripheral background factor.

If you can see both the old **and** the young woman, and the vase **and** the profiles, you may accept that there can be two alternative perceptions of the same situation. However, you probably do not believe that either is right or wrong. These figures illustrate just how easily the

same situation can be perceived in different ways – in this case, by the same person! If the situation is viewed from different perspectives, by different people, the possibilities for dispute are considerably increased.

(d) Stereotyping

A stereotype was, originally, a term used by printers to refer to a block of already made up or “set” type that could be fitted in place as needed; so, every time a particular event occurred or a particular person was mentioned, the block could be inserted. It was first applied to perception by Lippmann (1922).

In perception, as you have seen, similarity is one of the factors that is used to group stimuli together into categories or concepts. So, those people who are similar in some respect – such as an occupation, for example – may be classed as a group. The general characteristics or traits of members of the occupational group are often widely known and accepted. As an example (and with apologies to all accountants), accountants as a group may be seen as “introverted”, “rational” and “cold”. Rather than assessing an individual on his own traits, stereotyping would involve simply assigning the traits of introversion, rationality and coldness to any person identified by the label of “accountant”. In reality, the individual may be an extroverted, irrational and warm person. Stereotyping, especially where the stereotype is inappropriate, is a negative consequence of the necessity for perceptual selectivity.

Incorrect identification of the stereotype is a potential danger. In some cases this is unlikely, as the one pertinent characteristic may be obvious – such as gender or race. In others, the initial identification could be wrong. What would happen if the apparent accountant of the previous example were, in fact, a production manager? In that case, none of the traits assigned to him may be appropriate.

Even if the identification is correct, stereotyping involves predicting a whole series of traits from just one characteristic. It uses a very limited “type” approach to personality, which, as we have seen, is a very complex area. The main danger for organisations is that specific characteristics and traits that may contribute to future or current performance, and that ought to be individually measured, are subsumed into the stereotype.

(e) Halo effect

The halo effect (the term was first used in this context by Thorndike, in 1920) is the use of a single trait or event to predict or assess other traits. For example, in selection or appraisal interviews, the first impressions made by the candidates have been shown to be very powerful influences on the final assessments made by interviewers. Experimentally-based research has shown how perceptions of individuals can be strongly influenced by the changing of just one trait in a description of the individual. Not only did this change affect **perceptions**, as indicated by ratings of the individual by the subjects of the experiment, but it also apparently affected the **behaviour** of those subjects. A greater proportion entered into discussion with the supposedly “warm” individual than did with the “cold” one.

Halo effects can be either positive or negative. That is, first impressions can either make the interviewer more favourably or less favourably disposed towards the candidate. Selection interviewers seem to prefer candidates who are well-dressed, clean, polite and friendly (Argyle, 1967), and such candidates may make a positive first impression that can last through the whole interview. In extreme cases, this may mean that the “wrong” answers given by a candidate can be interpreted as exceptional – and, hence, disregarded. Conversely, one might expect dirty, badly-dressed and rude interviewees to be unfavourably appraised, even though their other – and, possibly, more job-related – qualities are more suitable.

(f) Other perceptual distortions

Stereotyping and halo effects can have significant misleading effects on judgement about other people's attributes and abilities. A further common perceptual error in this field is to see similarities in traits between, say, a candidate and the evaluator as indicating suitability for the job, or signs of good performance. It is difficult for people to accept that people like themselves may not be suitable or good employees! As a result it is more likely that leading questions – “You will work hard, won't you?” – or questions that have a restricted range of possible answers will be asked, both of which add little to the overall judgement, and tend to confirm halo or stereotype impressions.

Similar problems of person perception may apply to other types of employee-evaluation, such as performance appraisal. The feedback from such events is intended to be of assistance in promoting learning, motivation and task-performance, as well as being used to determine payment and reward. Yet if it is based on inaccurate, ambiguous or contentious perceptions, it may lead to conflict “especially if the individual's self-image is under threat” (Kay et al. 1965). Likert (1961) found a wide variation between supervisors' perceptions of how often they recognised and rewarded good performance in various ways and the frequency perceived by subordinates. For example, supervisors said they gave a “pat on the back” 82% of the time for good work; subordinates said they received such a reward 13% of the time. The respective results for praise were 80% and 14% and for giving increases in responsibility 48% and 10%.

An extension of the halo effect is the phenomenon of **labelling**. The idea is that the “label” attached to a person or group acts as a stereotype, and people are perceived according to the label, rather than on the basis of their own individual characteristics. In one experimental research study, the researchers themselves, who were perfectly normal healthy people, entered a mental hospital as patients. Not surprisingly, perhaps, they were labelled as mentally ill. Although they tried to behave as normally as they could during their stay, the hospital staff never questioned the “fact” that they were mental patients. Indeed, in some cases, what in other contexts would be perfectly normal behaviour, such as keeping a diary of events, was interpreted as symptomatic of abnormal behaviour. In this case, the label was more powerful than the observed behaviour (Rosenhan, 1973).

(g) Perception and context

This shows another important aspect of perception – that is, the **context** in which people and events are perceived. Part of normal behaviour is knowing that what is acceptable in one situation or context is not acceptable in another. In wider terms of context, the culture at a social or organisational level may powerfully influence both perception and behaviour. Thus, organisational culture may be an important factor in how we perceive events and situations

Locus of Control

Although, as you have seen, there are some general principles and factors that apply to perception, an individual's perception of an event is unique to that person. Partly, this is owing to the person's unique position relative to the event and, partly, it is owing to the uniqueness of an individual's personality, cognitive abilities and perceptual capacities. One feature of this that can be important for management is how people interpret the **causes** of events, especially those that directly concern them.

If a person's explanation of events is that they are based on good luck, chance, or someone else's efforts, this suggests a way of viewing the event in terms of its being outside their own control. The location of its central cause is external. Rotter (1966) refers to this as an **external locus of control**. On the other hand, if a person emphasises their own skill or cunning or ability, then they believe that they have considerable control over events. This represents an **internal locus of control**.

Although locus of control is not a fixed personality trait, there is a tendency for individuals to be fairly consistent in this area of perception. Clearly, situations may vary in the extent to which control is available to the individual; however, even where situational constraints are similar, different people may view the location of the source of control, the locus of control, as being sited either within themselves (internals) or outside of themselves (externals).

Externals are more likely to prefer a directive boss, as it confirms their view that they have little control over their own world. Internals may well resent the “interference” of a directive superior, as it makes it more difficult for them to be the masters of their own destiny.

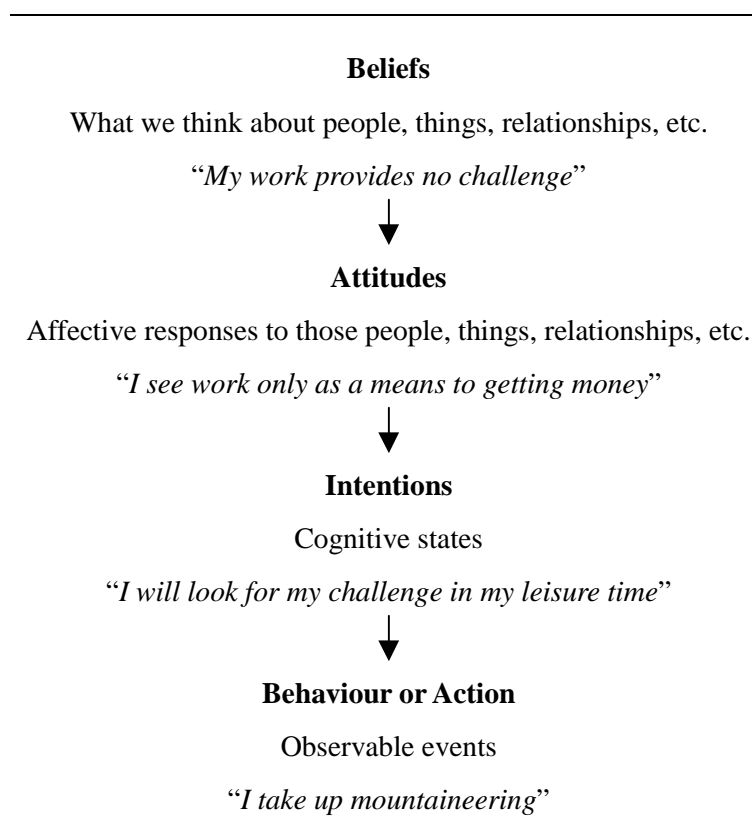
For example, for someone with a strong internal locus of control, success on the training course will be attributed to his own efforts and increases or improvements in his or her abilities. Because of this, it is likely to increase expectations of future success. Externals are more likely to put the success down to outside agencies and, hence, the feedback may have only limited impact on their future expectations.

C. ATTITUDES

We have suggested that perception of people and events is organised into categories. How this is done depends partly on sensation, partly on the principles of perception, and partly on the nature of the individual. Another facet of the individual is the set of attitudes that he/she holds.

Attitudes are, essentially, “feelings” towards people or things. How people feel, what they believe, what they intend to do, and whether and how they do it may all be connected, and may all be related to the process of perception.

To try to reduce the confusion in this area over the use of words and concepts such as “feelings” and “beliefs”, Fishbein (1967) put forward the following hierarchical model.



You should note that, although people may intend to do something, they may not actually do it. Similarly, attitudes and the beliefs on which they are based do not necessarily lead on to either intention or action. This has implications for the use of attitude or belief measures, such as questionnaires, to predict behaviour. It also implies that attitude change may not necessarily result in behavioural changes, although it is probably a necessary first step to bringing about long-lasting changes in behaviour.

Measuring Attitudes

Attitude surveys are regularly undertaken in the field of marketing to ascertain what people feel about a particular product, or to develop classifications of consumers according to similarities of attitudes – for example, if a person believes one particular thing, they are likely also to believe another, related thing and therefore be potentials consumers a particular product. The growth of political opinion polls is perhaps the prime example.

Increasingly, attitudinal surveys are being used within organisations to find out about the potential reactions of staff to particular courses of action (for example, organisational change) or to form judgements about their suitability for particular posts (in a similar way to how personality test are used).

Operational methods for attitude surveys generally seek to measure five components for each belief. Thus, attitudes to work could be measured as follows:

- **Strength of feeling about the job itself**

The strength with which various attitudes are held about different aspects of the job which are listed, measured on perhaps a seven point scale, from “agree totally” through neutral to “disagree totally”.

- **Value of job to self**

Evaluating various aspects of the job, again, but in relation to its meaning to the individual.

- **Social factors**

Attitudes and behaviour do not depend on inner perceptions alone, but also upon surrounding social pressures – the person’s perceptions of what others think he/she should do. The social factors must be investigated in order to understand all the factors determining behaviour.

- **Overall attitude**

An overall assessment of the respondent’s attitudes to the context of the job and to work itself, for example, the value and meaning it has in his/her life. This is a useful measure as it allows more generalised attitudes to the job to be explored.

- **Intended behaviour**

Potential reactions to different scenarios about the job or its context. Although hypothetical, this prediction makes an interesting correlation with actual behaviour.

Surveys must have a very clear specification of what they are seeking to measure. Just as with personality tests, there is the ever present danger that the way in which questions are phrased, or the underlying assumptions made, will influence the outcome.

Attitude Formation

Attitudes are learned. They derive from our personal reaction to information and events, which manifest themselves as beliefs and feelings about a particular subject. We learn many of our attitudes

when we are very young. They are conditioned by those around us and the conditions or situations in which we find ourselves. Some – particularly feelings – are so strong that they stay with us and affect us for the rest of our lives.

The range of influences is complex, but it includes the following:

- the groups to which we belong – most notably, in early life, the family, but also friendship groups, work groups, etc.
- education;
- life experiences – particularly the most profound personal ones such as bereavement, etc., but also those experiences which we observe (say, on TV) or read about.

We are aware, too, that our attitudes change over time as a result of the influence of the above factors. For example, it is very often the case that young people have more liberal attitudes than older people, but as they enter work and acquire family and financial commitments and responsibilities, they tend to become more “conservative”.

One of the key elements of management in organisations is how to modify or change people’s behaviour. This is central to such features as motivation, securing effective performance, introducing change, etc. Whilst, as we noted above, attitudes do not necessarily condition behaviour, they are a significant determinant. Therefore, we need to know how attitudes may be changed.

Attitude Change

The most successful methods of achieving attitude change in adults have been those that involve a relatively high degree of involvement by the individuals concerned in some form of small group decision-making process.

This is probably, in the first place, because the process not only an opportunity to explore and assess the new information support the changed attitude, but also allows individuals to test out beliefs and attitudes in a public forum. This may lead to a – public – commitment to change which strengthens the intention to produce changed behaviour. Being part of a group may also reduce fear of change, especially if other members of the group will be similarly affected by the change. Lewin’s pioneering study on changing the meat-buying habits of American housewives in the Second World War showed that subsequent behavioural change, as well as an attitudinal change, was greatest when the small group method was used, rather than a unit method. A great deal of further research has been done on conformity to group norms, and the central features of this will be examined in the study units dealing with groups.

Other methods of attempting to change attitudes and behaviour might include the use of threats and (monetary) rewards. These may well change behaviour, but they are less likely to alter attitudes and beliefs. The use of threats, particularly, may result in apparent changes – “yielding” to the new expectations – rather than a commitment to the new beliefs. In the short term, a manager may get the behaviour that he wants from a subordinate but, by using threats, this may be at the cost of an increase in fear and mistrust, resulting eventually in the subordinate quitting, or transferring to another part of the organisation.

A significant obstacle to attitudinal change may be that the new (attitude or belief) may challenge the old or existing (attitudes and beliefs), and produce feelings of psychological discomfort or tension. This mismatch between the feelings produced by evidence for the new state and the old beliefs is referred to by Festinger (1957) as “**cognitive dissonance**”. A classic example of this is the impact on cigarette smokers of evidence linking smoking with various diseases, such as lung cancer, high blood pressure, stroke and cardiovascular disease. This evidence is likely to produce cognitive dissonance.

There are a number of strategies which can be adopted to overcome cognitive dissonance (and these are similar to those adopted by people who feel inequitably treated, as set out in a later study unit):

- cognitive in support of the existing belief, through distorting or devaluing the evidence – “It is only statistical”; “It won’t happen to me”; “I don’t believe it”;
- behavioural in support of continued smoking – such as avoiding the evidence, not reading newspapers where it is likely to be published, turning off the television or radio if medical programmes are being shown or broadcast, etc.;
- cognitive in support of the new belief with the intention of giving up smoking – “I’ll give up next week”, or “When the tax is increased”;
- behavioural in support of the new belief – actually giving up or cutting down the number of cigarettes smoked.

As you can see, trying to change beliefs or attitudes by information alone is likely to be unsuccessful, unless lack of information is the only barrier. For strongly-held beliefs, a cognitive movement towards consonance is more likely than a behavioural one – it is, apparently, much easier to mean to do something than actually to do it.

Trying to maintain **cognitive consonance** can have interesting results. In a study of occupational choice, Sherlock and Cohen (1966) found, among trainee dentists, many who would have preferred to have become doctors but had chosen dentistry because it provided rewards similar to those of the medical profession and was seen as being an easier profession to get into. They subsequently downgraded their desire to become doctors.

Post-decision moves towards cognitive consonance such as these may be important in marketing management. Purchasers who were initially uncertain as to the value of their purchase may well reinforce their original decision to buy by thinking less well of alternatives. Product information that helps them to do this may then help to commit them to supporting the product or service, and becoming loyal customers.

In entry to organisations, one problem can be that the high expectations raised by recruiting literature and selectors “selling” the firm to applicants are not met when the new entrants start work. Wanous (1977) suggests that one way of reducing this post-entry dissonance is to “tell it like it is”, and give a realistic job preview, rather than an unreal optimistic view.

D. LEARNING

Learning is a process in which experience brings about permanent changes in behaviour or attitudes. Like much of psychology and the other behavioural disciplines, the study of learning has had to concentrate on observable changes (in behaviour), and infer the process from these, although it is possible to ask people about psychological changes, even if we have to treat their replies with some caution.

We tend to think of learning, at least in the context of organisations, in terms of formal training in relation to jobs and tasks. However, the processes involved are significant for a much broader range of behavioural changes and a much broader range of learning contexts. Every member of an organisation picks up cues from his work situations, from managerial styles and from the organisational climate, and uses them to learn about what is rewarded and punished, and what is acceptable and unacceptable behaviour. People’s behaviour and attitudes are constantly being modified as a result of their experience in organisations and elsewhere.

The interest of psychologists in learning started in the latter part of the 19th and the early part of the 20th centuries with concentration on two **behaviourist** models: classical and operant conditioning. Both of these lay stress on the emergence of bonds between stimulus and response. On the other hand, some later approaches have stressed the importance of thinking, insight, information, interest and motivation in learning. These are often referred to as **cognitive** theories of learning.

Part of the difference between the behaviourist and cognitive schools derives from the former's concentration on animals as the objects of study, although not to the total exclusion of humans, and the latter's emphasis on human learning. We shall examine the central features of the behaviourist approach first.

Classical Conditioning

The experiments of Pavlov (1927) are often cited as the classic example of classical conditioning. He investigated whether dogs could learn to associate two previously unconnected events or stimuli (a stimulus stimulates the senses – in this case, hearing and taste/smell). When presented with food, dogs instinctively (that is to say, without having to learn or be conditioned) salivate. The food is referred to as the unconditioned (or unlearned) stimulus (US), and the salivation is the unconditioned response (UR). When a bell or buzzer is sounded, dogs would not be expected to salivate, although they might have another unconditioned response, such as barking or tail-wagging, perhaps. Pavlov, in his experiments, presented the food to dogs and, at the same time, sounded a bell. After a series of such pairings of food (US) and bell, the dogs apparently **learned** to associate the two. So, the bell became a conditioned stimulus (CS), and the dogs would salivate when the bell alone was sounded, without any food being presented. The new stimulus-response bond persisted, although it was eventually extinguished if the pairing of bell and food was not repeated over a series of trials. Subsequently, if after extinction, a new series of pairings was started, the learning time was much shorter – indicating that some residual trace must have remained, although it was not strong enough to produce the response to the bell alone.

Classical conditioning of this type does depend heavily on involuntary or instinctive responses to physical stimuli, although it does show how previously learned (conditioned) stimulus-response bonds could be associated with new stimuli. The approach does not explain more complex learning, such as the generalisation of such bonds to form concepts, nor does it cope at all well with transfer of learning from one situation to another.

In operations where the timing of an action is important, training could associate a sound or light signal with a particular movement, such as pulling a lever to operate a press only when the object is correctly positioned under the hammer. Once the association has been made between the signal and correct positioning and pulling the lever, the signal can be omitted. A possible detrimental effect of classical or Pavlovian conditioning is the association of certain managers or supervisors with a limited range of (negative) responses – such as criticism or punishment – without any hint of praise or congratulation. This may lead to their subordinates always responding to them as if they were being threatened.

Partly as a consequent of the limitations of classical conditioning, psychologists began to focus on what has come to be called “operant conditioning”.

Operant Conditioning

Operant conditioning differs from classical conditioning mainly in its concentration on the consequences of behaviour, particularly on whether the behaviour is rewarded, unrewarded or punished.

Thorndike's **law of effect** (Thorndike, 1911) states that rewarded or positively reinforced behaviour is likely to be repeated, whereas punished or negatively reinforced behaviour is less likely to be repeated. **Positive reinforcers**, or rewards, are factors that reduce the strength of drives or felt needs, such as food reducing the hunger need. **Negative reinforcers**, or punishments, increase the drive or need to avoid pain and discomfort. In this approach, the process of learning is seen as typically one of trial and error, or trial and success, with consequent reinforcement. So, a person who is praised by the supervisor each time he produces above the target rate may see this as a reward, and become a consistent high performer. On the other hand, if this target beating results in rejection by the workgroup, as was found in Mayo's classic Hawthorne Studies, and in many other studies since, this may be seen as a punishment, and so, the person may lower performance.

One aspect of operant conditioning that has received considerable attention is that of the **shaping** of behaviour and behaviour modification. "Shaping" refers to producing desired behaviour patterns by a gradual process of reward (and, possibly, punishment), rather than waiting for trial and error to produce the desired results. To take an example from animal training – getting a dog to jump through a hoop. The dog can be first attracted to the hoop by a trail of food (reward); each time it approaches the hoop, it will be rewarded (by food, or a pat, or verbal encouragement). Then, it is rewarded for making any sort of jump. The shaping might involve holding food or an attractive object (a stick?) above its head, and rewarding it each time it jumps. Then, the two behaviours are rewarded only if they occur together – that is, when the dog jumps near the hoop, and so on, until the desired complex behaviour is finally exhibited. After this, the dog is only rewarded for jumping through the hoop.

Rather than trying to bring about the change in one operation, the manager could reward attention to marketing, sales techniques, advertising, and so on, by praise or interest, and very mildly punish (by disapproval, for example) overemphasis on production. In conjunction with this, encouragement to go on market-orientated training courses would help to reinforce the new attitudes, and shape both attitudes and behaviour in the desired direction.

This gradual process is used a great deal in training, especially of motor skills, in humans, and many of its principles are applied in education.

Behaviour Modification

Behaviour modification is the name given to systematic attempts to alter the behaviour of other people. Originally, it was used as a clinical technique with, for instance, people with phobias or compulsions (a shaping process of gradual extinction of responses). It has subsequently been used in organisational settings, where the direction of the modifications is defined by organisational superiors. The technique concentrates on behaviour rather than on cognitive processes, such as attitudes or motives, and stresses the need for reinforcement to bring about changes. A number of (American) companies have claimed reductions in costs as a result of its use, although its use has been questioned and criticised on a number of grounds. Some of these are normal and relate to the acceptability of the use of techniques to change people's behaviour without their necessarily being aware of it. Others relate to the actual performance of behaviour modification in practice, and these include over-concentration on simple shop floor tasks, on attendance and task-performance and non-monetary reinforcement, and on close control (you might compare scientific management); failure to account for individual variations in perception of reward; lack of attention to higher order needs, such as achievement, and failure to take into account the effects on performance of accurate feedback, goal-setting and improved learning.

Skinner, probably the most influential writer on operant conditioning, claims that all learning can be explained by this approach, including language acquisition and problem-solving. All these are seen as the product of associations between stimulus and response, especially the rewards and punishments

that are continually coming out of our environments. This emphasis on a piecemeal approach to learning raises some problems in explaining how it can be transferred from one situation to another, and how strategies or concepts may be developed (or, presumably, from Skinner's viewpoint, "acquired") from previous learning.

Cognitive Learning

We consider here two theories about the process by which people acquire and internalise new information, in interaction with their environments.

(a) Gagne's chain of learning

R. M. Gagne (1975) characterised the learning process as a chain of events which have to occur no matter what kind of learning is taking place.

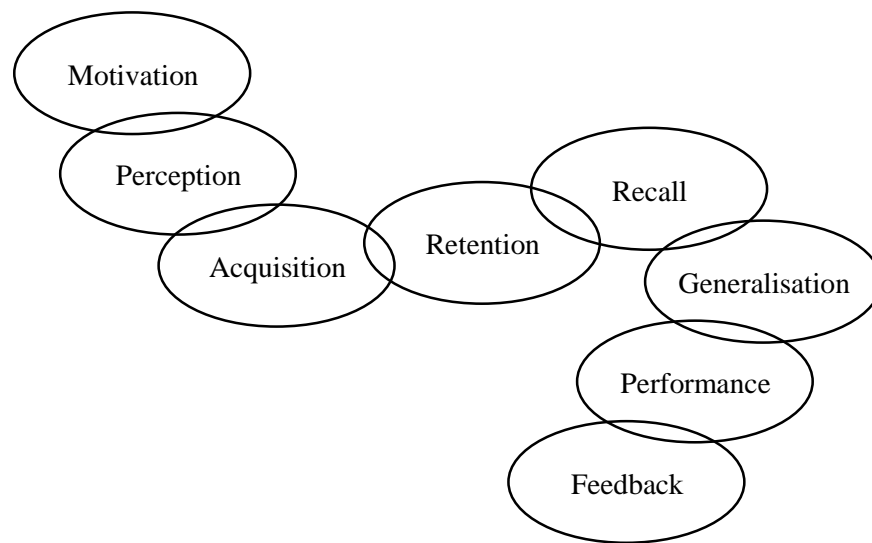


Figure 3.4: Gagne's learning chain

The elements of the model are described below.

- ***Link 1: Motivation***

To learn effectively, you have to want to learn! This may sound very simplistic and obvious, but you will no doubt be able to think of examples when you have experienced real difficulty in maintaining interest. This may have been because you felt that you were being "forced" into a learning situation for which you were not ready, or it may have been for a number of other reasons.

- ***Link 2: Perception***

You need to be clear about what is to be learned – to be able to identify the need (perhaps through a recognition of a deficiency) and be able to see how that need may be satisfied.

- ***Link 3: Acquisition***

Having established a perception of what you need to learn, the next stage is setting about gaining the information necessary. This may be a conscious or unconscious process.

Again we can relate this to the building up of concepts by reference to the familiar. Acquired information is best related to experience, in order to be able to make sense of what you are learning.

- **Link 4: Retention**

You need to be able to retain and remember what you learn. This is a two-stage process. New learning goes first into the short term memory bank before being transferred in to the long term memory, where, hopefully, it will stay permanently! Of course, not all the detail needs to be committed to long term memory.

Retention is closely related to the next link – recall. After all, the purpose of retaining information is so that you can recall it and use it again. To facilitate this, it is important to organise information as you commit it to memory. Ordering and structuring information – often by reference to existing knowledge or experience – can be the key to this.

- **Link 5: Recall**

Having retained learning, you then have to be able to retrieve it when appropriate. This may be recognition of a piece of information as familiar, but needing refreshment (the “that rings a bell!” situation). You may, of course have learned some things more thoroughly and are able to recall them in their entirety without the aid of any kind of prompt. An example would be the learning of arithmetical tables from one’s schooldays.

- **Link 6: Generalisation**

Learning in a vacuum is not really of any value. You have to be able to *transfer* the learning to other situations. You need to be able to apply the principles in a variety of situations as appropriate.

- **Link 7: Performance**

To be sure that learning has been effective, you need to be able to put it into practice.

- **Link 8: Feedback**

Having made all this effort to learn something new and to put it into practice, you need to be able to check out if you have in fact assimilated the learning effectively. You will get this in the form of feedback – for example, from the reaction of those around you and a whole variety of other ways. You need to learn to look for ways of getting feedback, so that you can consolidate and build on what you have learned.

(b) Kolb's experiential learning cycle

Kolb, Rubin and McIntyre (1974) developed the concept of a learning cycle, to reflect the fact that learning is an ongoing and continuous process. The previous models lack the dimension of relating existing knowledge, skills and attitudes to the development of new knowledge, skills and attitudes, both in respect of entirely new learning and within the learning process itself.

This approach is now widely used as a means of managing learning. It stresses the need to learn from practice and feedback, so that the process comprises, rather than a sequential series of events, a continual series of circular patterns based on experience.

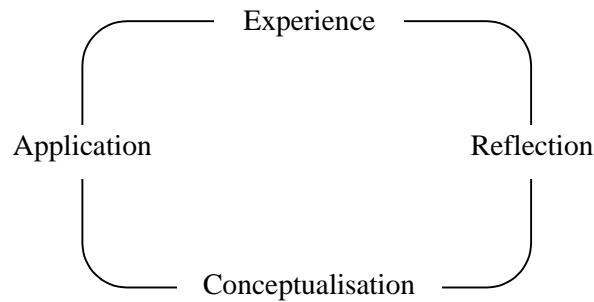


Figure 3.5: Kolb's experiential learning cycle

- ***Experience***

Concrete experience is the basis of the cycle. We use experiences that we have had in the past, or take experiences which are new to us, in order to further our learning. These experiences may be structured and planned, or may be "accidental", in that they happen to us in the course of our work or our everyday living. They may be experiences which happen to us on our own, or involving others.

- ***Reflection***

Having been through an experience, the next stage of the cycle is about examining it in order to be able to identify what actually happened, what we became aware of, and how we felt about it. It is at this stage, also, that we begin to make an attempt to understand what the experience might mean for us, in terms of its significance, whether good or bad, if the experience seems to be something which tends to happen to us frequently, and what this means in terms of our learning to deal with it.

Sometimes you will be able to go through this stage by thinking things through, consciously or unconsciously, on your own. At other times, you may find it helpful to talk your ideas over with another person.

- ***Conceptualisation***

Having made the experience "coherent" through reflection, we then go into the phase of conceptualisation. Here we generalise from the individual experience to start to look at how it can be used in other ways – in terms, perhaps, of principles and trends. Can any of the ideas which emerge be applied to similar situations? What common behaviour patterns might we begin to see emerging?

- ***Application***

We are now ready to test out our analysis of the experience by applying the ideas and principles identified. Application is active experimentation by modifying our behaviour after making decisions about how this might best be done and, then, in a sense, beginning the learning cycle again, by putting ourselves in the position of experiencing a situation afresh.

This cyclical process needs to be completed in full for effective learning to take place. If, for example, one is tempted to jump from stage two to stage four without fully analysing and conceptualising the experience, it is unlikely that any new behaviour will be effective or helpful – there will be no true understanding of why things happened as they did, and no sense will be made of the data which the experience generated.

E. THE INDIVIDUAL AT WORK

Organisational and Personal Goals

We have seen previously that every organisation has a goal or goals which it is trying to achieve – the reason for its existence. The activities of the organisation will be directed towards the accomplishment of these goals.

However, individuals have their own personal goals which relate to their life **outside** work, as well as their position **within** the organisation. **Outside work** one person may have a goal of improving his/her golf handicap, whilst another may be saving hard with the goal of buying a Porsche. **Within the organisation** one person may have the goal of being promoted within two years; another may have a job-related goal of opening three new accounts each week for the next three months. Personal goals are associated with the individual's personality, attitudes and values.

Goal-setting theory, developed by **Locke** (1968), proposes that people's behaviour is directed towards goals which they have set themselves or which they have accepted from other people, and that these goals are reflections of their values and desires.

Features of personal goals, and their effect on performance, include the following:

- There is a relationship between setting **specific goals** and increased performance – for example, setting a specific production target will lead to better performance than just telling staff to “*do your best*”.
- Setting **difficult goals** (up to a limit) increases effort and performance – although when goals are seen to be too difficult or impossible to achieve, **goal acceptance** is low and effort and performance both suffer.
- A certain amount of **competition** will improve performance.
- **Feedback of results** seems to improve the performance effects of goal-setting, perhaps because feedback acts as a reminder of what the goals are.

From what we have said above, we can conclude that whether the organisation achieves its goals depends on individuals carrying out activities directed towards goals which have been set by other people. So we must ask:

- How far are the goals of managers (personal goals) comparable with the goals of the organisation, e.g. to earn high salaries, achieve status, etc?
- How far do individuals achieve their personal goals through achieving organisational goals?

Problems can arise from **differences** between personal and organisational goals. If we take the example of a commercial enterprise, the goal of the organisation is to make a profit, but the employees have the goal of higher wages. The firm seeks efficiency, but the workers want job satisfaction. The firm aims at innovation and change, but the employees may want stability and security. If the organisation is to thrive, these conflicting goals have to be reconciled. When personal and organisational goals diverge in this way conflict is likely to occur and performance is likely to suffer. The organisation will be more effective when personal and organisational goals are compatible. When individuals have the opportunity to satisfy their own goals by contributing to the goals of the organisation organisational effectiveness and performance should improve.

It is management's role to clarify organisational goals and aim to integrate personal goals with the overall objectives of the organisation. The structure of the organisation should be such that individuals can satisfy their personal goals by helping the organisation to achieve its overall goals.

Individuals and Roles

In all walks of life, people adopt roles and working in organisations is no different. Tasks are undertaken and work performed in accordance with the requirements of the role specified by the organisation. Thus, the behaviour of people at work can be understood in terms of the roles which they perform.

The main roles which people undertake at work, or at least those which they are employed to undertake, are formal – defined by work manuals, job descriptions and rules and procedures, etc. In addition, everyone undertakes informal roles at the workplace – in social groups, such as organising an out of work activity or simply helping colleagues in their roles.

Roles are governed by norms – these are the expectations that other people have of how the role should be performed.

However, work roles do not always progress smoothly. Problems can arise in the performance of both formal and informal roles. Role theory experts identify the following examples of role problems.

- ***Role Incompatibility***

This refers to the condition where an individual faces different and often contradictory role expectations. The person finds it impossible to meet both sets of expectations. A frequently found example of role incompatibility is the supervisor or section head who has one sort of role expectations from management and a quite different set of expectations from employees or clerical staff; in pleasing one set of requirements, he or she may offend the other set of expectations. Similarly, role incompatibility may arise when one level of managers has a different style from other levels in the same organisation.

- ***Role Incongruence***

When a person is perceived as of high responsibility in some aspects of a work role but of lower authority in other parts of the job, he or she suffers role incongruence. Examples may arise when a line manager with high authority over production has to accept the decision of a more junior staff manager, e.g. personnel or accounting decisions.

- ***Role Ambiguity***

This refers to the situation when an individual is not clear or does not fully understand just what are the requirements of a given role, so that he or she does not know how to perform the role. Another source of ambiguity is when organisational expectations are at variance with self expectations. Examples of ambiguity arise when communications are not effective, which is often the case in times of rapid change.

- ***Role Overload***

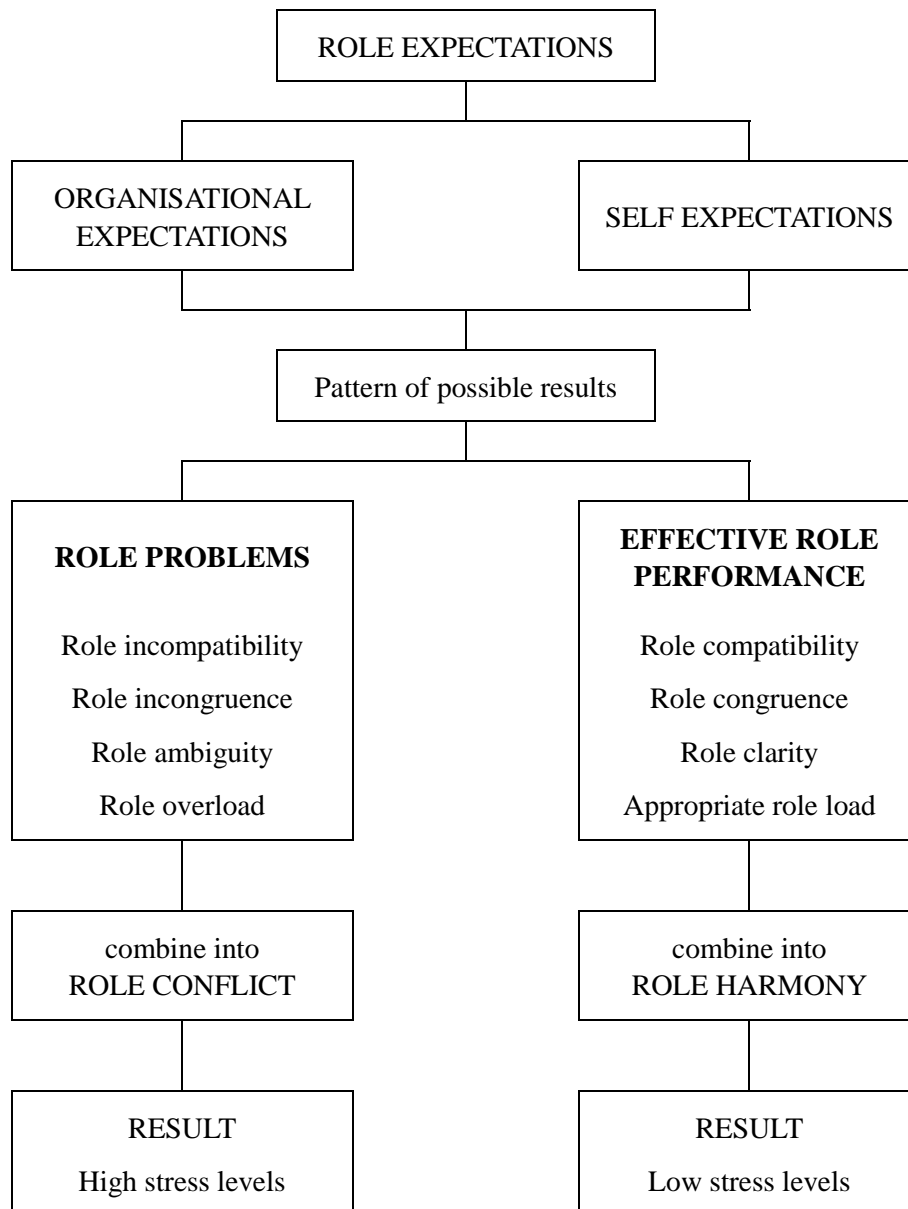
This condition arises when an individual is called upon to perform too many roles and to meet too many expectations.

- ***Role Underload***

This refers to situations where the role expectations of the organisation fall short of those of the individual. For example, an individual may see his or her role as being more important than the organisation's view of the role.

When the elements of role conflict are present in a situation, the result may be high levels of stress, resulting in tension and ill-health for the person performing the roles. On the other hand, when these features are not present we find role harmony and low levels of work-related stress.

Figure 3.6 shows the links between role expectations, behaviour, results and consequences.

*Figure 3.6*

The various elements of role conflict can be reduced and role consensus increased if organisations take account of the following points:

- Specify clear role expectations so that people know what is expected of them as they do their job.
- Select the right people to perform the roles, and try to match people to roles.
- Ensure that staff are properly trained for their roles.
- Have effective induction processes to introduce staff to new roles.
- Ensure effective communication between parts and levels of the organisation.
- Strive for compatibility of management and leadership styles.
- Design organisational structures that minimise conflict between line and staff departments.
- Make sure that roles have their appropriate loads.

We have seen that work roles are set by job descriptions and governed by the expectations of other people in the organisation. Yet if we look around we see that there are variations in the way similar work roles are carried out. For example, managers differ in the way they manage; supervisors differ in how they supervise; and a whole range of employees show variations in their role performance.

In traditional production firms and bureaucratic organisations the scope for variation in role performance is limited. However, in modern flexible organisations there is greater scope for role performance variation.

We have defined attitudes as a way of responding to situations arising from the way a person looks at the world, and one such situation is the work role in which a person functions within an organisation. Thus if we wish to understand our own or other people's behaviour at work a useful starting point is to look at the underlying attitudes being brought to the work role.

In summary, the development of positive attitudes and shared values are crucial to self-development in the changing world of work. The new work practices relax the outside constraints on work roles. This makes self-direction, self-motivation and self-development of crucial importance. Flexibility and the embracing of change have to be reflected in attitudes to work.

Problems of People at Work

Finally, in this unit, we look at two key concepts used to analyse problems which people experience in their work roles.

(a) Alienation

Psychologists use this term to refer to the feelings of an individual when he/she is estranged from his/her situation at work. The individual feels that he/she is surrounded by obstacles that prevent him/her from fulfilling himself or making progress. Sometimes alienation is focused against the organisation, other times against management or even fellow workers. At its extreme, an individual may become alienated from his/her true self – this is when the work role is not a true expression of him/herself, for example, the salesperson forced to sell goods in which he/she has little belief or confidence.

Alienation is a state of mind which can arise from unsatisfactory work situations. Management theorists have analysed both the situations at work and the states of mind as set out in the following Table.

OBJECTIVE WORK CONDITION	RESULTING SUBJECTIVE STATE OF MIND
A lack of power and influence over the work situation. Worker is strictly controlled, and not consulted over decisions which affect him.	Feelings of being powerless, with worker feeling loss of control over his own life.
The worker does not understand the purpose of the work he is called upon to perform.	Feelings that working life is meaningless.
Situations which separate workers from each other – noise, inability to move about the workplace or any factor which inhibits communication among workers.	Feelings of isolation and of being alone in a hostile environment.
Situations which inhibit the use of the whole range of a person's abilities and talents.	Feelings of self-estrangement, and of not being one's true self. Feelings of putting on an act.

Modern researchers have set about measuring the level of alienation among workers by using interviews and attitude tests and they have related their findings to the objective conditions under which people work. Alienation theory argues that an alienated worker will not be an effective employee of an organisation; management should therefore try to create work conditions which will not give rise to alienation in their employees.

(b) Anomie

Anomie has certain similarities with alienation in that it is a state of mind which arises in the individual from unsatisfactory work situations. However, the causes of anomie are to be found in the confusion that arises in large organisations. The individual may be faced with pressures and problems at work which he does not fully understand. We can summarise anomie as follows:

OBJECTIVE WORK CONDITION	RESULTING SUBJECTIVE STATE OF MIND
When an individual is not properly integrated into a social or work group.	Loneliness and a sense of isolation.
When the norms which govern social behaviour are unclear, breaking down or contradictory.	Confusion and no clear idea of how to behave.
When there are confusions over values and beliefs.	The individual will have difficulty in recognising right from wrong.

The worker suffering from anomie will not prove to be an effective employee of an organisation. At the individual level anomie is a deep personal disturbance; if whole groups become anomic, there may be a total breakdown of cohesion within the organisation.

As with alienation, modern researchers set about measuring the level of anomie by the use of attitude testing. Their findings can point out any lack of clear leadership and confusion over norms and values, thus guiding management towards correcting the conditions which give rise to anomie within an organisation.

Study Unit 4

Motivation

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INTRODUCTION

The quest for improving performance at work is one of the essences of management. Clearly there are many factors involved in this – having the right equipment, people with the right knowledge, skills and abilities, and the right kind of organisational framework. But even with all these in place, something else is needed: the people must be willing to do the work. They have to be motivated in some way to undertake the tasks which will contribute to the organisation achieving its objectives.

This unit considers the complex subject of motivation and the various theories of what makes people want to work.

A. THE DEVELOPMENT OF THINKING ON MOTIVATION

The concern with getting the best from a workforce goes back to the dawn of organised labour. At its crudest, doing the job was literally a matter of life or death – failure to perform effectively could mean that crops did not grow, losing a job meant no other work and probable starvation, and slave and feudal labour forces were characterised by violent punishment of “slackers”. The survival instinct can be a powerful motivator!

Organisations have, fortunately, become rather more enlightened since those days. In the early days of the Industrial Revolution, the notion of the paternalistic organisation grew up with some mill, mine and factory owners looking upon their workers as akin to a family to be cared for, with themselves as the father figure. The pioneers of this approach were Robert Owen in Scotland and the Cadbury and Rowntree companies who adopted such measures as providing employee housing, company shops, health schemes and schooling. The essence of this is a recognition that, rather than just relying on the basic human need to survive and live as a motivational force, performance can be considerably enhanced by ensuring a healthy and content workforce – one that is positively inclined towards the organisation and happy to work for it.

This notion is still seen in many organisations today, although perhaps not in such a paternalistic form. Many organisations consider it good practice to provide a range of services to meet staff needs – still including housing, health and general education, but now also welfare, sports and social facilities – which help ensure a fit and contented workforce.

The cruder view of compulsion as a motivator, however, did not disappear, but became refined into a more instrumental approach to ensuring compliance. Jeremy Bentham’s “utilitarian” view was that people are rational creatures whose sole motivation is economic. This one-dimensional view of man is based on the idea that people are only motivated by the desire to avoid pain and find pleasure – in work terms, through financial gain. Thus, any worker will only work if the reward is big enough or the punishment for failure is sufficiently unpleasant. This approach is still found extensively today and, in particular, F. W. Taylor’s development of these ideas within his scientific management theory has persisted.

Scientific Management

Taylor’s view was based on the concept that it is in the employee’s own best (economic) interests to put in a fair day’s work for a fair day’s pay. Tying the two things together gave rise to incentive payment schemes based on piece rates – after achieving a minimum level of production, the more one produced, the more one was paid. In Taylor’s model, economic motivation was the only motivation required. Since economic incentives are under the control of the organisation, the worker is merely a passive agent that can be motivated, manipulated and controlled by the provision or withdrawal of

economic reward. Inefficiency, in terms of a failure to meet minimum targets of production, would be punishable by loss of earnings and, ultimately, dismissal. Thus, what has come to be seen as traditional management, “motivated” their workforce by a combination of fear and reward.

However, Taylor’s conception of ensuring an effective and efficient workforce was not as repressive as this sounds. He was concerned to establish the conditions by which individuals could be most fully integrated into work roles within organisations, since this would ensure the maximum productivity. It was management’s role to create these conditions by organising work in accordance with scientific management principles.

The key elements of this were as follows.

- **Planning**

Many problems of employees arise because their work is not properly planned for them and workers do not know the best way in which their jobs should be done. We can see that this could give rise to anomie – the confusion of the individual in relation to his job. This in turn can generate excessive stress.

In order to combat this situation scientific management puts forward its view that management should plan the jobs of workers and should establish the best way in which each job should be performed.

- **Time and Motion Study**

Many work-related problems arise because workers do not realise the one best way of performing a task. Management must use time and motion study to establish best practices.

- **Incentives**

Bonus payments and incentive schemes give good workers a sense of making progress, even if it is not possible to promote them.

- **Working Conditions**

Management has a responsibility to provide good working conditions so that workers can achieve their full production potential.

- **Training**

Taylor and his followers believed that many of the problems of individuals at work arose because they had not been trained properly, so scientific management emphasises the importance of proper training. Good training not only improves production performance but also builds up the confidence of employees.

We can see that scientific management suggests a range of techniques that can be employed to cope with at least some of the problems that arise when individuals work in organisations.

The Human Relations Approach

The utilitarian view of man as a purely rational economic creature responding to the most basic needs was effectively destroyed by the findings of Elton Mayo in the Hawthorne studies. The discovery that people obtain a sense of identity by association with others at work, that meaning at work is sought through social interaction and that people are more responsive to the social pressures of their peer groups than the controls of management provided a new dimension to motivation. Both the paternalistic and the instrumental approaches are based on a concept of need which essentially saw people as simply seeking a certain level of material and physical satisfaction. The human relations

school took the view that individual needs are far more complex and people seek satisfaction at work through more than just the physical and material rewards.

Many of the ideas of Elton Mayo can be deployed to assist the integration of individuals into their work roles. Important among these are the following points:

- Individuals are social beings just as much as economic beings and will only perform well in organisations if their social needs are met.
- Individuals expect to be treated as human beings in the workplace; they expect to be treated with dignity and politeness.
- Individuals like to feel that they have some control over their own work situation; they appreciate being consulted over matters which affect them.
- Good communications are crucial; people have a right to know what is going on in the organisation.
- Grievances should be dealt with quickly; if not, people may brood and discontent festers.
- Individuals value praise when they feel that they have earned it.
- Individuals perform well in a secure environment; they react against uncertainty and threats.
- Within enterprises there is an informal organisation of friendship groups, gossip and generally accepted norms and values. Management should take account of this, e.g. when changing a worker from one job to another.

The major breakthrough of the human relations approach was the realisation that people, unlike machines, are not passive instruments of the organisation who will always pursue organisational goals; in fact they often pursue goals which conflict with those of the organisation. The essence of the practical application of the approach is to try to reconcile the needs of the organisation and the needs of the individual. Figure 4.1 shows the two sets of needs which must be reconciled.

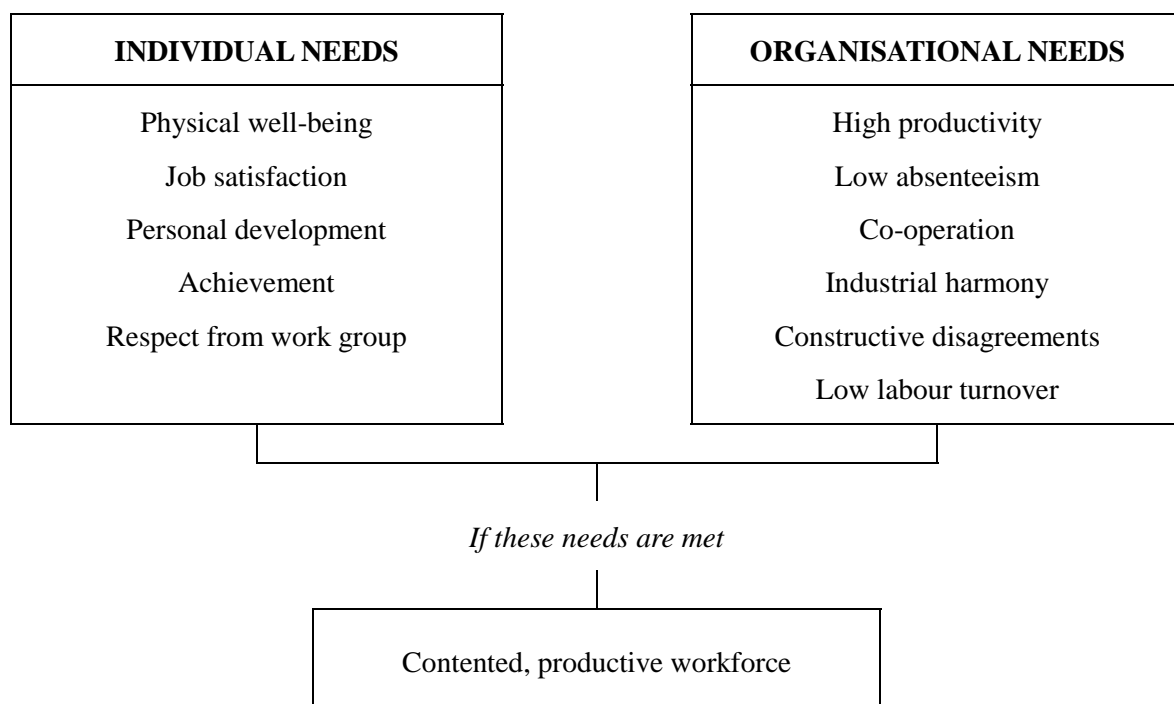


Figure 4.1: Individual and Organisational Needs

This form of analysis has set the agenda for motivation until recent years.

B. NEEDS AND MOTIVATION

Each human being is an individual, and each individual's behaviour is not entirely (some would say hardly at all!) rational – not always prompted by his conscious mind. However, psychology makes a basic assumption that all behaviour has a cause: a person does something because of a basic underlying reason (which may itself perhaps be irrational, perhaps unconscious, perhaps even such as would be denied if it were suggested as the motivator). There is a cause-and-effect process at work in all human behaviour. The most commonly accepted theory about causation of human behaviour is “need theory”.

Maslow's Hierarchy of Needs

In 1954, Abraham Maslow developed a classification of needs – the “hierarchy of needs” – which is now commonly used without any further explanation. Perhaps we need some here though!

Maslow suggested that people are in a continuous state of motivation, and that the nature of that motivation is variable and complex. Further, people rarely reach a state of complete satisfaction except for a short time. As one need is satisfied, another assumes prominence and motivates further effort until satisfied – when yet another clamours, as it were, for satisfaction. He divided these needs into five categories which are shown below in a pyramid diagram which helps to accentuate the magnitude of primary needs as a base upon which to build towards higher order needs such as status achievement and self-fulfilment. Thus, we should think, not of a simple list of human needs driving us on, but rather of a sequence or a hierarchy of needs. Read the following list from the bottom upwards to see what is meant by this.

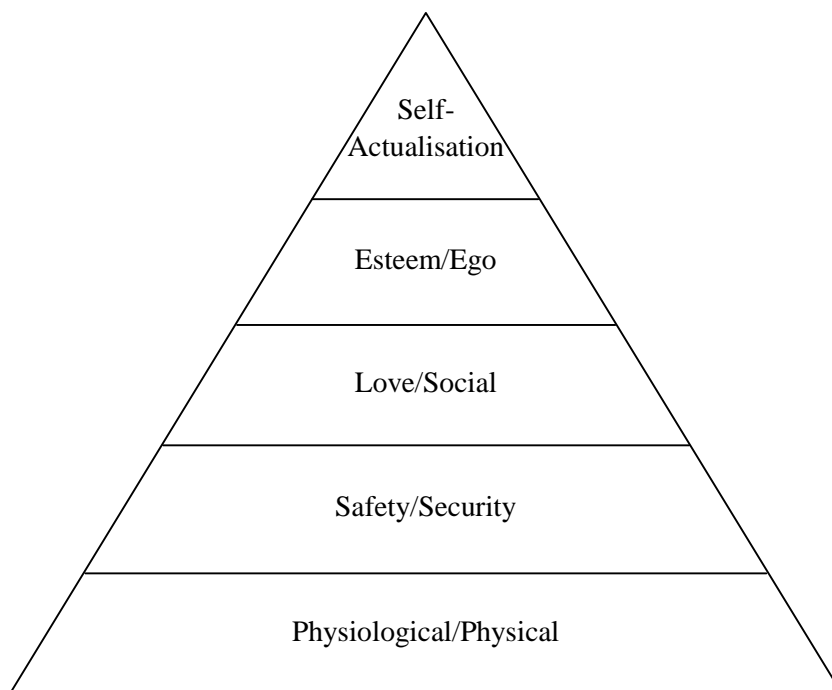


Figure 4.2: Maslow's hierarchy of needs

Maslow contended that individuals tend to satisfy their needs in a rising order of precedence. In order for a higher level need to be met, lower ones must first be satisfied. Satisfaction at a lower level means that satisfying the need at the next level becomes the prime motivator. For example, if you get that section head's post with its much higher salary, your basic needs are likely to be well catered for

and you will probably stop worrying about paying the bills and your immediate job security, etc. Your strongest motivation now is likely to be in the area of social acceptance, gaining the respect and friendship of your new work colleagues. And once that has been established, or perhaps it already is from before, you may then be driven by the “esteem” level of needs which include what your new office is like (is it as big as the other section head’s?!) or what size company car you may get.

Occasionally, individuals may have to revert to lower level needs. This is the case where circumstances change so that the lower level needs are no longer being satisfied – redundancy is one obvious example, but managers must be aware of the impact of other situations on the individual, such as having children (when a person’s financial position may go from having two salaries to support two people to one salary to support three). In such circumstances, security and physical needs predominate and concern for status, recognition and belonging may be temporarily forgotten. Maslow recognised that this will happen, but contended that as soon as those lower needs are once again satisfied, the sociological and psychological forces underlying the higher level needs will again take precedence and be the prime influences on behaviour.

Although Maslow’s studies and proposals related to human behaviour *per se*, they have been almost universally accepted as the key to understanding what motivates people in the workplace. We shall look, then, at each of the five categories in the hierarchy.

- **Physiological/physical needs**

The obvious basic needs arise from man’s instinct to stay alive and reproduce – for food, water, sleep, sex, and so on. These are the most powerful motivating forces and must be taken care of before anything else. If you think of prisoners in the concentration camps during the Second World War, obtaining food and water in enough quantities to stay alive was the prime motivator – over and above personal safety and, in many cases, friendship.

Physiological needs can, therefore, exert a tremendous influence over behaviour. And this can extend to behaviour at work. Remember that, in all but the most primitive communities, these needs largely take an intermediate form of a need for money and a fundamental purpose of employment is to provide for that need. Whilst workers in our society are rarely faced with a real pressing need to earn money to stay alive, there are many for whom poverty is a real problem and alleviating it is a powerful force.

- **Safety/security needs**

Once the physiological needs have been met, higher needs emerge and dominate behaviour. Safety needs are those which generally protect people from their environment – at its most basic, from the physical environment by housing of some sort, clothing (for warmth and/or protection from the sun), defence against natural dangers (insects, animals, germs, etc.).

However, in a developed country, “security” becomes more appropriate than “safety”. For most people, this means a concern with job and emotional security, self preservation, the need to protect one’s position and, to an extent, to provide for one’s future. In the work environment, this can emerge as a need for a steady job, redundancy safeguards and so on. Another aspect of it is shown by Maslow’s use of the analogy of a sick child for whom pain makes the world a different, unstable and frightening place – for a while, and after the illness, the child may experience unreasonable anxiety, nightmares, and a need for protection and reassurance; he/she needs undisturbed routine or rhythm in order to feel safe. To extend this into the work environment, we can identify many members of a workforce who need reassurance and the safety of routine when faced with the pain of change and insecurity.

- **Love/social needs**

Physiological and safety needs are basically instinctual, whereas these sociological needs – to belong, to be accepted by colleagues and friends, to find affection and love – are acquired, and exist on a more refined level.

Social needs are the first of the secondary needs in Maslow's hierarchy. In the management context, hopefully most of the workforce are satisfied in their physiological and safety needs, so they will initially be striving for this next tier in the hierarchy, namely to feel part of the organisation, part of the team – in both the formal and informal structure of the workplace.

Central to this is that people need a degree of social contact within their work – if the job doesn't provide it, they are likely to take it anyway! The importance of this, and its impact on motivation cannot be underestimated. Many studies have shown that, whilst money comes fairly low down on most people's lists of what motivates them, social contact and good relationships at work figure very highly. For example, many women returners do not work primarily for the money, but for the mental stimulation and social contact involved. A congenial social atmosphere is a factor of great importance in the choice and retention of jobs.

Research has also clearly shown that membership of, and acceptance into, groups – whether small informal groups at work or large organisational groups – influences the manner in which individuals work. The feeling of "belongingness" and the desire for social approval are reinforced by the feeling of security that group membership brings. Thus, this tier on the hierarchy can be linked with the previous one.

- **Esteem/ego needs**

People want to feel a certain pride in themselves – that their abilities are tested and prove adequate, that they are achieving something, that they are useful as individuals.

Complementary to this is a need for the respect of others, overlapping the need for belonging and affection. We want appreciation, indeed a measure of acclamation: we want to be noticed and be given some degree of prestige and status.

These are psychological needs, concerned with the individual's view of him/herself. As motivating forces, they are often difficult to satisfy. However, their influence on human behaviour is very important in the context of management. Maslow notes:

"Satisfaction of the self-esteem needs leads to feelings of self confidence, worth, capability and adequacy, of being useful and necessary in the world thwarting of these needs produces feelings of inferiority, of weakness and of helplessness. These feelings in turn give rise to either basic discouragement or else compensatory trends."

A position of authority or dominance, having an office or telephone to oneself, status symbols such as a company car (or the make or cost of the car in relation to others), office size or even size of office chair, etc. are the sort of things which are important and, despite their sometimes seeming triviality, are the means by which ego and esteem needs are satisfied. Even the title of jobs can be significant – it has been found that "rodent exterminator" generates more pride in the job than "rat-catcher", and similarly, "refuse collector" has more status than "dustman".

- **Self-actualisation needs**

The person fortunate enough to satisfy the first four needs is still driven on by an urge to accomplish everything of which he/she is capable, to realise his/her potential. Maslow describes it thus: "Man's desire for self-fulfilment, namely the tendency that might be described as the desire to become more and more what one is, to become everything that one is capable of becoming."

Every individual will have a different level and form of self-actualisation. There is no prescription that people should aspire to become the greatest musician or painter or accountant, etc. The important thing is that everyone, by nature, is only truly content when allowed to go as far as he/she possibly can to make the fullest use of his/her capabilities. Maslow recognised that for many people, this need would be seldom satisfied. In the context of work, professional/technical specialists and top management are likely to be the only ones to be fully developed and satisfied in this way (although many others may find their own level of self actualisation through aspects of their work or, more likely, outside).

Besides the classification of needs into five groups, the critical feature of Maslow's analysis is the hierarchy itself – the suggestion that as one need is satisfied, a higher order one becomes dominant as a motivator. "Robinson Crusoe" illustrates the sequence nicely: a marooned man initially concerned with his primary needs – food, water, self-defence – then wants company, which Man Friday provides, and proceeds to satisfy his ego and self actualisation needs by achieving, within the available environment, an advanced way of life.

The implied rigidity of the hierarchy has been criticised as not taking account of the strength of need some individuals feel which alters the ranking order and causes people to seek satisfaction of some seemingly higher level ones before lower level ones. For example, for some people, self-esteem may be more important than love, or the creative drive for self- fulfilment may outweigh even the most basic physiological needs. Maslow does, in fact, acknowledge these variations, as well as cultural and social differences, and the way in which the hierarchy plays down the multiplicity of factors involved in motivation.

However, the basic classification has enduring relevance to modern management. In particular, it emphasises that incentives to motivate people will depend upon their current level of need satisfaction. It is in the organisation's best interests to ensure that pay and conditions of service, and the design of jobs, are such that the lower level needs of the workforce are met through them, and this allows employees to be motivated by their needs for personal achievement and recognition, and self development and realisation of their potential.

McClelland's Acquired Needs Theory

D C McClelland (1972) developed needs theory along slightly different lines. He argued there are three basic types of need:

(a) Need for Affiliation

By this he means human beings need meaningful relationships (very few people are true loners), and one of the places they will seek these relationships is in the work situation, so who you work with is very important.

(b) Need for Power

Some people are driven by a need to make a strong impression on people and events – they want to shape things in their work lives.

(c) Need to Achieve

To many people the sense of getting on, progressing or being promoted, is very important.

The interesting feature of McClelland's theory is that he associates the different types of needs with people at different levels of the organisation:

- People **high up** in the organisation tend to have a strong drive for power and a wish to make an impact on events. They have largely met their need for achievement. They cannot go for

affiliation because people at the top cannot have close relationships with others in their organisation. Top people have to make decisions which may be disliked by those below so they have to be distant from their subordinates.

- People **in the middle** of the organisational hierarchy are likely to have considerable achievement needs – they are often striving to get to the top. They have some need for power but, like the top people, the need for affiliation is played down because these middle managers are often competing with each other for promotion and too many friendships could get in the way of this competition.
- People at the **lower levels** of the organisation often have a strong drive for affiliation. At these levels work can sometimes be rather routine and may be undertaken in groups, so friendships and mutual understanding (e.g. the feeling of all being in the same boat facing similar problems) can help give satisfaction to work.

The following diagram shows McClelland's links between types of needs and levels in the organisation:

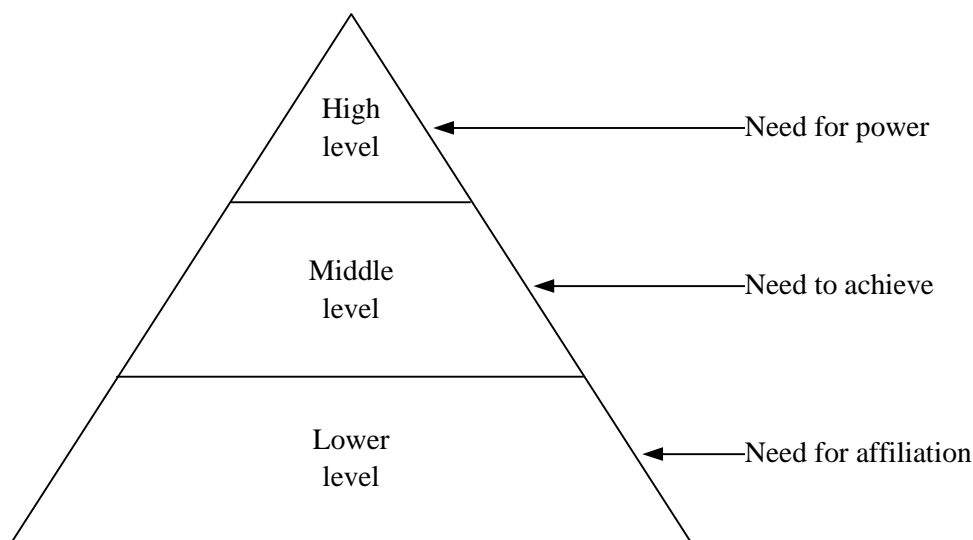


Figure 4.3: McClelland's analysis of needs

McClelland's model is useful in that appropriate incentives can be directed to encourage satisfactory performance by taking account of an individual's level in the organisation.

McClelland also draws attention to the fact that when people are not satisfied with their work lives they become frustrated. They may seek satisfaction, become antagonistic, or apathetic. He argues that individuals have a number of key personality features, and that job success depends on their being able to combine these features into a satisfying pattern in their work in organisations. He classifies these personality features as follows:

- **Cupertino** – the desire to be helpful and to carry out the wishes of those who hold legitimate authority. Some individuals like to have their roles clearly defined and to behave in a way which is consistent with such roles.
- **Approval** – some people need people to like them. They want to be accepted; they are warm, friendly individuals, who seek the approval of others.

- **Power, prestige, money** – for this personality type the actual work may not matter too much; what is important to such people is the money they earn, the power they exercise or the prestige that is accorded to them. They may even dislike the work itself, but the status attached to it compensates for this.
- **Curiosity** – the need to explore, to find out about things and make discoveries. This is the driving force for research scientists, etc.
- **Achievement** – some people set high but realistic standards against which to measure their performance; their thoughts are constantly on meeting challenges and succeeding. According to McClelland, achievement-oriented people are the real successes in industry.

This model can be applied by matching the incentives offered to an individual to that person's personality needs.

Alderfer's ERG Theory

Clayton Alderfer (1972) produced a revision of Maslow's theory, again involving only three categories of need, but with less emphasis on the strict hierarchy. ERG theory as it is known from the initials of these three core needs, comprises:

- **existence needs** – those concerned with survival (approximating to Maslow's physiological and safety needs) and may be met by pay and good working conditions;
- **relatedness needs** – concerned with the importance of interpersonal and social relationships (approximating to Maslow's love/social and, to some extent, ego/self-esteem needs) and may be met through groups at work;
- **growth needs** – concerned with the individual's intrinsic desire for personal development (approximating to Maslow's self-actualisation needs and that part of his ego/esteem needs concerned with individual effort) and may be met through achievement and development in one's job and the success of the organisation.

Alderfer's concept suggests a continuum of needs rather than a strict hierarchy, with no necessity for "lower level" ones to be satisfied before "higher level" ones come into play. There is agreement that, generally, this would be the case, but he goes on to propose that the less a higher level need is met, the stronger a lower level one becomes. Thus, a demand for more pay may in fact indicate that the job is uninteresting and unfulfilling, or an individual who does not get an expected promotion may then display a greater wish for social interaction – a reversion from growth to relatedness needs.

C. HERZBERG'S MOTIVATORS AND HYGIENE FACTORS

Maslow and Alderfer attempted to describe motivation in terms of human needs. In the context of management, their theories are only of value if the work factors involved in the satisfaction of such needs can be identified. Frederick Herzberg developed his two factor theory of motivation by looking at various job factors and how they relate to needs.

Herzberg, a psychology professor in Cleveland, Ohio, carried out his study with some 200 engineers and accountants, and confirmed the findings by a review of the results of 16 other studies reported from the USA and Britain, involving some 11,000 employees.

The interviewees in his study were asked to describe work situations in which they "felt exceptionally happy" and those that made them "feel exceptionally bad". In general, the results indicated that those factors which brought satisfaction met Maslow's higher categories of need (for example, esteem and

self-actualisation), whereas discontent, frustration, etc. derived from factors peripheral to the actual work.

The results of Herzberg's findings are summarised in Figure 4.4. It shows the (approximate) spread of responses as bringing about satisfaction or dissatisfaction for the range of factors considered.

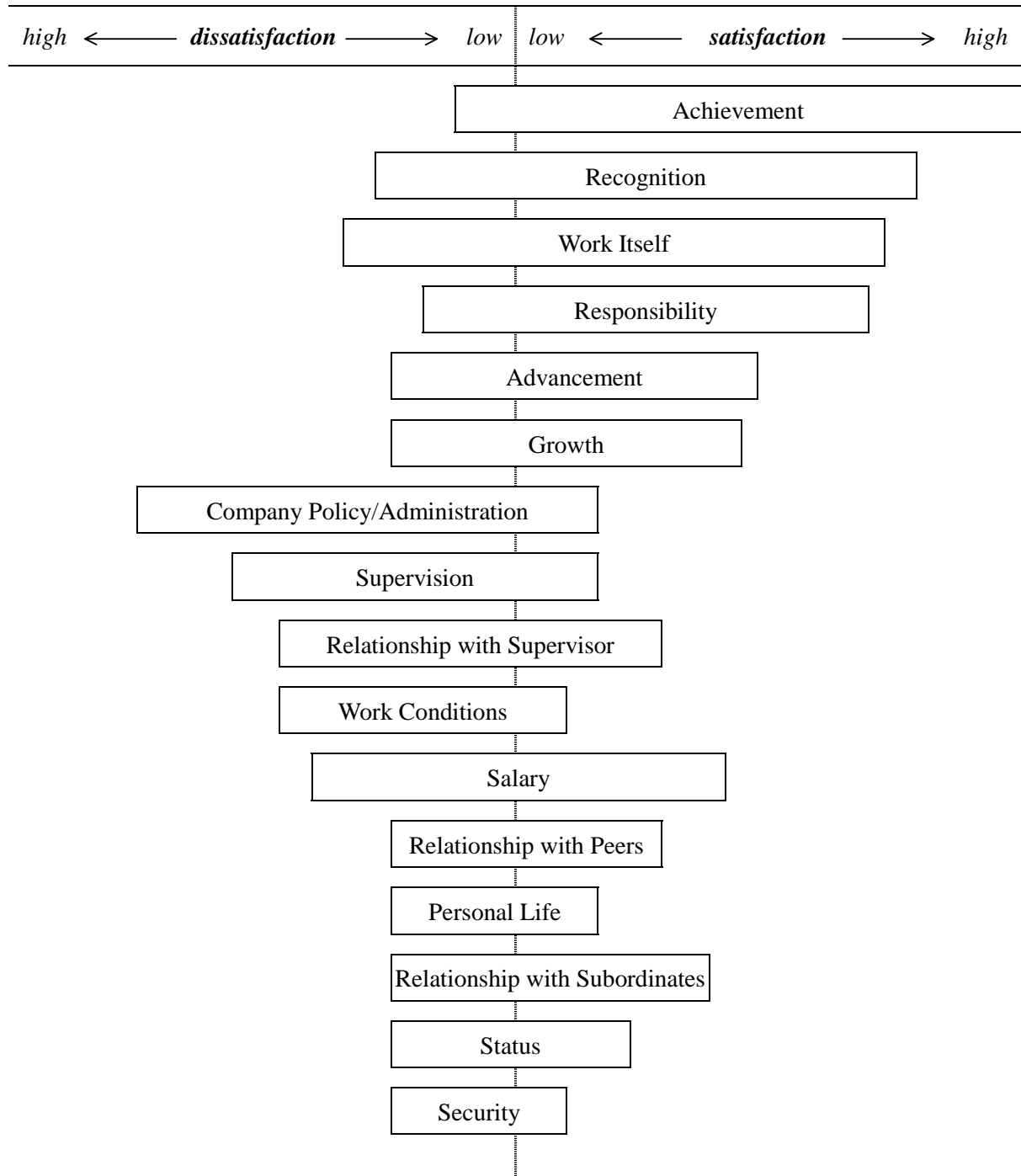


Figure 4.4: Factors providing satisfaction and dissatisfaction at work
% frequency of response

From this research, Herzberg divided the factors at the workplace into two categories:

(a) Motivators

These are factors which, when present to a marked degree, increase satisfaction from work and provide motivation towards superior effort and performance. These are:

- recognition (for work done)
- responsibility
- achievement
- advancement
- the work itself

These factors reflect the higher level needs identified by Maslow, and their satisfaction leads directly to contentment. However, when absent, these factors do not lead to dissatisfaction. Note that they are all directly related to the job.

(b) Hygiene factors

These are factors which, to the degree that they are absent, increase worker dissatisfaction with jobs. When present, they serve to prevent job dissatisfaction, but do not result in positive satisfaction and motivation. These factors are:

- type of supervision
- interpersonal relations
- salary/wages
- working conditions
- company policies, rules, etc.

From the list you can see that these factors relate to more basic needs. If not satisfied, they can lead to unhappiness. However, their satisfaction does not, in itself, result in contentment. Note that all the factors are related to the context of the job (for example, its environment) rather than the job itself.

(Herzberg uses the term “hygiene” by analogy with the way drains, water supply, and so on, cause ill-health when they are at fault, but do not produce good health simply by being in order. Alternatively, he talks of “maintenance factors”).)

Herzberg’s most important contribution is perhaps his assertion that work itself is a potential motivator. He showed that the elements which give most job satisfaction had little to do with money or status, and far more to do with achievement and responsibility within the job. Note in particular that the hygiene factors are those traditionally thought of as motivators. However, Herzberg saw them as essentially either preventative measures taken to remove sources of dissatisfaction, or actions taken to produce transitory satisfaction. For example, if working conditions improve, or there is a pay increase, immediate dissatisfaction may be alleviated, but feelings of satisfaction are not long lasting. When any of the hygiene factors is deficient, people sometimes express their discontent in ways detrimental to the organisation – strikes, grievances, go-slows, decreased productivity, etc.

The importance of this in a work environment is that managers should ensure that both hygiene factors (pay, working conditions, etc. – roughly equating with Maslow’s levels 1 and 2) and motivating factors (need for personal fulfilment – Maslow’s levels 4 and 5) are satisfied if employees are to be both contented and motivated. “Investment in hygiene may eliminate a deficit, but it does not create a gain.”

D. MODELS OF BEHAVIOUR

Theory X and Theory Y – McGregor

Douglas McGregor developed a typology of two opposed views about employee behaviour, related to Maslow's categories of need, and considered their implications for management and motivation. The two views are known as Theory X and Theory Y.

(a) Theory X

McGregor labelled the traditional, scientific management, view of people as Theory X, asserting that most managers still held this view despite the post-war dissemination of human relations ideas. The characteristics of this are:

- The average human being has an inherent dislike of work and will avoid it if possible, wishes to avoid responsibility, has relatively little ambition and wants security above all.
- Because of this, most people have to be coerced, controlled, directed and threatened with punishment to get them to put forth adequate effort towards the achievement of organisational objectives.

(b) Theory Y

If we accept Maslow's concept of their being higher needs which people seek to satisfy through work, Theory X is clearly deficient. The more rounded view of people is encompassed in Theory Y, the characteristics being:

- The expenditure of physical and mental effort in work is as natural as play or rest, and the average human being learns, under the proper conditions, not only to accept but to seek responsibility.
- External control and the threat of punishment are not the only means for bringing about effort towards organisational objectives. People will exercise self-direction and self-control in the service of objectives to which they are committed, and commitment to objectives is a function of the rewards associated with their achievement.
- The capacity to exercise a relatively high degree of imagination, ingenuity and creativity in the solution of organisational problems is widely, not narrowly, distributed in the population, and under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially used.

Motivation and management based on Theory X is characterised by the carrot and stick approach of pay awards and other incentives, together with close supervision and control. This is the scientific management approach – an imposed system of controls designed to motivate recalcitrant workers. On the other hand, motivation and management based on Theory Y seeks to produce an environment in which employees are not frustrated and can take an interest in their work and the overall objectives of the organisation. This puts the emphasis on self-motivation and self direction.

McGregor's view was that this latter approach is far more satisfactory because it gives scope for the meeting of the higher level needs identified by Maslow, whereas the former is limited only to allowing satisfaction of the more basic physiological and safety needs.

The culmination of human relations and human behaviour approaches is presented by McGregor as **participative management style**. Under this style of management employees feel valued and are treated as individuals in the workplace. McGregor argues that if employees do not feel valued some

of them will spend more time and effort in attempting to defeat management's objectives than they would in achieving them.

Participative management style is directed towards encouraging workers to be self-motivated as far as possible in a given work situation; management tries to create an atmosphere of Cupertino rather than merely depending on rules and regulations.

Theory Z: William Ouchi

Ouchi agreed with the basic ideas put forward by McGregor's Theory Y and related these to certain of the ideas he detected in Japanese organisations.

Ouchi's theory argues that **participation** is a crucial motivator. Employees will be motivated to higher levels of performance if they are involved in meaningful participation in decision-making in their organisation. Employees should participate in groups and enter into consultations with management to sort out problems and put forward ideas.

Ouchi took the idea of quality circles and developed it far beyond a concern for the quality of goods and services produced by the organisation (important though this is). He said that the circles should be a forum for employees' ideas and a way in which employees could really influence the running of the organisation. He concluded that a participating employee would be a well-motivated employee.

We shall look in more detail at the concept of quality circles later in the course.

Four Stages of Industrial Man – Schein

Edgar Schein, a former colleague of McGregor, developed a slightly more complex four part typology to describe employee behaviour, again based on Maslow's classification of needs.

(a) Economic Man

This view accords with Theory X and the views of F W Taylor. It tends to over-generalise people into the "untrustworthy, money-motivated, irrational mass" as distinct from the trustworthy, more broadly motivated elite.

The assumption behind management based on this view is that money is the prime concern of people at work, and motivation must be based on such economic incentives. We have seen this argument conclusively dismissed by the human relations theorists and most studies have demonstrated that it is fundamentally flawed. However, there are examples of what, in Maslow's terms, are lower level needs taking precedence over higher level ones – particularly where money can be seen as bringing satisfaction of them. A study by Whyte among workers in his restaurant chain showed that:

- perhaps 10% of production workers will respond to an individual incentive scheme, and resist group pressures to restrict output;
- when an incentive scheme "works", it is often for reasons other than the money – for example, because workers view meeting production goals as a challenge, or working at a faster pace helps the time to pass more quickly and relieves boredom;
- "rate-busters" – those who produce above the group norms – tend to differ in background and personality from the "restricters" who conform to group attitudes. The rate-buster tends to be individualistic, come from a family where economic independence is highly prized (such as a farming community), and has weak social needs (for example, a "loner").

(b) Social Man

This is the type identified by Mayo in the Hawthorne studies. Concern for group and individual satisfaction is liable to be stronger than that for effectiveness and performance.

For example, under this view, assembly-line working is thought dissatisfying because of the disruption of social relations – people cannot talk comfortably, when they want to, with friends and colleagues. Further, studies in World War II and the Korean War showed that, among soldiers, the major motivation to fight came from a sense of commitment to one's "group" (platoon, regiment, etc.) and nervous breakdowns came from a sense of having let down one's friends and fellow soldiers.

Thus, motivation is seen as deriving from the informal organisation and bringing the formal structure of work into accord with the social needs of the workforce. Redesigning the job so as to increase teamwork and social interaction would result in better motivation and increase both morale and productivity.

(c) Self-Actualising Man

This view, corresponding closely to Theory Y, sees people as seeking to satisfy their highest level needs through work. Management in the organisation is now concerned not just to be considerate and helpful to subordinates, but to supply challenge and purpose in their jobs and opportunities to harness their ego and self-fulfilment needs. This would, in turn, further the objectives of the undertaking. The organisation should foster and facilitate intrinsic, rather than extrinsic, motivation with authority shifting from the manager to the individual employee.

Evidence is clear of the validity of this theory in the higher levels of organisations, especially among specialist technicians, professionals, and managerial positions. It is not clear to what degree employees at lower levels, particularly manual workers, are concerned about self-fulfilment. There is less opportunity for such achievement by the very nature of the work, but there is no reason to suspect that such workers do not have the same needs and would seek to satisfy them if possible.

(d) Complex Man

Schein's fourth category breaks from the strict structuring of needs into a hierarchy and asserts that people are not only complex but variable. The existence of motivators in some sort of hierarchy is accepted, but order in the hierarchy is subject to change from time to time and in different situations. For example, money as a motivator has particular force at certain times in most people's lives. Further, motives can interact: again, money can indicate "recognition", "achievement" (for example, a salesman paid on a commission basis) and "advancement" (for example, under merit-rating schemes).

Thus, people are capable of being motivated in different ways in different environments and at different times. They may, therefore, respond favourably to different management styles. In short, the three previous assertions are all over-simplifications, over-generalisations.

This last category leads us on to consider a different series of theories about motivation – ones which owe less to the content of the job and more to the processes involved in individual motivation.

E. PROCESS THEORIES

Needs theories try to identify the integral desires that influence behaviour – they are concerned with the nature and context of motivating factors. By contrast, "process" theories concentrate on elucidating the thought processes through which individuals determine their course of action.

Expectancy Theory

Vroom's expectancy theory, published in 1964, suggests that people are not necessarily motivated by internal needs, but more by the expectation that certain actions will achieve an outcome seen by them as desirable. He argues that employees perform well when they can see a connection between effort, performance and reward. In theory, extra effort will lead to better performance, and improved job performance will lead to outcomes such as promotion, extra responsibility and more pay.

The details of this connection involves a complex interplay of the concepts of “valence”, “instrumentality” and “expectancy”. In brief, in Vroom's terms, these are as follows:

- Valence is the strength of preference for a particular outcome, ranging from a negative valence where the individual strongly prefers not to attain the outcome, to positive valence where the individual strongly prefers to attain the outcome, through “zero” valence where the individual is indifferent to the outcome.
- Instrumentality is the extent to which one outcome will lead to another – for example, improved performance in the present job will lead to promotion.
- Expectancy is the extent of the probability that a particular effort or action will lead to a particular outcome.

(Note that instrumentality and expectancy differ in relating, in the former, one outcome to another and, in the latter, action to (the first) outcome.)

Vroom then postulates motivation to perform a certain act as depending on the product of the valences for the outcome (taking into account instrumentality) times the expectancies.

This is an interesting approach to recognising the way people do consider the likely outcomes of their actions, weigh and evaluate the attractiveness of alternatives and use those estimates to decide what they will actually do. However, this is rarely a conscious, premeditated process, is inordinately complex in reality, and is very much an individual thing – it becomes virtually impossible to generalise the effect among a group.

However, the approach is not without value in general terms in helping us to understand motivation, and it draws attention to the way in which needs theory over-generalises the complexities of decisions to act in certain ways.

Porter and Lawler further developed the approach by presenting a model which relates effort, performance, reward and satisfaction. Again it is worth briefly reviewing these factors to help understand more of what the concepts may mean to people.

- Effort is the amount of energy exerted by an employee on a given task. This is very much a product of the employee's motivation and it depends on the interaction between the value of the reward and the perceived effort-reward probability:
 - (i) the value placed on a reward depends on its degree of attractiveness and desirability – rewards such as friendship, promotion, pay, recognition and praise will be given different values by different people, and some may be unwilling to give up, say, friendship for greater pay as a supervisor;
 - (ii) the perceived effort-reward probability is the likelihood of getting the desired reward for a given amount of effort – high probability for a low effort, and low probability for high effort, indicate clear courses of action (to try and not to try respectively), but the position is less clear and may be more affected by the value of the reward where there is high probability for high effort or low probability for low effort.

- Performance is the measurable output of the individual and depends not just upon effort, but also upon ability. Thus, a highly motivated employee giving a great deal of effort may not necessarily result in effective performance – which may affect the reward attained (particularly in being out of line with expectations).
- Rewards may be intrinsic (given to the worker by him/herself) or extrinsic (given by someone else). Porter and Lawler believe that intrinsic rewards are much more likely to produce attitudes about satisfaction that affect performance.
- Satisfaction is derived from the extent to which actual rewards fall short, meet or exceed the individual's expectations. The key to this lies in "expectations" rather than the actual rewards themselves. Thus, if actual rewards are below what is perceived to be, say, adequate or fair (and this includes a view about what the organisation should provide as a reward for a given level of performance), the individual will be dissatisfied.
- In addition, satisfaction is more dependent on performance than performance is on satisfaction. A dissatisfied worker can still produce acceptable levels of output, but poor performance is unlikely to bring about the rewards necessary to produce satisfaction.

Note that satisfaction is not the same as motivation – it is an attitude, an internal cognitive state, whereas motivation is a process. This is why the content models, such as Herzberg's, have (say Porter and Lawler) more to do with achieving satisfaction than with the complex process of motivation. In the content models, motivation derives from job satisfaction which is deemed to be the sum of various content factors such as responsibility and growth potential. In Porter and Lawler's model, satisfaction is only one of the variables in motivation.

These theories are complemented by **Charles Handy's** motivation calculus:

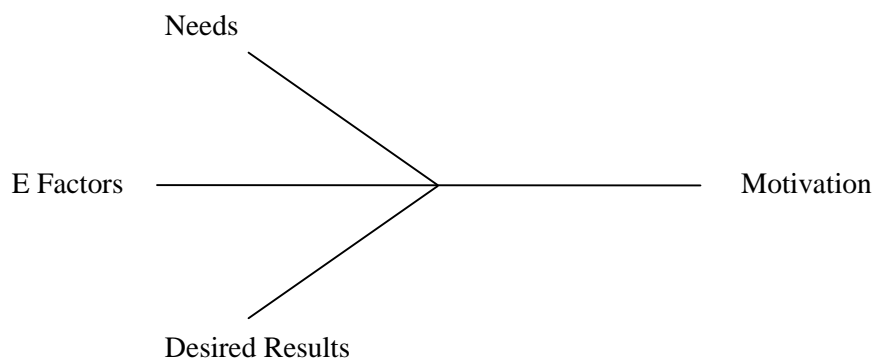


Figure 4.5: Handy's Motivational Calculus

The calculus may be conscious or unconscious, and a decision to act will depend on three factors:

- the individual's own needs;
- the desired results – what the person is expected to do at work; and
- E factors – effort, energy, excitement, enthusiasm, emotion and expenditure

The practical implications of expectancy theory

Whilst, as noted above, these views do not provide a simple basis on which to develop a pattern of management to maintain or improve motivation, there are elements which can be derived. For example:

- managers need to know what particular rewards and outcomes are important to staff – different people have different needs;
- different rewards are needed for different people if individual needs are to be met, but it is essential that everyone is seen to be treated fairly and equitably;
- the meaning of different levels of performance (such as good/bad, satisfactory, etc.) should be clear and specific, and the desired levels should be reasonable and achievable – if you set people up to fail, their motivation is bound to plummet;
- the relationship between performance and reward should be clear, explicit and understood by all employees, rewards should be attainable and good performance should be seen to be rewarded;
- there should be no conflicting “measurements” of performance and reward within the organisation – if one person in another section gets more for doing less, motivation will drop;
- pay and reward schemes should be designed so that only desirable performance is rewarded, with no more promotion based on, say, length of service or favouritism;
- jobs, tasks and roles should be designed so that individuals have the opportunity to satisfy their own needs through their work, but do not assume that everyone wants the same thing.

Equity Theory

This approach, developed by J Stacey Adams, considers that people strive to achieve a situation of balance – or equity – in terms of the perceived ratio of inputs to outcomes in relation to a “comparison other”.

- The “comparison other” is often a very individual selection, based on attributes which we consider appropriate to our particular circumstances, although it may be influenced by group membership. Thus, it could be another individual in the same work group, a friend who works in another organisation or even a generalised conception based on certain known or assumed characteristics.
- The input that we might consider in assessing the balance on not just those of effort and performance outcomes, but also include skills, educational background, domestic and social circumstances, etc.
- Outcomes are similarly broad in scope – including pay, social esteem and recognition, work assignments, office space and furniture, etc.

Situations of inequity exist where the inputs – outcomes ratio is perceived to be either less than or greater than that of the comparison other. Note that this is a relative position, rather than one based on absolute standards. Thus, equity is maintained where both ourselves and our comparison others receive low outcomes for high levels of inputs, or where a comparison other receives a higher level of outcomes provided he/she also has a higher level of inputs.

The theory then proposes that, in inequitable situations where our own inputs – outcomes ratio is less than that of our comparison other, we will be motivated to reduce the inequity and move the situation back into balance. Thus, if we receive less recognition and prestige than a co-worker (as a comparison other) for a similar level of inputs, we will be motivated to achieve those same outcomes.

The implications of equity theory are similar to those of expectancy theory in that managers need to know the different motivating forces present among their staff – in this case, the way in which they perceive equity – and to be explicit in the relationship of inputs to outcomes. The theory also draws attention to the potential for demotivation where patterns of inequitable treatment persist.

Goal Setting Theory

The essence of goal theory is to bring individuals to share the goals of the organisation; only in this way can organisations be made effective and efficient and individuals encouraged to achieve their full potential.

Latham and Locke developed goal theory by combining the ideas of management by objectives (MBO), by which staff focus on the end results of their activities rather than the activities themselves by agreeing performance targets/goals with their supervisors/managers, and motivation theory. The essence of their approach is that people are more motivated and achieve higher performances when they are set specific goals, when these goals stretch them, when the goals have been agreed between superior and subordinate and when employees receive feedback on their progress at regular intervals.

All the steps of goal theory fit together; if any stage is abused the theory will not work, e.g. if goals are imposed from above or are too easy or too difficult, or feedback is lacking, the whole process goes into reverse and becomes demotivating, leading to worse performance.

Goal theory is seen as a sound basis for performance management – objectives and goals are used as a means of obtaining better results from all levels and parts of the organisation. The goal-setting and performance management process is dynamic – as some goals are achieved, new goals are set and agreed and the achievement of these becomes a new motivating force, driven on by positive feedback.

The process of influencing individual goals and ensuring that they are congruent with those of the organisation is a complex one and it is not entirely clear that this can be effectively achieved. The problems faced include the following.

- There may be conflict between individual and organisational goals – and this can lead to problems for the organisation. Members of the organisation will have their own perception of the goals of the organisation, as well as personal goals which they expect to fulfil by participating in the activities of the organisation.

Management is thus always trying to clarify organisational goals and working to integrate the individual's goals with the overall objectives of the organisation. This task can be made more difficult by change – the organisation is affected by the environment in which it exists and developments within that environment. The organisation has to change or it will cease to exist. Such adaptation will involve changes in the organisation's needs, objectives and goals.

- As well as organisational and individual goals, groups within the organisation have goals. Sometimes these are explicit, but in some situations they may be hard to identify, at least for an outsider. However, for the individual group member the attainment of goals will provide a strong reason for continuing within the group.

We shall examine the nature of groups and their influence on members in a later unit, but it should be clear from our consideration of the work of Mayo that groups are a significant factor in individual behaviour. Thus, group goals must also be integrated with those of the organisation for them to be effective motivators, from the perspective of the organisation.

You would expect that, if all members of a group have the same objectives, the group should be that much more effective. However, most people also bring a set of personal objectives to the group, which often have nothing to do with the objectives of the group – for example, protecting the interests of a subgroup, impressing the boss, making a particular contact, etc.

There is, then, a complex mix and match of goals within the organisation – those of the organisation as a whole, the group, the individual within the group, and the individual within the organisation. The organisation functions most effectively when all these goals coincide and all the members of the organisation are working to achieve the same goals.

F. IMPLICATIONS OF MOTIVATION THEORY

We can see from our discussion of motivation that there is no one correct strategy that will work with all people at all times. The development of process theories takes us away from the more general needs theories which apply equally to everyone, and forces a concentration on more individualistic approaches. In practice, we know this to be true – managers need to know and relate to their staff as individuals if they want to raise motivation. However, the needs based theories, whilst being open to the criticism of excessive rigidity when applied to the individual, do provide a framework for considering some general approaches to making the organisation as a whole supportive of people's aspirations at work.

There are two elements to this:

- reward systems – the pay and conditions of service (leave, development opportunities, security, fairness, working environment, etc.) which are available to employees; and
- the job itself – how meaningful and interesting the work actually is.

We shall consider reward systems in more detail elsewhere in your studies. However, it is worth noting here that it has been shown time and again that, although management often feels these issues to be of prime importance, individuals mostly have other more subtle reasons for choosing the job that they do and the type of organisation they work for. Despite our desire to win the lottery and have the choice of whether to work or not – and undoubtedly we would all welcome the fall-back security that such a position would offer – the vast majority of people seek and value the physical and mental stimulation, and the social interaction, that working provides. That is not to say that reward systems are not important motivators – merely to put them in their place. People do go to work to earn a living and want to maximise their financial gain. It is also true that people need a level of security that employment brings (often at the cost of lower wages). So having the right reward system is significant, but is unlikely to inspire workers to increased effectiveness and efficiency in itself.

If we consider Herzberg's differentiation between "hygiene" factors and "motivators", it should be clear that more can be done to motivate workers by developing the job itself.

This will be the subject of the next study unit.

Study Unit 5

Morale, Jobs and Stress

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INTRODUCTION

The “morale” of the workforce is a concept which is often talked about, but is difficult to measure objectively. However, the level of morale and the attitudes which staff bring to bear on their work performance and relationships in the workplace will affect the functioning of the organisation as a whole, as well as the separate sections/departments. When there is low morale, and a general sense of frustration and dissatisfaction, action must be taken by management to identify and eliminate the causes.

One of the aims of motivating workers is to build morale, by maximising job satisfaction and minimising frustration and stress at work. Appropriate job design is considered to be one method of building motivation and morale, and increasingly, attention is being given to alternative patterns of working involving greater personal responsibility, development and participation in the organisation.

In this study unit we shall consider approaches to the practical application of motivational theories and the building of working patterns appropriate to the needs of both workers and organisations in the present day.

The concepts involved are closely interrelated, and we begin by defining the concepts we are studying.

- **Motivation**, as we saw in the last study unit, refers to ensuring that people are enthused to make the necessary efforts to achieve goals/objectives. Motivation acts on the individual but this may mean directing his/her efforts as part of a team.
- **Job satisfaction** (or its opposite, job dissatisfaction) may be defined as the feelings an individual may have about his/her job. Job satisfaction is high when an individual takes a favourable view of his/her work activities.
- **Morale** is a more collective term and refers to the enthusiasm and energy that a group or team bring to their work activities. However, individuals can gain personal satisfaction from working in a group with high morale.

Morale is not the same as “happiness”. Research shows that not all high-producing workers are happy, and that not all low-producing workers are unhappy.

- **High morale** exists when employees’ attitudes are favourable towards their jobs, their fellow workers and the undertaking, i.e. the total work situation.
- **Low morale** exists when employees’ attitudes are such that they are not interested in trying to achieve the undertaking’s objectives.
- **Job design** was conceived as a process of allocating task functions among organisational roles (Cooper, 1974), although it now takes into account organisational and personal requirements.

A. MOTIVATION, MORALE AND JOB SATISFACTION

Motivating workers involves inspiring them to contribute to the goals of the organisation. It is up to the individual manager or supervisor to select the specific approach to motivating the workforce, and then to decide how best to apply it. How a manager goes about this will depend, to some extent, on what he/she believes people want from their work.

The key, then, is to establish what motivates people. There is no simple answer to this, but many modern theorists look to ways of going beyond the simplistic views based on punishment and reward

models, although these may still feature, to some degree, in any motivation model that a manager may use. It has been established that material rewards are not wholly effective as motivators. Far more important are such factors as the opportunity for power, pleasant working conditions, satisfaction in a job well done, good social relationships and a feeling of belonging. However, always remember that motivation is affected by the job involved, the circumstances at any one time, and the individuals involved.

The extent to which workers are motivated may be indicated by their morale and by understanding this concept we can move towards an assessment of the conditions which will improve motivation.

Features and Results of High and Low Morale

We can identify certain features of morale when it is high and when it is low, as you can see in the following table.

Table 5.1: Features of High and Low Morale

High Morale	Low Morale
Willingness to work hard	Reluctance to work
Self-motivation	Need for close supervision
Workers share in the objectives of the organisation	Lack of interest in objectives of the organisation
Confidence in management	Lack of confidence in management
The needs of the work group are considered important	Depression

One of the key factors here arises from the last point noted in the “high morale” column – that of team spirit. The common sense view of team spirit is of all the members of a group working together towards a common goal. This is closely linked with the fact that morale is high and there is good Cupertino within the organisation.

Team spirit applies to individuals within work groups and to groups co-operating with each other. When individuals co-operate within groups, the groups pull together in the departments, and the departments combine to achieve the goals of the organisation, we can say that morale is high and team spirit is good.

Now let us look at the results of these features.

Table 5.2: Outcomes of High and Low Morale

High Morale	Low Morale
Good performance of work tasks	Poor performance of work tasks
High productivity	Low productivity
Low absenteeism	High absenteeism
Good time-keeping	Bad time-keeping
Low labour turnover	High labour turnover
Few accidents	More accidents
Good Cupertino within the organisation	Lack of Cupertino within the organisation

Measuring Morale

Management experts see the key indicators of morale as being:

- **Productivity**

The extent to which organisational goals and expectations as to the level of output from the workforce is being met, and how those levels of output compare with similar organisations.

- **Labour Turnover Rate**

All organisations have a turnover of labour as people leave (for a variety of reasons) and new people join and take up jobs. However, if the rate of labour turnover is high compared with other similar organisations, or compared with past records, there may well be cause for worry about morale.

- **Absenteeism**

Closely allied to labour turnover is the study of figures for absenteeism. Again, all organisations have absentees, but if the rate rises to high levels it could be an indication of problems with morale.

These indicators – together with punctuality – can be clearly measured, so they can be compared from one organisation to another, and over different time spans.

Whilst these can provide an indication of the level of morale, before we can set out to improve it, we have to understand the underlying reasons for the particular state. The purposes of measuring morale, therefore, are:

- To find out what employees think and feel about their work situations; and
- To determine what measures may be appropriate for improving it.

There is a spin-off from this in that, through the process of assessing and measuring morale, management will be demonstrating, to their staff, a concern for it and their employees' welfare.

The two major **methods** of measuring morale are **questionnaires** and **interviews** to find out employees' attitude and opinions. Questionnaires are cheaper, but in-depth information is best obtained by interview. Of particular value is the **exit interview** which sets out to discover why a person is leaving an organisation and what opinions the leaver has of the organisation and how it is being run.

Other measures of morale include:

- Employee complaints and grievances – the number and type of complaints arising from employees may be an indicator, particularly where the rate is unreasonably high, and patterns of dissatisfaction may be ascertained.
- Disciplinary action – again there may be patterns of behaviour which indicate a lack of internalisation of organisational goals.

Stimulating Morale

One way of looking at morale is in terms of the mental attitudes which people bring to their jobs.

Mullins (*Management and Organisational Behaviour*) points out that **Petrick and Manning** (in *How to Manage Morale*) believe that managers/supervisors should review four main areas in which to develop positive attitudes in their staff before they can start to improve morale.

- **A sense of importance in their job** – staff should feel that there is a reason for their job, with challenging and suitably demanding tasks, and a sense of achievement when the job is done properly.
- **Teamwork among the staff** – there should be a sense of group self-esteem, with strong human interaction, team effort and the support of colleagues at all levels.
- **Management care about staff welfare** – staff should be rewarded fairly for their contributions and efforts. Management should show concern for staff welfare, and encourage a feeling of mutual trust and respect.
- **Economic rewards fair and individualised** – there should be sufficient wages and fair distribution of wages. There should be opportunities for promotion and the gaining of wider experience.

Given that morale and team spirit are so important to organisations and so closely linked with motivation, much consideration has been given to how best to build or stimulate high morale. A number of features are common amongst different commentators, for example.

- **Ensuring that workers share the objectives of the organisation**

If employees and management can see their goals as being similar, then all will pull in the same direction. Thus, it is important to explain the objectives and involve the workers in the pursuit of these goals.

Take the example of an organisation pursuing the goals of increased profits and growth.

Workers will need to be involved in these objectives, perhaps by being given shares so that they share in profits, and by being given the opportunities for promotion, so that they share in the goals of growth.

- **Ensuring that workers have a pride in their organisation**

Workers should be proud to be part of the organisation and management should give praise and show they value the contributions of the employees.

- **Work should be interesting, worthwhile and stimulating**

Every effort should be made to make even everyday tasks as interesting as possible; their value should be explained to the people doing them. Some very mundane tasks are really very important (take the example of the hospital laundry). Wherever possible, work should stimulate the worker; even ordinary tasks can be made more interesting.

- **Workers should be given as much freedom and trust as possible**

Morale will be improved if workers feel they are being trusted and treated as responsible adults.

- **Performance appraisal**

People like to know how well they, or their group, are doing. Sometimes healthy competition between groups can be encouraged and winners rewarded.

Morale can also be raised by good leadership; by positive feedback; by offering opportunities for staff development, learning, counselling; by providing good working conditions; by empowering teams to make decisions; by fair remuneration and reward systems; and by building team spirit.

Job Satisfaction

Job satisfaction and its opposite, job dissatisfaction, refer to the attitudes and feelings job holders have towards their work. Morale can be viewed as a state of mind dependent on the degree of job satisfaction experienced by an individual or group.

There is general agreement that job **dissatisfaction** can have harmful effects on both job holders and the organisation. Research has associated job dissatisfaction with all the indicators of low morale – high labour turnover, skills wastage, absenteeism, high accident rates, poor timekeeping and a lack of commitment to quality.

An individual with low job satisfaction may suffer frustration and stress. Although stress may arise from many quarters, it is the inability to deal with and manage stress that afflicts the individual who suffers job dissatisfaction.

Further, there is a link between job satisfaction and job performance. This may not be as clear-cut as was proposed by Mayo who argued that by increasing job satisfaction, the performance and productivity of workers could be increased. However, as we have seen in our study of Herzberg's work on motivation, where job satisfaction links with motivation then performance improves.

There is, therefore, a clear case for looking for ways of increasing job satisfaction.

The factors which influence the level of job satisfaction which a job holder experiences fall into two broad categories:

- (a) **Intrinsic influences** – factors arising from the performance of the job itself. These include whether the job has variety, whether it is challenging, whether it allows the job holder to use a wide range of talents or skills, whether the job holder has control over the work situation and whether his/her views influence decisions affecting the job.
- (b) **Extrinsic influences** – factors which fall outside of the doing of the job. These influences include the pay or salary earned for doing the job, fringe benefits that accrue to the job holder, how well the individual integrates into the work group (the work of **Mayo** is important in this context) and the nature of management and supervision (**Mayo** and **McGregor** stress this aspect). Success and recognition by superiors contribute to high job satisfaction.

Job satisfaction can, therefore, be increased by careful consideration of these factors.

There are a number of strands to this which we shall go on to discuss:

- The design of the jobs which people actually do, and the main approaches here have been in the fields of job rotation, job enlargement and job enrichment;
- Decentralisation and delegation of authority and responsibility, which allow employees a degree of freedom to direct their own activities and assume new responsibilities. Here the approaches may in terms of the organisation of working groups as well as in the structures of

authority and power within the organisation as a whole. We shall consider the latter approach later in the course.

- Participation and consultative management which will encourage people to direct their creative energies towards organisational objectives and to give employees some voice in decisions that affect them. Again, this will be considered later in the course, in respect of the exercise of authority.

B. JOB DESIGN

One of the most important implications of Herzberg's theories of motivation concerns the idea that job satisfaction and motivation can be improved by restructuring and enriching jobs so that they provide employees with more rewarding experiences. Job design and re-design are about finding ways of satisfying employees' needs while at the same time satisfying the requirements of the organisation.

The concept of job design did not, though, originate with the human relations school. Prior to that, much of Taylor's work was devoted to the specification of jobs, albeit with a different perspective.

Scientific Management Approach

Taylor's view was that all work processes can be systematically analysed and broken down into a series of discrete tasks, and that one best way can be determined to undertake each task. The main elements of this approach are:

- the detailed and careful analysis of all processes and tasks within the organisation to identify each component part;
- the review of all routines and working methods, using (principally) time and motion studies – what we would now just call "work study" – to find the best way to do the job
- the standardisation of all working methods, equipment and procedures, so that the precise way in which each task should be done can be laid down and monitored;
- the scientific selection and training of workers who would then become first-class at their particular jobs;
- the introduction of payment on a piecework basis which would both be an incentive to maximise productivity and produce high wages for the workers, although there would be penalties for falling below the prescribed standard – “a fair day's pay for a fair day's work” in Taylor's words.

The primary objective of Taylor and other proponents of scientific management was to determine the most efficient method of working, using what can be termed an “engineering approach”. Employees were regarded as just another production resource that could be organised to work efficiently in a predetermined way. The requirements of efficient operating practices dictated that the job came first and people would then be fitted into those practices.

Realisation gradually dawned, however, that in many cases the scientific management approach did not produce the expected results in terms of increased efficiency. Although a production line might be highly efficient in work study or engineering terms, the lack of job satisfaction resulted in a fall in motivation. This adversely affected overall performance, increased absenteeism and labour turnover, and caused a deterioration in industrial relations.

The Human Relations Approach

With the development of the work on motivation by, principally, Maslow and Herzberg, the focus of job design shifted quite substantially – away from scientific management’s concern with the mechanics of the job and extrinsic rewards (the carrot and the stick approach), and towards the concept of intrinsic rewards characterised by Maslow’s higher level needs and Herzberg’s motivational factors.

We can identify the two key strands of job design as:

- The achievement of organisational goals through efficient job performance; and
- Meeting the needs of the job holders for satisfaction from their work.

There is a potential for conflict between all-out organisational efficiency and the human needs of employees, e.g. extreme division of labour can be efficient but the work may be so boring as to destroy the job satisfaction of the job holders.

The tasks required of job holders will vary with different types of organisation and with the sorts of technology displayed, but every job will have its duties, responsibilities, methods and relationships between the job holder and other people working in the organisation. In the final analysis, these functions must be performed in a satisfactory way for the employee to retain his/her job. However, human needs for job satisfaction must also be respected and workers must be motivated to perform well.

Herzberg argued that motivation can be increased by redesigning the jobs which people do in organisations, and he suggested three techniques – job rotation, job enlargement and job enhancement. We shall examine these in detail below.

Management was initially sceptical of this approach in that they felt some jobs, at manual worker level especially, did not suit job design or re-design. They also felt that, at best, only some kind of compromise between employee and organisational needs could be made. Other equally valid observations were that there are many individuals in every workforce who simply do not want, or would not respond favourably to, added scope in their jobs.

However, studies have shown a more general contrary view. Walker and Guest studied job satisfaction among assembly line workers at American car manufacturers and found decisively that:

- the “engineered” job yielded high levels of output per man-hour at low cost, providing high profits for the company and low priced products for the consumer; but
- the workers despised their jobs, and their dissatisfaction did not spring from pay, working conditions or supervision, but from certain features of the work itself, principally:
 - (i) the anonymity of the individual, as a consequence of designing out of the job virtually everything that might be of personal value, such as work pace, complicated movements, skill and a sense of individualism;
 - (ii) the de-personalisation of the job in terms of a lack of vertical progression. Few workers in the study had had a change in job classification over a period of 12 to 15 years.

Other studies in the 1950s showed that such factors as increasing the number of tasks in a job, combining tasks that have similar technological content and skill demands, increasing worker responsibility by enlarging the area of decision-making concerning the job, and allowing workers to perceive how their contribution relates to the completed product, all brought about significant improvements in individual productivity and quality. Such measures also had other benefits – increasing the flexibility of the production process, permitting the identification and resolution of

individual deficiencies in productivity and quality, and reducing the extent of the materials delivery and inspection service.

Job Rotation

Job rotation is the simplest form of job restructuring or design and refers to moving workers from one job to another – even though these jobs are of similar level of skills, they do at least afford a change from boring routine.

The employee is given a greater variety of tasks, and for some this may give the opportunity of changing the actual working environment – for example, moving from a standing task to one which involves sitting down, thus avoiding physical strain. The advantages for management are that job rotation rarely leads to a need for additional machinery and tools, and employees become more flexible in their abilities and can cover holiday and sickness absences more easily.

There are, however, a number of problems that are associated with job rotation:

- If job rotation is imposed by management it may be resisted by employees if it interferes with the development and functioning of the work group.
- Some individuals may prefer to be excellent at **one** task, rather than good at **several** tasks.
- The training required is likely to be more complex and extensive and therefore more expensive.
- The changeover situation may cause problems, e.g. if a workstation is left in a mess, or if a task is left unfinished.

According to **Torrington and Hall** (*Personnel Management, A New Approach*) the amount of change for the employees concerned may be very limited. **Birchall** (1975) claimed that workers soon became familiar with each type of work and the actual work done was still repetitive, although he did report that Volvo workers in Sweden expressed themselves in a positive way about job rotation.

Job Enlargement

Job enlargement refers to ways of making a job less boring by introducing more variety, e.g. increasing the number of different tasks the worker has to perform.

This usually involves widening a job from a central task to include one or more related tasks, usually of the same type as the original task. This means that as the member of staff is doing a wider range of tasks he/she is less dependent on colleagues and can work at his/her own pace. It is argued that the gains in performance by the worker with higher morale outweigh any loss of production from making the work less specialised.

Job enlargement is often criticised on the basis that the enlarged job tends to consist of multiples of the original task and nothing of any significance is added that will improve job satisfaction or motivation. For management, job enlargement may lead to requirements for additional equipment, space and training, and staff may quickly become familiar with the additional tasks and the motivational effects may wear off.

An example of job enlargement was reported at the Endicott plant of IBM. The jobs of the operators were redesigned to include the tasks (previously done by other groups) of machine set-up and output inspection. In this case, benefits were reported to include improved quality, reduction in waste, less idle time (operative and machine) and huge cost reductions in set-up and inspection.

However, **Torrington and Hall** point out that research evidence relating to worker behaviour and attitudes to repetitive tasks is conflicting:

- Some workers seem to prefer repetitive jobs as they give a sense of security, and it may be this that gives the individual satisfaction.
- Enlarging a repetitive job may alter an employee's job in such a way that he/she can no longer socialise or daydream, and it may be this part of the job that the individual finds attractive!

Results of research into job enlargement indicate inconsistent findings:

- **Hackman and Lawler** (1971) reported that workers in varied jobs were generally more satisfied and performed better than those with less variety.
- **Kilbridge** (1960) found that after enlargement of some industrial jobs workers preferred the **pre-enlarged** jobs.

Job Enrichment

This is a more ambitious technique which incorporates the ideas of job enlargement but goes much further in changing the nature of jobs. It invariably involves the vertical extension of a job aimed at making it fuller and more personally involving and challenging. This goes far beyond giving the employee more tasks to do or job rotation, and provides the opportunity for greater achievement and recognition in respect of job performance as well as increasing the worker's involvement in the organisation.

Job enrichment programmes are usually built around the following principles:

- increased freedom in the job, such as letting an individual worker decide his/her own methods and pace of work;
- increased participation in the organisational context of the job, such as consultation on possible changes, more direct communication instead of reliance on impersonal formal channels;
- delegation of control over quality and decreased oversight by inspection;
- providing a more natural, meaningful module of work in place of highly specialised components – if not to the individual, at least to a work group (for example, co-operative bench-work rather than individual assembly-line work as developed by some leading car manufacturers and electronics firms);
- allowing employees to feel responsible for their own work performance, ideally including the provision of regular direct feedback on the quality and quantity of their performance at work.

In general, the worker is allowed to complete a whole or much larger part of a job, and the added tasks are often of a **different nature to the ones already performed** – this is the difference between job enrichment and job enlargement. Job enrichment may well expand the job to include supervisory or managerial functions and elements of decision-making.

Lawler, Hackman and Kaufman implemented an early job enrichment programme in 1973, redesigning the jobs of female telephone operators. Essentially the changes involved added initiative and a relaxation of the control mechanisms of the company. For example, operators were allowed to reply to customer requests in their own words, rather than in scripted phrases. They did not have to obtain the supervisor's permission to leave their posts to check records or go to the toilet. They were given discretion to handle lengthy or complicated enquiries as they thought best, and to help out operators engaged on other tasks during busy periods if they wished.

Job enrichment programmes are not without their problems. It implies a process of organisational change, and with any such process, difficulties are likely to arise:

- Technology – some forms of technology are strongly associated with boring repetitive jobs, and even Herzberg admitted that there are particular jobs which simply cannot be enriched (those he termed “*Mickey Mouse jobs, for Mickey Mouse men*”) where the only remedy is automation.
- Cost – some firms argue that, much as they would like to enrich the jobs of their employees, the cost of doing so would be so high it would make the firm uncompetitive. This has been a strong argument in industries such as car manufacture where there would be a significant capital cost in eliminating assembly lines.
- Trade unions – agreement is likely to be needed to implement change and this may not be forthcoming where the changes involve a dilution of demarcation lines between jobs.
- Workers themselves – Some workers prefer stability in their jobs and may feel threatened by ideas of making their jobs more interesting.

In order for job enrichment to succeed, both management and employees must be committed to change, but in many organisations changing attitudes takes a long time and not everyone is motivated by increased responsibility. It may be, then, that it needs to be developed in conjunction with appropriate remuneration packages.

Where applied successfully, however, the technique has been found to have a number of benefits – for example:

- Reduced manpower costs as fewer supervisors are needed when teams do their own checking.
- Labour turnover rates are reduced.
- Workmanship is of better quality.
- A reduction in absenteeism may occur.

In addition, job design and enrichment offer a number of opportunities in the modern business environment:

- In the absence of technological breakthroughs, real increases in productivity can only come from the more efficient use of the workforce.
- High labour costs have led to the need for the better use of people, and some form of job design can often achieve this result.
- Today’s workers are often better educated than their predecessors and consequently expect more from their jobs – they are not satisfied at work, this may be expressed by high labour turnover, poor workmanship and absenteeism.

Further, the international publicity given to such experiments as those which have taken place in such large companies as Volvo, Philips, Fiat, etc., has often prompted other work groups to ask for such “experiments” for themselves.

Principles of Job Design

The experiences of a number of behavioural scientists and industrial organisations have led to the development of certain “principles” of job design.

These principles are based on the identification of certain **psychological requirements** which are deemed to exist for the large majority of persons at all levels of employment. These are:

- (a) The need for the content of the job to be reasonably demanding in terms of other than sheer endurance, and yet provide variety.

- (b) The need to be able to learn on the job and to go on learning, and have some measure of freedom in the way in which a person carries out his or her work.
- (c) The need for an area of decision-making where the individual can exercise his or her discretion.
- (d) The need for social support and recognition in the workplace.
- (e) The value of work groups given a high degree of autonomy over the work situation, i.e. to a large extent self-managing groups. These groups allocate tasks and ensure members have variety of work and the satisfaction of contributing to the team performance.
- (f) The value of multi-skilling, i.e. breaking down the old demarcation lines between types of job and the constant updating of skills.
- (g) Sufficient challenge in the job to lead to a sense of satisfaction when the task is completed satisfactorily.
- (h) The opportunity to have social interaction when doing the job and at other times.
- (j) The establishment of agreed targets/goals and appropriate feedback of results.

Bearing these in mind, we can identify various dimensions of jobs themselves to provide a framework for their re-design in ways which improve the meaning of work for employees and, thus, increase their motivation and performance. One of the earliest to seek a structure for job design, in the late 1950s, identified five inter-related components which need to be considered:

- work content – the tasks involved in the job such as typing, inspecting, assembling, etc.;
- methods content – the manner in which the tasks are performed;
- structural content – the position of the job in the formal hierarchy of the organisation, the size and make up of the work group, the type of supervision involved and the spatial layout of the job;
- personal content – the physical and psychological requirement of the job, such as physical abilities necessary, level of fatigue and/or stress, etc.;
- reward content – the direct and indirect compensation attached to performance of the job.

More recently (1989), Hackman developed a rather different set of components based on how the employee relates to the job:

- skill variety – the extent to which the job involves different activities and requires different skills and talents;
- task identity – the extent to which the job can be seen as a coherent whole with a tangible outcome;
- task significance – the extent to which the job impacts on the lives or work of others (inside and outside the organisation);
- autonomy – the extent to which the worker is free from supervision and has independence and discretion in how the work is done;
- feedback – the extent to which the worker receives information about his/her effectiveness.

This typology perhaps gives greater scope for managers to develop strategies which make jobs more meaningful for individual employees and supports the development of “quality” in work performance. One example of such strategies is the development of autonomous work groups set up in some car manufacturing companies to replace the strict division of labour of the assembly line (as noted above). Others are the establishment of contact with clients or product/service users on the part of workers

who were previously cut off from any involvement with the recipients of their work, and the development of personal feedback channels, particularly appraisal schemes, so that workers know more about how they are doing and can also have their own say about the factors around them which influence their performance (including management).

C. REDESIGNING THE WORKING ENVIRONMENT

In the last twenty years the central issue in job design has moved away from a simple concern with meeting the higher motivational needs of employees through the content of jobs themselves. The concern now is much more with the skills required for work and the environment within which those skills may be appropriately deployed. The accent continues to be on the twin aims of the achievement of organisational goals through efficient performance and meeting the needs of employees for satisfaction from their work, but these are now being addressed through alternative working patterns which allow greater flexibility and responsibility to staff.

A number of developments, characteristic of this approach, are discussed here, and you should also note the role of participative management and delegation and empowerment policies as considered elsewhere in the course.

Autonomous Working Groups and High Performance Work Design

The development of autonomous working groups is based on the same principles as job enrichment, but applied to the work of the group as opposed to that of the individual. This approach to job design takes the totality of tasks for which a work group is responsible, and gives the group responsibility for all aspects of their completion.

AWGs are set up to be self-regulating, working with a minimum of supervision and being free to make certain work-related decisions. They are also held responsible for the outcomes of those decisions. The areas of responsibility that such groups assume include:

- setting its own performance goals, both quantitative and qualitative;
- the methods of work to be employed and the distribution of tasks within the groups;
- the supply and use of materials and equipment;
- the environment within which the group works;
- communications both within the group and with other parts of the organisation.

In some schemes, autonomous working groups have been given responsibility for determining their own leadership, which gives the group effective control over both management appointments and management style. Linked to this is the possibility of allowing AWGs to determine group membership.

High performance work design is an extension of autonomous working groups in which the group is given responsibility for achieving certain objectives and allowed to establish all aspects of the tasks involved and their completion, rather than working within a predefined set of tasks. This requires a higher degree of innovation in determining approaches to the achievement of objectives, and more flexibility in task performance. It is characteristic of more creative work – such as in advertising or design – rather than the more traditional factory work within which autonomous working groups have been introduced.

Both systems provide for intrinsic motivation by giving people autonomy and the means to control their own work, as well as placing that in the context of a group based on the requirements of task

performance and task interdependence. However, they challenge the organisation to provide the management context in which autonomy can genuinely flourish. This requires such commitments as:

- allowing staff to have ownership of their work;
- providing the necessary training and development for the staff involved;
- designing support systems which are flexible and meet the needs of the group;
- establishing clear project management responsibility to ensure accountability of the group to the organisation;
- providing full information to employees to enable them to understand and meet objectives.

Total Quality Management (TQM)

The essence of TQM is that every manager and every employee in an organisation has a responsibility for quality. Quality and quality control should not be the preserve of the quality control department.

The management writer **Tom Peters** encapsulated the ideas of TQM when he argued that management should be “obsessed with quality”. This means that quality should be the key strand that runs through all management thinking. It also implies that the whole workforce should be involved in the search for quality improvement and there should be a **culture of quality**, or “quality as a way of life in the organisation”.

TQM involves, therefore, the achievement of total quality by harnessing everyone’s commitment, from the top of an organisation to the bottom. This means that everyone is responsible for quality – a responsibility which impacts directly on job performance and commitment.

One aspect of this focuses on the relationships between employees and the demands they make on each other in the workplace. The idea is simple – each employee “delivers” a product to other employees that meets that internal customer’s needs. Thus, every employee is encouraged to act as both **supplier** and **customer**, the role depending on the nature of the transaction. A **quality chain** is then built up among employees and this is continued to the front-line where the product is delivered to the organisation’s customers. If the level of quality persists throughout the chain, the external customer’s needs should be satisfied.

TQM has been widely adopted. It can be readily embraced by all staff, not just among customer-facing personnel, and there is evidence that a TQM culture directly impacts levels of customer satisfaction. Under TQM, everyone in the organisation has an input into, and an effect on, the products delivered to customers – i.e. every employee’s behaviour matters. People are not just “cogs in the wheel” and just showing up for work is not enough. For example, back-office accounts staff should be shown that order processing and billing are not isolated book-keeping functions, but can contribute to the overall level of customer service.

One aspect of the way in which the commitment to quality is reinforced is by the development of **quality circles**. These are work groups – often voluntary – who meet regularly to consider and develop ways of improving quality and solving production problems. In Japan in one year it was reported that 2.6m suggestions were made by junior employees to management – and that 96% were taken up!

The introduction of quality circles can change the whole atmosphere of an organisation – it breaks down the “them and us” barriers as employees come to feel that they are important and valued members of the organisation, and provides a framework within which responsibility and personal development can flourish. It represents a genuine attempt to devolve control to employees and empower them in a way which can enable them to make a real contribution to the organisation’s goals,

as well as satisfying their own needs. There is also evidence that they are successful at improving employee-managerial relationships.

Quality circles have not been highly regarded by all management writers. Nevertheless, there is evidence that they have been influential in raising overall quality in organisations, although there has to be continuous effort to maintain or better the initial production or efficiency improvements they deliver.

Multi-skilling

Two developments in current working practices have concentrated attention on the need for a multi-disciplinary workforce, skilled not just in one particular area of work but able to work effectively in a number of areas as the situation demands. The increasing demands of customers/clients/service users for goods and services which meet their own particular requirements, rather than some common denominator, requires that shorter, more tailored production runs or individualised service plans are produced. Responding to this means that organisations need less highly specialised work groups and more flexibility within the workforce to adapt quickly to new requirements. Staff will need a variety of skills to cope with the many and varied demands placed upon them.

It has become apparent that, far from simply de-skilling workers, certain applications of information technology and other technological developments have opened up new areas of work requiring increased worker skills. For example, the replacement of many routine, specialist clerical tasks by transaction processing systems and their linking into management information systems, allows staff to concentrate on the individual service that clients or service users get. Staff need to acquire new skills in customer service, use of computers, understanding and acquisition of information, etc.

Hot Desking/Hotelling

Many organisations have staff whose jobs involve them being out of the office for a significant amount of their working time – attending site visits, visiting clients/customers, etc. Alternatively, companies may employ consultants or support staff who only come into the office occasionally but have their own desk available to them permanently. Increasingly, too, with the developments that have taken place in communications technology, staff can work from home, the train if they are travelling long distances, and even from their car, if necessary.

In order to save accommodation space, and the associated costs, hot desking/hotelling is a working system that has been introduced in some companies. No longer does each employee have their own desk/workstation, with drawers filled with their personal belongings. Rather, the desk is “depersonalised” and available to be used by anyone coming into the office, usually on a pre-booked basis. Hot desking/hotelling means that a smaller space produces the same or better output than before.

Savings that result from reduced accommodation can be significant for organisations, but some staff do feel that they no longer have the security and stability of their own desk in the office, and that they lose personal involvement with their work colleagues.

Teleworking

Teleworking, as defined by *Teleworking Handbook*, is:

“..... working at a distance from your employer, either at home, on the road, or at a locally-based centre. Teleworkers use computers, telephones and faxes to keep in contact with their employers or customers.”

It has been the advance of this modern technology that has made it feasible for many people to carry out their jobs without working from an office. For example, a large insurance company in Surrey reorganised its sales structure and closed many of its regional offices. It found that it is far cheaper to set up individuals with the technology required to work from home than to run expensive offices in large cities. Many organisations are following suit, including the Nationwide Building Society, Lloyds/TSB, Scottish Widows, the Co-operative Bank and the Britannia Building Society.

Certain types of work lend themselves more easily to teleworking – for example, data processing, sales representatives, etc. – whilst other jobs are better carried out at an office. Equally, teleworking is not right for everybody. Teleworkers have to be disciplined and organised to ensure that the work is completed; they must also be content to work mostly alone at home.

It is also important to consider the office staff with whom the teleworker has to liaise. They need to be sensitive to the fact that the teleworker may only be in the office occasionally and that if they need to see them, they must organise themselves to see them that day. They, too, need to be organised and disciplined in the way they work.

In some organisations teleworkers are retained as staff, whilst in others they work freelance, which means having to run their own business, control budgets, etc., which does not suit everyone.

For the employer, it can be a benefit to employ someone as a freelance contractor rather than a full member of staff. Staff benefits (e.g. pension contributions) do not have to be paid, the employer does not need to worry about National Insurance contributions or tax as these will be handled by the contractor (although the employer should check that this is being done properly so that the Inland Revenue does not look to the employer for payment of any unpaid tax). Contractors can be employed on a series of short-term contracts rather than earning employment rights as employees. They can be employed just while there is work available and then re-employed when there is a further demand, whilst employees will continue to be employed even through slack periods of work.

The **advantages** of teleworking include:

- A substantial increase in productivity, generally because of the flexibility the employee has to work when and where they want, without being confined to the 9.00 am to 5.00 pm restrictions.
- The ability, on the part of the teleworker, to organise work commitments around other commitment, principally in respect of the family.
- No travelling to work - no time wasted waiting for trains or in traffic jams, and no money spent on commuting.
- A considerable reduction in office overheads.

The **disadvantages** of teleworking include:

- Some organisations are concerned about the security of confidential and sensitive material.
- Technical support has to be organised for the maintenance of complex equipment.
- The training of staff has to be organised at a remote facility, or by recalling staff to the head office.
- The difficulty that some people have to maintain the self-discipline and motivation required to work on their own.
- Lack of face-to-face contact with fellow workers.

Job sharing

Job sharing occurs when the duties of a full-time post, and its salary and conditions of service, are divided between two or more people, who may work in any of the following ways:

- a split day
- a split week
- alternate weeks.

The concept of job sharing has been around since the 1960s, but its use has really taken off in the last twenty years. In particular, it has been associated with the introduction of equal opportunities policies designed to give women more chance to continue their careers by combining work with family commitments in a formal, flexible way. For employers, job sharing extends the potential pool of recruits to include those, especially women, who may not want to work full-time, and also enables the retention of skilled staff who may otherwise be lost to them. The public sector has been at the forefront of developments in this area as part of its commitment to equal opportunities.

Job sharing is often not as easy in practice as in theory. The division of duties and responsibilities between job sharers, and liaison and continuity, are extremely important, particularly where the job is providing a service to internal or external clients.

Flexible hours

Flexible working hours were initially seen as a way of overcoming travel-to-work problems and as an aspect of conditions of service which would both attract and retain staff. They are undoubtedly seen as attractive to employees, offering a degree of autonomy in organisation. However, flexitime can also be seen as a means of achieving better management control of employee working hours, and may in addition help control overtime costs.

Whilst most flexitime schemes operate on a weekly and/or monthly hours basis, a number of schemes have been developed around the concept of annual hours. Such schemes offer even greater flexibility to deploy staff as required in respect of, for example, seasonal variations in need.

D. UNDERSTANDING STRESS

With the growing emphasis on the individual to take responsibility for their own performance in a fast changing workplace, stress has become an important consideration in many organisations. It may be closely linked with aspects of morale and the organisation of jobs and work – being brought on by pressures and problems in the work situation. Understanding the nature and causes of stress is, therefore, a key element in designing the working environment to suit the needs of both the organisation and the individual.

Psychologists define stress as “*strain experienced by an individual over a period of time which impairs the ability of the individual to perform his or her role*”. Strain – or pressure – itself is not intrinsically bad. A certain level of stress in response to pressure represents the physiological reaction of our bodies to difficult situations, usually associated with threats or perceived threats to our well-being. It generates the “fight or flight” responses which have been fundamental to the survival of our species over the years. It can, then, be beneficial in stimulating work performance. However, when stress levels rise to the point where an individual cannot cope with them, there are harmful results. Stress can produce severe physical or mental symptoms. Furthermore, such symptoms of stress as tiredness, headaches and irritability can lead people into other problems like heavy drinking or excessive smoking, which set up a vicious circle by creating even worse physical problems.

Thus, we can classify stress under two headings:

- **Psychological stress**, which manifests itself in feelings of emotional distress, like anxiety, excessive worry and depression.
- **Physiological stress**, which manifests itself in pain or physical discomfort. Physical symptoms like abnormal blood pressure or heart-beat can be detected.

Causes of Stress

There are many causes of stress, not all of which are work related. However, stress caused at outside the workplace cannot simply be compartmentalised and ignored – stress, whatever its causes, will impact on work performance.

The main causes of work-related stress are:

- **Working conditions** – pressure of time at work and high work demands with a low level of influence and control over the work situation can contribute to high stress levels.
- **Work overload** – individuals are at risk from stress if they are unable to cope with the work tasks set for them.
- **Work role problems** – stress may arise where there is role conflict (i.e. when the individual is called upon to perform different roles at the same time) or role ambiguity (i.e. when a person does not know what is expected of him/her in the work situation).
- **Excessive demands of work** – some jobs take so much out of the job holder that he/she is drained and exhausted.
- **Interpersonal conflicts** – personal and emotional conflict with fellow workers can lead to stress.
- **Poor communications** – a lack of good communications can give rise to frustration and feelings of isolation at work and these can cause stress.
- **Conflicting loyalties** – if an individual has too many bosses, all calling for attention to their instructions, this can give rise to stress.
- **Fears of change** – job insecurity or fears of the effect of new technology can give rise to stress; also the fear of feeling trapped in a dead-end job with little hope of career development can be stressful.
- **Commuting or travelling to work** – journeys through heavy traffic or by crowded trains to and from work can be stressful.
- **Personal circumstances** – outside work conditions like bereavement, divorce, domestic problems, financial problems, etc. can interact to make work conditions more stressful.
- **Boredom** – underemployment and lack of interest or stimulus at work, or as a result of unemployment or retirement, can cause apathy, depression and stress (which is contrary to the general perception of overwork being the prime cause).

The above summary of the causes of stress tells us that we are dealing with a complex problem; it is widespread and can affect people at all levels of an organisation. Note particularly that the stereotype of the overworked executive as being the prime candidate for stress does not carry through in real life – often more lowly employees have higher stress levels. Top people can compensate for the demands of their jobs by greater autonomy, more support from colleagues and greater financial security.

Personality and Stress

We all experience stressful situations and events. How these stresses impact on one person may be very different from the way they affect his/her colleague. Why?

Research has identified two personality stereotypes, A and B. Whilst most people will tend to share some of the personality characteristics of both types, the predominant type gives clues about the stress levels of a person's life and the likelihood of him/her suffering from stress-related illnesses like high blood pressure, heart disease, etc.

- **Personality Type A**

These people set themselves precise and high personal goals and career objectives, and they expect both subordinates and superiors to behave in this way. In pursuit of these high standards they are aggressively competitive and extremely hard-working. Success at work is crucial to them.

Again because of their personal high standards, they do not trust subordinates to do the job properly; hence they find it very difficult to delegate, and this throws extra work pressure on Type A people. They tend to be inflexible both in their way of working and in their view of the structure and functions of the organisation. Type A people are work-oriented with few interests outside work itself.

The characteristics of Type A people are likely to precipitate the very situations which lead to stress, e.g. conflicts with other managers, impatience with subordinates, criticisms of superiors. Type A people work almost too much and their lack of relaxation adds to their proneness to stress.

- **Personality Type B**

In contrast to Type A, Type B people are able to relax; they are flexible and more adaptable. Type B have empathy, in that they can put themselves in other people's shoes and take account of how others feel. Type B people prefer co-operation to conflict. They are not so openly ambitious but they achieve the development of their careers through proper use of their talents.

Type B people do not tend to create stress-inducing situations, so are less likely to suffer stress.

Tackling Stress

Management psychologists argue that stress can be tackled at two levels.

- (a) **The personal level**

Individuals can do a great deal to reduce their stress levels themselves. Firstly, they must admit to themselves that stress is a problem – some people see this as a sign of weakness, but experts consider it an essential first step to coping with stress.

Next, individuals need to test the reality of their worries and concerns – are these arising because of something in their own personalities (such as a lack of confidence in certain situations) or are there objective causes in the work situation? If the problems are personal, the individual must find ways of tackling these. If the problems are organisational, this is a problem for management.

In terms of the workplace, there are a number of ways in which the stress induced by the types of situations described above may be controlled and reduced.

- **Manage time effectively**

Poor time management significantly impacts on people's stress levels, and the techniques of time management can be effective in coping with work overload. These include setting realistic goals, deciding on priorities, finishing one task before starting another so that you always feel in control, organising work so that you can find things when they are needed, and allowing time for urgent problems and contingencies.

- **Take regular breaks**

Concentrated periods of work require you to take a break to refresh your mind and/or body. You must relieve the pressure for 5 or 10 minutes every few hours. Eat light but regular meals and avoid too much coffee or alcohol.

- **Be realistic**

Sometimes you have to say "no" – you cannot always take on more or bring forward a deadline. Do not feel bad about being realistic.

- **Talk about problems**

Share problems with a colleague or friend. Get advice and opinions. Consult your line manager without abdicating your responsibility.

- **Relax and exercise**

It is not simply a business perk which has motivated many companies and training centres to install a gym or swimming pool into their premises. Exercise helps to release the stress of the day (it's like the physical exertion associated with the old fight and flight option). Relaxation, perhaps with a good book or in the form of meditation or yoga, will help you to control stress.

- **Do other things**

Do not let work take over your life. Establish outside interests which will help to keep you fresh and creative. Work hard, but play hard as well. This will help you to reduce stress caused by neglecting friends and family as well.

Take breaks and holidays regularly. Change the wallpaper(!) either by doing something different, like DIY, or by going away. Remember "a change is as good as a rest".

(b) The organisational level

Organisations have a part to play in reducing stress at work. This can be done by organising the conditions and requirements of the workplace and the job in such a way as to minimise those situations which are likely to cause stress. This is clearly in the organisation's own interests as well as its employees – by the time stress has become apparent, some of the damage will have already been done and the individual's performance been impaired, with a negative effect on the work team or the achievement of organisational objectives. It is also likely that, increasingly, organisations will be held to account for the damage caused by stress in the same way as is common now for other aspects of the health and safety of employees.

The measures which may be taken include:

- Ensuring there is a pleasant working environment.
- Making certain that all staff have training in time management and delegation.
- Having regular open communication so that opportunities to discuss problems and worries are readily available.

- Developing a strong feedback system to ensure that problems with workloads and deadlines are quickly identified.
- Ensuring that there are sufficient resources available to allow employees to do their job effectively, without being under unreasonable pressure of demands and deadlines.
- Being aware of the particular problems of change and the anxiety it causes.
- Developing a management ethos which encourages listening to and understanding staff as individuals with their own responses to pressure.

The manager who is already doing his/her job in terms of ensuring a healthy work environment, motivating and communicating with staff and ensuring they have the necessary skills to do the job, will already be doing a great deal to manage stress in the workplace.

Study Unit 6

The Nature of Groups

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INTRODUCTION

Without attempting to delve too deeply into the characteristics of human beings, it is commonly accepted that each individual, throughout his/her life, is shaped by two main forces: firstly, inherited characteristics and, second, the impact of the physical and social environment. These factors affect individual personality, objectives and the relationships formed, and how he/she will behave in any given situation.

We are concerned here with the way in which the individual co-operates with others, since this is the basis of productive organisations, and central to this is the concept of the group. The groups to which people belong are key parts of the social environment which shape the individual and we shall examine not just the nature and characteristics of groups themselves, but the way in which they influence their members.

Our study of groups is effectively in two parts. In this unit, we consider groups as entities in their own right – their characteristics and influence on the individual. In the next unit we shall examine groups in the context of the organisation, looking at the ways in which they can be both positive and negative assets.

A. WHAT IS A GROUP?

How do we define a group? It is too easy to say that a group is an agglomeration of individuals and leave it at that. If we saw a collection of people on a train for example, we would not say that they were a group – merely a gathering or collection of people. There must be something more to it for it to become a group. How could that collection of people on the train become a group?

The word “group” has a particular meaning – it does not refer simply to “several people”, as it might if used in casual conversation.

- Psychologists define a group as a collection of two or more people who are aware of each other, who have a shared goal, and who can be regarded as a collective unit.
- Sociologists define a group as a collection of individuals involved in regular patterned interaction with each other, sharing similar values and goals, and who feel conscious of belonging to the group.

Let us suppose that they leave the train and, en masse, go to complain to the station manager about the train being late, demanding an explanation and their money back. At that time, we could say they were a group. What has happened to make them a group as opposed to a collection of individuals? The “something” that was missing before is collective action for a common purpose. In the act of complaining the individuals have come together in some form of interaction in pursuit of a common goal.

The study of groups has attracted many researchers and there are a variety of definitions of what constitutes a group. Cartwright and Zander offer possibly the most lengthy and cumbersome, but one that is very comprehensive.

“When a set of people constitutes a group, one or more of the following statements will characterise them;

- they engage in frequent interaction;
- they define themselves as members;

- they are defined by others as belonging to the group;
- they share common norms concerning matters of mutual interest;
- they participate in a system of interlocking roles;
- they identify with one another as a result of having set up the same objects or ideals;
- they find the group rewarding;
- they pursue interdependent goals;
- they feel a shared sense of collective responsibility;
- they tend to act as one toward the outside world.”

If we consider our group of disgruntled passengers, we can see that they fit some, but not all, these characteristics. Cartwright and Zander suggest that the more of the attributes that a set of people possess, the closer they are to being a fully fledged group.

As noted, this comprehensive list of group attributes is somewhat cumbersome. It also, possibly, overstates the case in that groups can exist with less than the full complement of characteristics, although they may be relatively impermanent and quite loose. Perhaps, then, we could synthesise this to a shorter, more practical definition which maintains the essential elements of interaction, identification and common goals.

A group comprises two or more individuals who interact in the collective pursuit of a common goal. They share values and goals, are involved in regular activities together, and identify themselves as members of the group and are identified as such by others.

The groups to which we belong

We all belong to many groups. It is an interesting exercise to write down the various groups to which you belong and consider what you get out of them and how they influence you. Try doing that at the end of this section.

Individuals join, or are members of, groups for a variety of reasons. Some we have no choice about, such as family, particular work groups (after making our initial decision to join an organisation) or sometimes a trade union where it is a condition of employment. At other times, we join because we feel we have no choice – there is a strong, social pressure to belong to the group, such as a regular Friday lunch-time visit to the pub by the people in your office, and not to join would cause difficulties. Where there is an element of choice, the kinds of factors involved include:

- sharing the common goal of the group or purpose of the group (such as to raise funds for a son’s scout group);
- enjoying the activities of the group (such as a shared interest in painting or sailing);
- attracting to or liking other members of the group;
- a need for affiliation, or belonging;
- seeing the group as instrumental in achieving other goals (such as joining a golf club in order to make business contacts).

It is an interesting comment on the many aspects of personality that we belong to so many different groups, and that they can satisfy so many different needs and interests of the individual. Indeed, it is not uncommon for people to belong to groups which have apparently conflicting goals and norms of behaviour or opinion.

Is there some way of classifying groups to make a bit more sense of this myriad of different types to which we belong? The main classification is into two categories – formal and informal.

- **Formal groups**

Formal groups are those created to fulfil specific goals and/or to carry out specific tasks. They usually have some official status bestowed on them, either by the society or community at large, or an organisation which created them. Often they will have definite structures, with laid-down rules and group processes, and formal roles. And importantly, they tend to be permanent.

Examples of such groups are a trade union branch, departmental work group, local political party, parent-teacher association, branch of Greenpeace, football supporters' club, ex-college/school societies, etc.

- **Informal groups**

Informal groups are those which are created by the individual members for the purpose of sharing a common interest and/or serving their common needs. These groups emerge from the interactions of individuals, often within formal groups (and sometimes having all the same members), and are likely to be far less structured. They may or may not be permanent, existing only for as long as they continue to serve the common interest or needs of their members.

Examples of such groups are family, friends, colleagues who go out for a drink together, people who jog together every morning, an art class, the disgruntled passengers from a train complaining to a station manager.

Not all groups are clearly formal or informal but there are degrees of formality and/or informality. Figure 6.1 shows a continuum ranging from the completely informal to the completely formal group. Most groups can be placed somewhere along this continuum.

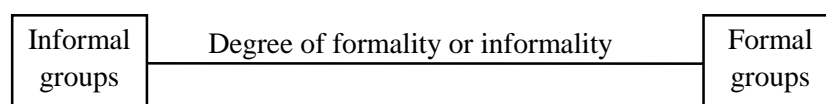


Figure 6.1: Continuum of Formality

Classification of groups is further complicated by the fact that formal groups often contain within them smaller, informal groups – so it is possible for an individual to be a member of a formal and an informal group simultaneously. Also, informal groups can sometimes become formal groups. For example, if our group of complaining rail passengers (or some of them) started to meet regularly and formalised their existence with a structure and roles, clarified their goals and became recognised by others – other rail passengers, the Railway company or the media – as a legitimate voice in respect of those goals for, say, the London to Birmingham line, then they could be said to have become a formal group.

Because of the difficulties in using the formal/informal classification, other classifications have been suggested, based upon different criteria.

- **Primary groups**

These are characterised by close, face-to-face interaction between members; the groups are small and interactions are spontaneous. An example would be a small group of friends.

- **Secondary groups**

Here we find a more impersonal interaction between members; association is based more on reason than on sentiment. A department in an organisation would be an example of a secondary group.

Again, no group is completely primary or completely secondary, but they are found on a continuum between the two extremes.

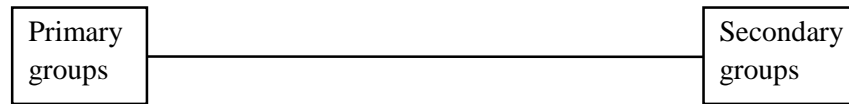


Figure 6.2: Continuum of Primary/Secondary Groups

Where personal and emotional needs are well served by the group, it is likely to be found near the primary end of the continuum.

We shall return to look at these types of group again when we consider the role of groups in the organisation. For now, though, before we turn to examining the characteristics of groups, draw up your list of groups to which you belong and make a few notes about each as to why you belong and what purpose it serves (for you). You will find this useful as we go through the next section looking at how groups operate.

Synergy

One last element to note in this introduction is the concept of synergy. This is the combined force or effort of the group members in working together towards the common goal. It is akin to the sum of the whole being greater (hopefully) than the sum of the individual parts.

One important reason why groups form is that collective action can be more productive than individual action. It is likely that more money could be raised for a new school minibus by the combined efforts of a group of parents than by a few parents acting alone – they will be able to organise bigger events, draw more people into the fund raising effort, etc. So, whilst some of the members' efforts will be diverted from the common goal into developing and operating the group itself (a feature known as “process loss”), there are still gains to be had from working together as a group.

Hopefully, in any group, the gains to be made from collective action over individual action will outweigh any loss from the operation of the group itself. This is called positive synergy. It is not uncommon, though, for the opposite to happen (negative synergy) and we have all probably been in situations where the processes of the group itself are so protracted, time consuming and energy sapping that you question why it exists. This is the “its easier to do it myself” syndrome. The difficulties in decision making, for example, experienced by some political or trade union groups can significantly detract from their operational effectiveness and bog the members down in long procedural wrangles and disputes about goals.

B. THE CHARACTERISTICS OF GROUPS

We shall look at three key concepts in this section – norms, roles and group cohesion. These are important in defining the influence that groups have on our lives in general and at the work place.

Norms

All groups have a set of rules governing appropriate behaviour, opinions and attitudes. They are rarely, if ever, actually set down as a code, but nevertheless they exert tremendous power over members. These expected behaviours, etc. are called norms, and they regulate social interaction and help to maintain the identity of the group.

Every society has different norms of behaviour which have to be learned when we travel to a new country. For example, in most countries in Europe you do not go up to the counter of a pub or cafe to get your drinks – you sit down and wait for someone to come and take your order and you pay when you have finished and are about to leave, again paying a waiter at your table. This is completely different to behaviour in British pubs, and pity the Italian, say, who sits waiting to be served in a pub here! Just as societies as a whole have norms, so too do particular parts of the society – regions and communities. These are the “ways of life” which make for variations within a country and define, to some extent, what it is to be, or what we perceive as, a Scot or a Londoner, or an East Ender, etc.

A similar process occurs with groups, although group norms tend to be concerned with more detailed aspects of behaviour and views, etc. There will be expectations about what members should wear, how they should speak (the amount of swearing tolerated, for example), social behaviours like eating and drinking patterns, attitudes toward government or authority in general, political views, etc., etc.

Turn back to the list you made of the groups to which you belong and make a note of a few of the different norms applicable in each. It is likely that they will vary enormously and you will behave quite differently in some groups as opposed to others.

What purpose do norms serve, how do we acquire them and why do they exert such a strong influence on us?

(a) Purposes of norms

Cartwright and Zander suggested that norms can be classified into three groups – those associated with performing group tasks, those associated with maintaining the group, and those which define relationships between people (both inside and outside the group). These three categories are aspects of groups which we shall meet again in different parts of our study of people in organisations since they represent the main functional purposes of groups.

- Task norms develop to influence the way in which the group will achieve its goals. They include such elements as the standards of quality acceptable to the group, the amount of work to be done, etc. These norms may or may not be the same as those expected by the formal organisation for a work group.
- Maintenance norms develop within the group in order to keep it together. They include particular forms of social interaction (style of speaking, games played between each other, topics of conversation, etc.) and group rituals such as having lunch at the pub on Fridays or rotas for getting coffee. These help to define the group as different from others, aiding identification with (and of) the group.
- Relationship norms develop to establish common ways of treating different people. These include attitudes and behaviours to individuals – particularly management – or to other groups. Thus, group A may have good relations with group B, but not with group

C, and members will be expected to adhere to those relationships, even new members who may previously have had good relations with group C.

(b) Acquiring norms

It is not easy to know what the norms of a different group are at first. When we travel abroad we now have guide books to tell us key things in terms of behaviour, but nobody provides you with a code of expected behaviour when you join a new employer or a squash club. We have to learn what is appropriate by trial and error, although we usually have some notion of a kind of bottom line in non-offensive behaviour which can be adopted at first.

The process of acquiring norms is known as “socialisation”, and is a process we embark on from the earliest days of childhood and continue throughout life as we encounter new and different environments. Essentially, the process comprises the assumption by the individual of the attitudes and behaviours displayed by others as acceptable in the circumstances and/or among each other. It takes place in part by intelligent review and action, and in part by successive approximation in structuring one’s own behaviour and relationships to the norms.

When the appropriate behaviour and attitudes of others in the group have been assumed totally by the individual, they are said to be “internalised”.

(c) Conformity

There are very strong pressures on us as individuals to conform to the expected norms of any situation we find ourselves in. These pressures derive primarily from the “sanctions” available to groups.

Sanctions may be positive or negative:

- Positive sanctions constitute rewards for appropriate behaviour, and include approval, bestowal of (improved) status, recognition, etc.;
- Negative sanctions constitute punishment for inappropriate behaviour, and include rejection, lowering of status, disapproval, etc.

These are very powerful weapons when dealing with individuals’ sense of belonging and satisfaction of needs. People have a need to be accepted and be in the right. They will conform out of a desire to be liked or to belong, and from a fear of rejection or a desire not to jeopardise the success of the group and incur disapproval. Consider how you were as a child or a teenager – at these young ages, the urge to conform is very strong and leads to a need to be dressed in certain ways, support particular football teams, adopt particular attitudes towards school, etc. As we mature and our individuality increases, differences from the rest of our peer group and our dependency on acceptance matter less, but we still have that need to belong and not feel rejection.

An interesting experiment in assessing this pressure to conform in groups was conducted by Asch. He selected small groups of college students who had to judge the lengths of lines. However, in each group, all but one student had been instructed beforehand to give incorrect answers after a short initial period to allow the group to settle. The student not in the know – the “naïve subject” – sat at the end of the row and heard all the others answers before giving his/hers. Asch found that 37% of the naïve subjects conformed to the incorrect views expressed by the other members of the group, and most of the others who did not conform felt under considerable pressure and expressed a desire to agree. These findings have been confirmed by similar experiments in other situations.

(d) Deviance

So far we have assumed that people will accept norms and, in general, they do so. However, certain individuals do not internalise the group norms as their own and, either at certain times or even all the time, behave in unacceptable ways. This constitutes deviance.

Deviance was a favourite area of study for early sociologists and the classic work on the subject was done by Emile Durkheim early in this century. He used the term “anomie” to describe the concept of deviant behaviour, a term which underlines the sense of alienation from the prevailing group norms. Durkheim’s contention was that, in any continuing social relationship, a set of norms will automatically come into being and, therefore, by definition anomie or deviance cannot exist in a stable relationship. However, where there is any doubt about the relationship, a feeling of disassociation or alienation from the society or group with which the individual would normally be profitably interacting can ensue.

Disassociation is caused by a failure to internalise the group norms, and this can arise from a number of factors, including:

- personality disorders – either temporary or permanent (such as, for example, the psychopath who does not accept the need for conformity);
- conflict with other behaviours and norms derived from membership of other groups, with the strength of disassociation depending on the relative strength “belongingness” to the different groups (consider the position of a committed Christian in a group where casual profanity is the norm) – with particular problems for society in general arising from differences based on norms of social class, racial or age (especially “youth”) groups;
- dissatisfaction with the appropriateness of the norms in relation to the achievement of the group’s goals.

Deviant behaviour is not necessarily a problem for the group. Groups can benefit from the challenge of new ideas and approaches, and indeed can be said to need such behaviour in order to progress and move forward. It is, however, more of a problem for the individual where it can put his/her acceptance as a member at risk. Conformity in a group tends to be greatest in the middle of the group status system – those at the top and bottom of group esteem are less subject to group pressures. Those with less status have less to lose, whilst those with great esteem may be seen as having built up “credits” in the group which permit that member to do things different from the usual behaviour and instigate change.

Roles

A role is a position in a social system characterised by the rights and expectations which society has of people in that position.

Roles exist in nearly all social situations, and particularly in groups. In most formal groups, these roles will be officially recognised, so we have a chairperson, secretary, treasurer, etc. These terms also apply to jobs – a set of activities which the position holder is required to undertake. However, the concept of role goes further than these activities to describe a set of expected behaviours in relation to social interaction and the group.

The anthropologist Robert Linton suggested five kinds of social systems giving rise to roles:

- age/sex groupings – for example, man, young woman, etc.;
- family/household groupings – for example, mother, grandfather, married woman, carer, etc.;
- prestige/status groupings – for example, customer, chairperson, leader, mayor, etc.;

- occupational groupings – for example, cleaner, clerk, administrator, manager, etc.;
- friendship and common interest groupings – for example, friend, club member, competitor, etc.

From a person's position in a social system, he/she is expected by those in the social system (the group, the community, society at large) to act in a particular way. And he/she is conceded certain rights because of that position, in that people will act in a certain way towards him/her. There is usually a rough balance between these expectations and rights, so that the rights accorded to a role motivate the holder to meet the expectations of others, and conversely those around the holder, knowing the rights conceded to him/her, feel entitled to have their expectations met.

To illustrate this, consider the role of leader in a group. As members of the group, we would expect the leader to make decisions, take responsibility for carrying out certain activities, represent the group to outsiders, etc. In return, we are likely to defer to him/her in decision making, give him/her respect and status, and generally accept his/her leadership.

There are a number of ways of categorising roles in groups in terms of the contribution that an individual can make to the group. We shall examine these later in considering groups in the organisation. For now, we shall go on to examine certain aspects of role for the individual.

(a) **Certainty**

Roles provide a source of stability and certainty in social situations. Knowing the roles of people in a given situation helps us to understand the kinds of behaviour to expect and how to behave ourselves. Thus, when we enter a shop we adopt the role of customer, seek out the shop assistant and conduct a conversation based on these roles. If the shop assistant does not act in his/her role – i.e. his/her behaviour is inconsistent with the expectations of the role – it can be very unsettling and is likely to result in the situation being ineffective and abandoned.

(b) **Role sets**

Individuals hold a variety of roles in different situations at different times. Apart from roles arising from transient situations (like customer, competitor, etc.), we each hold a number of permanent roles in the various groups to which we belong. For example, one person's "role set" may be:

- father
- manager of work group
- tutor
- trade union member
- badminton club member
- secretary of local Labour Party branch
- etc.

What about you? What roles do you have. Go back to your list of groups and make a note of the various roles which you have in different aspects of your life. It is surprising that you are likely to have five or six main roles in your role set – five or six different patterns of expected behaviour and accorded rights.

(c) **Role problems**

There are three classes of problems arising from roles:

- role conflict – where there is a difference between the expectations that others have of the role, as in the role, say, of a head teacher who has to deal with a number of different expectations of his/her position from teachers, pupils, parents, governors and the local authority, etc.
- role ambiguity – where there is inconsistency in the expectations of the role (rather than conflicting expectations), as in the situation of a manager's autonomy and responsibility for certain areas of work being sometimes respected and at other times, being undermined by more senior managers;
- roles and change – where individuals are resistant to changing roles, fearing the uncertainty and frustration that this can cause. This applies both to the holder of a role and to those around him/her – for example the changed role of women in society can be a source of difficulty for both women and men.

(d) Roles and Status

Status (a person's standing, rank or position) within the group often matters deeply to each member.

The individual employee gains status in various ways, for example:

- technical competence – the “*best fitter in the shop*” – achieves recognition when selected to train the newcomer to the group.
- general knowledge – “*Chris will be bound to know*”.
- the court jester – “*Cheers us all up*”.

Status is divided into two categories:

- (a) **Intrinsic**, where the individual is respected for personal abilities and characteristics, e.g. the “*best accountant in the organisation*” – this kind of status is also called **prestige**.
- (b) **Derived**, where status exists by virtue of the post occupied.

Derived status comes from the formal organisation; and it does not necessarily earn the standing in the group, which is the definition of status. Indeed, the higher someone's derived status, i.e. position in the organisation structure, the higher their performance needs to be to earn intrinsic status. The supervisor who comes to be accepted and respected by his work group as its informal leader has acquired intrinsic status.

Derived status is a wide-ranging feature of most organisations. Those employees outside the offices have little idea what significant “badges of rank” exist there – which manager/supervisor may have a rug, a carpet square or a fitted carpet, or who gets the workstation near the window.

The supervisor must realise that there may be similar distinctions in informal groups and that ill-feeling and anger can result from ignoring these distinctions. Jobs on the same rate of pay are, in the operatives' eyes, graded: a case is recorded of a lavatory cleaner who threatened to leave because she was asked to clean the canteen ovens. Upsets over status are a common cause of negotiations with trade unions.

Since intrinsic status is the way a group rewards its members, the group may also apply certain sanctions to enforce conformity to its own ideas. Ridicule, coldness or being unhelpful are normally as far as the members need to go to bring the deviate to heel, but these sanctions are rarely needed. Discipline within informal groups relies primarily on the individual member's response to his or her needs for social recognition.

Role and status are important because:

- A person's formal role very often differs from his informal role.
- Positions can be created which put the job-holder in a role-conflict situation, and role conflict should be avoided, if possible.
- People gauge the status of others not by careful analysis, but by material status symbols, e.g. size of office.
- Too much emphasis on status within an organisation may inhibit communications and reduce Cupertino.
- Activities and expectations officially laid down for a role may be different from what happens in practice.

Group cohesion

Group cohesion is the degree to which the group stick together. There are a number of measures of this including its attractiveness to members such that they want to stay in it, and the extent of interpersonal relationships and interdependence in pursuit of goals.

Group cohesion can have important consequences for organisations which we shall consider later. However, we shall examine the factors which contribute to group cohesion here.

- **Homogeneity**

Perhaps the most important of these determinants is the extent to which members share similar attitudes and values. This conditions the degree to which members will become involved and communicate, understand and identify with each other.

- **Interaction**

The amount of interaction between members can also be a determinant. A high degree of interaction, which is common in work groups, families and campaigning groups at particular times, can help to promote similar attitudes and values. It can also promote mutual understanding on more personal levels such that there will be a greater degree of mutual support.

However, studies have shown that the degree of personal attraction is a significant factor here, and where there is dislike between members, it can be exacerbated by a high degree of interaction. (Perhaps this should be obvious from families!)

- **Goals**

The success of the group in attaining its goals is likely to influence group cohesion. It is likely to engender positive feelings towards the group, in terms of it facilitating the individual's own goals, his/her contribution to the whole and in belonging to, and being identified by outsiders with, a successful group. For many groups, this can be a function of the range of goals which a group meets, both on a personal level and as a shared set of objectives. In terms of the group, there should be an ultimate goal which is never realised, since this would cause the group to lose its *raison d'être*. Rather, there should be a range of intermediate goals which are achievable and are themselves agreed among the members of the group. (Note that, if intermediate goals are not achieved, this does not necessarily lead to ambivalence about the group, since it can be dismissed as not necessarily being crucial to the ultimate goal).

- **External threats**

External threats to the group can create bonding between members in a sharing of protective feelings (a further element in the sharing of attitudes and values). These can arise from competition or a feeling of having the group's attitudes and values, or even existence, attacked by others. The classic example of this is the way in which Britain "pulled together" during the war, and the strength of community engendered by the bombing of cities.

- **Size**

Lastly, size has been identified as a significant factor. Small groups facilitate interaction and increase the possibility of shared attitudes and values. Conversely, as groups grow in size, they become more differentiated, attract people with differing goals and can lose a degree of cohesion.

C. GROUP DEVELOPMENT

New groups are constantly being formed in all walks of life. The same is true in organisations. These may be formal work units, committees, working parties, project teams, etc. to deal with new developments or innovations, or arising from a reorganisation of existing work patterns. They may also be informal groups based around new friendships and interests.

When we say "new" groups, we do not just mean the establishment of a group from scratch. When existing members leave or new members join, the group goes through a stage of development whereby it re-establishes itself in a slightly different form.

Groups of whatever type do not come into existence fully formed, operational and effective. They must grow and mature into functioning units. Various researchers have identified stages that groups go through in this formative process. Understanding these stages can help management assist group development and identify problems in groups "gelling" and not achieving effective performance.

The most commonly accepted view of the development process is that advanced by Tuckman (1965), in seeing four main stages: forming, storming, norming and performing. (Tuckman added a fifth stage – adjoining – which, apart from not quite rhyming(!), is concerned with the winding down of groups. We will not consider that here.)

Forming, storming, norming and performing

- **Forming**

This first stage of group development is concerned with finding out the nature of the situation with which the group is faced and what forms of behaviour and interaction are appropriate. Members will test out attitudes and behaviour to establish their acceptability as ground rules for accomplishing the task and getting on with other members. This may take some time, depending on the personalities of the members and the degree of commitment seemingly demanded of them. This stage in development can create a lot of anxieties and often there is some dependence on a powerful personality to help establish the ground rules. At this stage, that person will assume a leadership role which may or may not continue in later stages (but where it does not, this may create problems of internal conflict). Competing powerful personalities can also lead to problems in these early developmental explorations of what is acceptable within the group.

- **Storming**

Leading on from the forming stage in which certain ground rules are explored, it is likely that there will be a stage of conflict and disagreement as methods of operation and patterns of behaviour start to be firmed up. This is where different opinions and styles emerge, with competing sub-groups, challenges for leadership, rebellions against control and resistance to the demands of meeting task requirements.

A degree of compromise is necessary here in order to allow consensus to emerge in a way that all members find acceptable. If major issues cannot be settled at this stage, the group is unlikely to be able to operate effectively and may not develop further – possibly even disbanding. In some situations, it may be necessary for the group to act against members who will not compromise and even reject them from the group to stop the disruption caused.

- **Norming**

As resistance is overcome and conflicts patched up, groups move into the norming stage whereby they establish norms of attitudes and behaviour which are mutually acceptable for task performance and interaction. Individual members begin the process of internalising those norms and identifying with the group, building group cohesion.

Member roles start to be clarified and accepted at this stage. In particular, the role of leader should be clearly established. Where there is no appointed leader, or the appointed leader is not acceptable to the group for whatever reason, an informal leader is likely to emerge.

With the establishment of consensus, recognition of the value and different potential contributions of individuals can develop, and co-operation and mutual support in group working takes place. This is the first stage in actually performing, with the resources of group starting to be deployed effectively in planning and organising in pursuit of the group's goals.

An important aspect of all these early stages of development is the issue of “inclusion” – whereby each individual member assesses the extent to which he/she feels part of the group. Individuals are particularly concerned about themselves in new situations and need time to establish their identities within that situation. They are unlikely to be effective members until they do so, and the group is unlikely to be effective until all members are comfortable with the group norms and processes.

- **Performing**

This is the final stage in development and represents the position where the group's energy is now available for effective work in completing tasks and maintaining the group. The established norms now support the goals of the group and roles become functional, thus allowing constructive work in relation to tasks.

D. PATTERNS OF GROUP INTERACTION AND COMMUNICATION

The way in which individual members interact and communicate within groups can have important consequences for the way in which tasks are performed, and also for the satisfaction of individual group members. Five common patterns may be identified as shown in Figure 6.3.

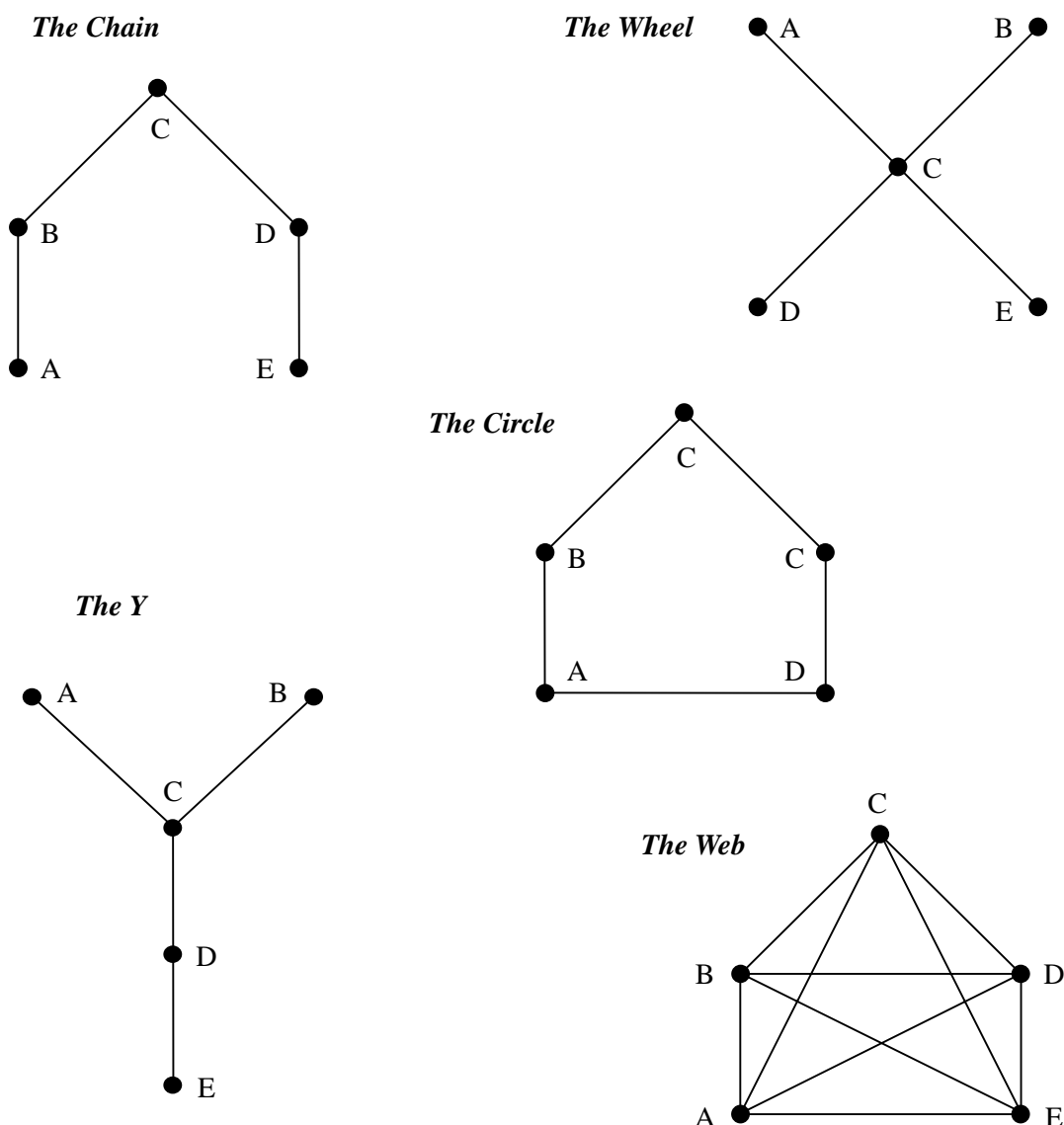


Figure 6.3: Patterns of group interaction and communication

The different patterns are effective for different tasks, and have different implications for group functioning and satisfaction levels. In addition, it must be recognised that there are both formal and informal patterns of interaction and communication, with the degree of conformity between the two being significant. These issues are discussed in more detail below.

- **The wheel**

In this, interaction and communication all goes through the centre. This pattern is common in situations where there is little interaction between group members and there is reliance on central decision making. One example would be of a sales team where four representatives report to a single regional manager. The wheel works very well in providing quick answers to simple questions.

Whilst it may be an effective pattern for centralised decision making or for co-ordination, it can lead to problems where informal interaction and communication between members takes place,

but is not recognised or accommodated by the formal lines of communication. It can also be a source of dissatisfaction for A, B, D and E in that they are isolated in their group involvement.

- **The chain**

In this pattern, no single member can interact or communicate with all the others. Although the line of communication is clear, there can be errors in the interpretation of information and the process can be slow. The chain is to be found in groups which are generally only concerned with transmitting messages and are geographically dispersed. It also implies a hierarchy of power from one end to the other. This can be seen in the chain being invariably the basis of command structures in both military and commercial organisations with hierarchical structures. It is not appropriate where any form of interaction or discussion is required, except among pairs in the chain.

- **The circle**

The linking together of the ends of the chain provides the opportunity for each member to interact with two others directly. This gives a higher level of satisfaction for all members and is a common pattern in many informal situations, such as discussions around a table. It can also be effective for transmitting messages, although it suffers from the same problems as the chain, in being slow and prone to misinterpretations.

- **The Y**

This pattern combines elements of the wheel and the chain, in that it focuses on C as the central contact, but does not allow for interaction and communication among members in the different branches.

It characterises the pattern of relationships often to be found between an organisation and its customers, with the customers being A and B, and the organisation represented as a chain with customer contact at the end (C). It can also be found within organisations, where a Department Head (C) forms the sole link between that department and others.

- **The web**

In the web, each person can communicate freely with every other individual within the group. This is the most common pattern of informal interaction and is often found in formal interaction and communication, such as within small teams. It provides for the greatest level of member satisfaction, although there is a higher level of personal risk involved for each member. There may also be the need for leadership to emerge from within this grouping, as there may be no officially nominated leader.

Study Unit 7

Groups in the Organisation

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INTRODUCTION

Individuals are employed by organisations, but in the work situation individuals invariably work together in **groups**. Even if the work does not require people to work together in this way, individuals make friends and establish informal social relationships with the other people they come into contact with in the work situation. How these groups are established, and how they relate to the organisation as a whole, are topics which have interested experts on organisational theory for many years.

A variety of factors determine the behaviour of groups and how successful they are. **Cole (1996)** identified the following factors:

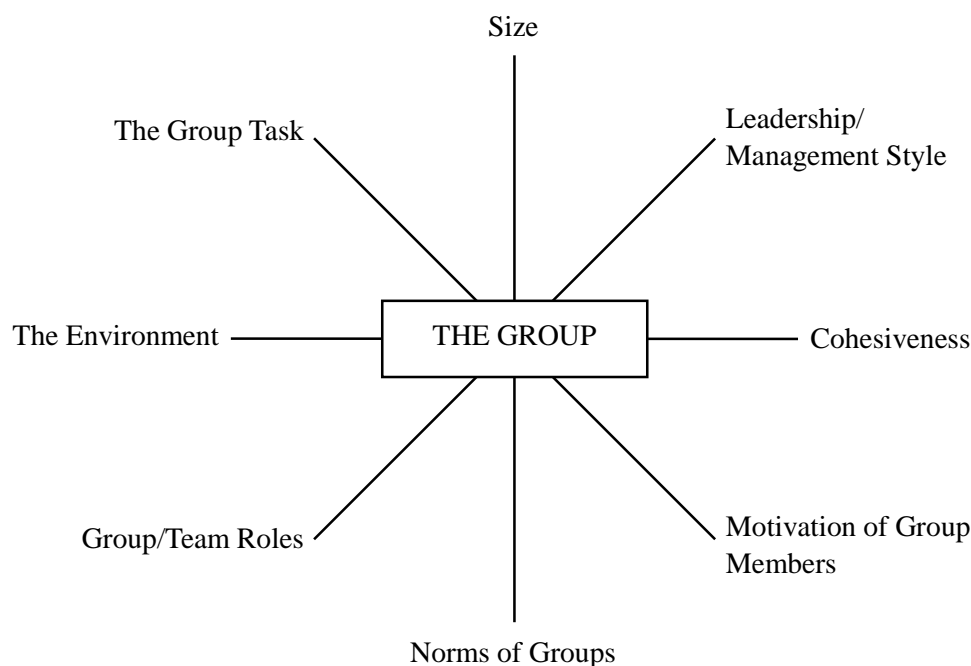


Figure 7.1: Factors in the Behaviour of Groups
(Adapted from Cole (1996))

These factors are influential in the following ways.

- **Size**
The size of the group will affect how the group works together and tasks are completed.
- **Leadership/Management Style**
This can drastically affect the performance of the group – it involves the organisation and direction of the group to achieve its goals. (We shall look at leadership in detail in a later unit.)
- **Cohesiveness**
If the group is not cohesive, it will tend to be ineffective. The factors which promote cohesion were considered in the last unit, and we shall consider further aspects here in relation to the performance of work groups.

- **Motivation of Group Members**

The commitment of members to the goals and tasks of the group are a key determinant of successful performance. We shall look at motivation in detail in the next part of the course, mainly in respect of the individual, but we must also be aware of the way in which groups themselves exert an influence on individual commitment.

- **Norms of Groups**

This includes the belief systems, attitudes and values of the group, and we shall examine some highly significant studies which underline the importance of such norms in influencing behaviour.

- **Group/Team Roles**

Effective groups need members to carry out a variety of roles in order that the goals and tasks of the group may be achieved. A balance within the group is important for this, but it may also be a source of conflict.

- **The Environment**

The work environment will have a direct bearing on the group and its performance. This includes the physical **and** social environment of the group – how it allows people to interact with each other; how closely the group works together (geographical proximity also matters). Social environmental factors include how group members adapt their behaviour to the achievement of group tasks.

- **The Group Task**

This includes the tasks that groups are asked to complete, how important they are and how urgent – and how the results help the company to achieve its objectives. Of particular importance is the extent to which the tasks are clear or ambiguous, and to which they are routine or unique. These factors will influence group organisation.

A. THE FUNCTIONS OF GROUPS IN ORGANISATIONS

Groups, the Organisation and the Individual

Groups fulfil a number of functions within the workplace.

- **Distribution and Control of Work**

An important function of organisations is to bring together and control teams of people with certain talents and abilities. Work groups must have the correct mix of talents in order to achieve their objectives. They can thus work on complex interdependent tasks.

- **Delegation of Work**

In order to get many tasks carried out within the organisation authority needs to be delegated to leaders of work groups.

- **Spread of Information**

Those responsible for the running of organisations cannot communicate directly with individual members of the workforce on every important issue, so they use work groups as a means of disseminating information. So long as one or a few members of the group know the information, they can pass it to the other members. Information and ideas can also be collected **from** groups and passed upwards to those at the top of the organisation.

- **Uniting the Organisation in Pursuit of its Goals**

Organisations can use work groups as a means of gaining the support of workers for organisational goals. The organisation is often too remote an idea for workers to relate to, but they can relate to the work group. If work group objectives relate to organisational objectives, worker loyalty to the group becomes worker loyalty to the organisation.

- **Analysing and Solving Problems**

In order to solve problems and make policy, the organisation can use high-level work groups made up of people with a wide range of talents. Such groups are essential if the organisation is to survive in a constantly changing environment.

- **Conflict resolution**

In addition, the organisation cannot resolve the conflicts of its employees at an individual level, because in a large organisation there are likely to be too many conflicts, most of which are trivial. Often a conflict can be resolved **within a group**. If there are conflicts at a group level the organisation can intervene and arbitrate between the groups.

Groups/teams also fulfil useful functions for **individuals**. They provide:

- An opportunity to find friendship, support and comradeship.
- A chance to find identity and build up self-esteem.
- A means of building security through mutual solidarity – a worker alone may feel exposed and threatened, but with the support of the group he or she has greater confidence.
- The chance to cooperate to undertake tasks.
- An “informal” channel of communication to supplement formal channels.

In performing work tasks, groups also function for the **benefit of the organisation**.

- Working groups are of value to employees because they are the means by which the individual's needs for friendship and social intercourse are satisfied.
- They provide a social structure and pattern in relationships, i.e. they establish boundaries, customs and modes of conduct (the group **norms** or **values**) to which the individual can refer to help him decide on conduct.
- The group is “supportive”, i.e. it protects individuals against the intrusion of outsiders.
- Group membership can provide individuals with opportunities for leadership, self-expression and personal esteem.

The Formal and Informal Organisation

The **formal** organisation has rules which are concerned with the best way of dividing up the work, how to group tasks together into departments, and how to deal with the problems of co-ordination. It pays particular attention to organisational relationships and the need for a clear definition of responsibilities and authority.

Formal relationships, or organisations, can be drawn on paper as organisation charts which look clear-cut and efficient. In support there are usually detailed manuals, office instructions, policy directions, etc., putting these formal procedures into writing for the guidance of everyone concerned.

However, in any business, large or small, there is always a tendency for an **informal** organisation to grow up and operate at the same time. This may be to remedy deficiencies in the organisation as it is,

to take advantage of a weak manager, to anticipate natural changes eventually requiring formal action, or simply to cut through excessive red tape. It is essential, therefore, that management becomes aware of the strength of such informal relationships, encouraging those which support the firm's objectives and help morale, and dealing with those which might undermine management's authority.

All organisations have informal leaders and unofficial pressure groups, and it is important for management to identify these as accurately as possible. Such individualistic personalities should be motivated into effective channels, thus rationalising the formal and the informal.

The way an organisation or company is formally organised can affect its employees or workers in good and bad ways. A manager or supervisor who is worried about the behaviour of his staff should ask himself: "*What are they reacting to?*" and "*Is the form of organisation to blame?*".

Quite simple changes might improve relationships and work patterns. Different procedures may ease stress and tension, but sometimes there is nothing a manager can do to make the job less stressful. When this is the case it is useful for the supervisor to know and understand the cause of the trouble, so that he does not think that if he changes the individual in the job the problem will disappear.

The effect can also flow in the other direction – from people to organisation. Employees can, and do, modify the formal organisation. People develop their own ways of doing things, and groups form their own codes of conduct which are different from those officially prescribed. Managers and supervisors should therefore be aware of how far what **actually** happens may differ from what is **supposed** to happen. The informal organisation may make for efficiency – the official procedures may be unrealistically restrictive, they might never have been the best way to get things done, or conditions may have changed, so that they have become inappropriate. Whatever the reason, at times staff devise their own more efficient methods of getting things done, instead of keeping to the official ways.

This is an argument for reviewing the formal organisation at intervals, to see that it is running smoothly or whether it needs altering to meet changed circumstances.

The informal organisation may be furthering the objectives of the concern more effectively than the formal one but it can also be in conflict with it. Employees may develop their own ways of doing things to further their own ends, not those of the organisation. They may – as has been shown in research – cheat, cover up errors, restrict output, or just arrange to take life more easily. Managers and supervisors should be aware that their plans may not be carried out in the prescribed way.

Formal and Informal Groups

Formal and informal groups exist within every organisation, and have their own characteristics.

(a) Formal Groups

Formal groups are also known as **official groups**, as they are set up by the organisation to complete assigned tasks. These groups include quality circles, working parties and project teams. Formal groups are led by a leader who is usually appointed by the organisation's management, and is charged with the task of controlling and co-ordinating the work that the team does. In such circumstances, the leader's authority derives from his/her position. It is likely that group roles will also be appointed.

Formal groups may be divided into two categories:

- **functional** groups, which essentially comprise work units of varying size, with a manager and subordinates responsible for a range of duties and functions within the organisation – the finance department as a whole, or the salaries section and the revenues section, for example; and

- **task** groups, which are created for the dispatch of specific business or operations, such as a project team, a management team or co-ordinating committee.

Functional groups tend to be larger than task groups and more highly structured in terms of differentiated roles and sub-groups. They are also likely to be more permanent.

Task groups tend to comprise members from different functional groups and to be smaller and less structured. This means that members have wider roles in terms of the group, and are often seen as representatives of their functional group. These types of group can be permanent or temporary. Examples of permanent groups are committees and formally established management teams which are engaged in dealing with specific, on-going issues, generally connected with the overall direction and policy of the organisation. Temporary teams are likely to be created for the development of some particular item of policy or the implementation of a new working method, such as the introduction of a new computer system or the reorganisation of a service to accommodate a new requirement or an aspect of that requirement.

(b) **Informal Groups**

Informal groups are also known as **unofficial groups**. They evolve out of relationships at work and form to satisfy **individual needs** and **not** the needs of the organisation. Informal groups form their own norms and belief systems, just like formal groups and, because informal groups usually control the grapevine and other informal channels of communication, they can be very influential. Whereas management decides who joins a formal group, individual group members decide on who is fit to be a member of an informal group. You may identify informal groups in your own organisation as cliques. It is probable that you are a member of one or maybe two informal groups.

Informal groups, then, owe their existence not to the organisation, but to the pattern of inter-relationships between employees. Such groups may be based on, or be the same as, formal groups, or they may cut across several formal groups. They are formed to meet particular personal needs of the individual members, and as such can be very important to those individuals – sometimes more important than the formal groups through which the organisation pursues its goals. Because they are based on shared attitudes and patterns of behaviour, backed up by strong social sanctions (both positive and negative), and provide important roles in conferring status, ownership and sense of belonging to members, such groups are characterised by the strength of their group norms, roles and cohesion.

In addition, leaders of informal groups are elected by group members by consensus. Leaders may come and go, depending on what is going on in the group at the time. Leaders may also be replaced, following group or individual conflict.

Two key aspects of this importance of informal groups are:

- the spread of information through informal networks – the grapevine – is often much faster and more influential than through formal groups; and
- there is the potential for conflict between roles held in formal and informal groups – particularly in respect of leadership, where the informal leader may not be the same person as the formal leader. There may also be a conflict where the formal leader (say a supervisor) is also a member of a more senior management group and is faced with a conflict with his/her role in the informal group – is he/she to be the defender of his/her subordinates' interests (as they would probably want), or a co-operative, loyal subordinate (in the eyes of the higher group)?

We can divide informal groups into interest and friendship groups.

- Interest groups develop around the shared pursuit of a specific goal by certain employees, which may or may not be related to the organisation. For example, many organisations have informal IT user groups of those interested in exploring aspects of their PC's, there are sports clubs (both relatively formal and informal), theatre-going groups, etc. Interest groups tend to benefit the organisation in that they can develop expertise and suggestions for improvements, and promote individual satisfaction of needs from within the organisation.
- Friendship groups develop around social needs and comprise individuals joining together for various social activities. In general, these are beneficial to the organisation in that they can promote group cohesion and communication. However, they can have severe detrimental effects as they are often the conduit for inaccurate or incomplete information, conjecture and rumour (the “grapevine”). In addition, where loyalty to friendship groups and social concerns are placed above the goals of the formal group, the effectiveness of those formal groups can be adversely affected.

B. THE IMPACT OF GROUPS ON BEHAVIOUR

Group Norms

We have seen that all groups possess a pattern of attitudes, behaviours, values and beliefs, etc. to which members are expected to conform. Thus, norms will be established by both the formal and informal groups in the organisation.

In considering the influence on effective performance at the workplace, we are most interested in the norms of formal groups – those groups through which the activities of the organisation are carried out. To some extent, norms of expected behaviour are defined by the organisation – in terms of standards of quality and quantity of output, the use and allocation of resources (equipment and materials, workplace, etc.) and the processes and procedures employed. In addition, there may be formal codes of dress, language and modes of interaction. However, norms are not simply imposed forms of behaviour, but the shared internalised patterns of attitudes, etc. of the group members. They develop through the informal processes of social interaction to support the goals of the members of the group, and these may not necessarily coincide with the organisation's goals for the group. They are likely to include the formal goals, but may well extend beyond those into meeting other needs. In order for the organisation's own values and expected behaviours to be adopted by the group, they must be accepted as appropriate to the needs of the group.

Research Studies

The key study of the importance of group behaviour and the influence of the group on individual workers was that of Elton Mayo at the Hawthorne Plant of the Western Electrical Company in Chicago between 1924 and 1932.

(a) **The Hawthorne Experiments**

The “illumination studies” were based on the assumption that better lighting produced better work. Two groups were established – a control group and an experimental group. The illumination within the control group remained unchanged, but the lighting was intensified in the experimental group.

Production increased in **both** groups. Lighting was then reduced in the experimental group and again **production increased** in both groups. A further study was then set up to investigate the “unknown factor” influencing production.

Relay assembly was selected as the test group because the whole job took only one minute, making it particularly sensitive to increases and decreases in output. The productivity of the workers was measured before they were placed in a test room.

Six workers were then placed in the test room for a period of over two years and an observer sat with them. The important results, in summary, were as follows:

- When piece-work was introduced, output increased.
- When two 5-minute rest pauses were introduced, output increased still further.
- When two 10-minute rest pauses were introduced, output sharply increased.
- When six 5-minute rest pauses were introduced, output fell slightly, owing to the breaking of the work rhythm.
- When the two pauses were re-introduced, together with free lunch, output increased.
- When a 4.30 pm finish was introduced, output increased.
- When a 4.00 pm finish was introduced, output remained the same.
- Finally, all improvements were withdrawn and output was the highest recorded.

These experiments demonstrated that psychological factors, such as morale, have as great an influence on output as physical factors. Productivity had responded to changes in the social climate of production, namely:

- The bringing together of the workers as a **group**;
- The **growth of personal relationships** between them; and
- Their **freedom from supervision**.

Conclusions that were drawn from these findings and from research carried out in the company's wiring room were that:

- (a) Workers' attitudes to their work was a key factor in productivity.
- (b) Workers' attitudes were largely influenced and created by membership of particular working groups and the establishment of group norms, despite the payment incentives of bonus schemes (given both on an individual and on a group basis).
- (c) Once the group had established a group productivity norm, efforts to work above that norm were decided by the members of the group, and workers who consistently fell below the group norm were described as "shirkers".
- (d) The conflicting roles of the supervisor's of the work groups were particularly evident as they attempted to satisfy their supervisors' objectives while at the same time keeping the goodwill and Cupertino of the workforce. Supervisors were not regarded by the work group as their leaders: they had been appointed by management, not accepted by the workers.
- (e) Contrary to management's instructions, workers often helped one another on a voluntary basis and rotated jobs.
- (f) Unofficial leaders from within the group were far more influential than the management-appointed supervisors.

The key element of the study was the discovery that the production norms to which the workers were conforming were established informally by the workers themselves and were remarkably

resistant to change by formal expectations of management or even increases in bonus rates for higher outputs. It is apparent from this that, for the organisation to optimise performance in the workplace, the norms of the informal organisation need to be brought into harmony with those of the organisation. It can be intolerable for them to be substantially out of step – with, say, different standards in respect of the quality of service provided being demanded of staff from those which they are committed to actually providing. This requires careful handling to influence staff and bring about the internalisation of new values and attitudes in instigating change.

(b) The Tavistock Study

A study carried out by the Tavistock Institute of Human Relations for British Coal demonstrated not only the importance of the social relationships between individuals within working groups, but also the effects of the interdependence of the social and technical systems. Organisational specialists now recognise that industrial work is carried out in a **socio-technological system** which has three related factors:

- The **technical** environment (the particular processes and operations, and the physical environment).
- **Social** factors, i.e. personal relationships between individuals and groups who carry out the work.
- **Economic** factors, i.e. payment system, bonuses, etc.

This study into the effect of different working methods in the coal industry revealed that intergroup loyalty was strengthened by the possession of skills and the sharing of the work processes; and that intense group feeling would often hamper effective communications and, indeed, stimulate intense rivalry with other groups, which in certain circumstances (where work was handed over from one shift to another, for example) was detrimental to the efficient working of the whole organisation.

(c) Coch and French

The most celebrated demonstration of the value of work groups and teams in assisting the development of an organisation was revealed by a study carried out by these two Michigan researchers in a garment factory.

The study showed clearly:

- The importance of the group's own goals in raising or lowering productivity, according to the managerial approach adopted.
- The beneficial effect of allowing the group to participate in problem-solving when change is necessary.
- That change, carefully introduced, can have beneficial effects on morale, instead of the opposite.

We can summarise the implications for management of the research into group behaviour in an industrial setting as follows:

- (a) For good industrial relations (in their widest sense) to be maintained, management has to ensure that the formal structure of authority is compatible with the informal structure of prestige and authority conferred by the informal interest groups.

- (b) Good working conditions and fair management/staff relations practices allow groups to appreciate more easily the objectives and aims of the enterprise, and to identify those objectives more easily with the internal objectives of the group itself.
- (c) Change has to be introduced gradually, after full co-operative discussion as to its nature, if it is to be accepted by the workforce.
- (d) The social organisation of work centred on group production and incentives is better than individual and/or isolated work patterns. The social cohesion of working groups can cut down absenteeism, sickness and labour turnover.
- (e) Comparative targets for different groups may increase productivity. On the other hand, where the production process as a whole demands co-operation between different groups, group exclusiveness can act as a factor in creating inefficiency and low levels of productivity.

Group Cohesion

Cohesiveness within groups can also be called *esprit de corps* (spirit of co-operation or team spirit). Cohesiveness is characterised by the closeness the team experiences during its lifetime: the longer the team is together, the stronger the feeling of cohesiveness. Cohesiveness can also be characterised by the norms or belief systems that the group develops during its life cycle. This “togetherness” causes the group to close ranks, should it be threatened by outside interference or individuals trying to undermine its existence and objectives.

Group cohesiveness is a gift that is reserved for established groups. Newly-formed groups are not party to this gift, as they are very much in the forming, storming and norming stages. Individuals are in the process of getting to know each other, their objectives and their reasons for existence.

Cole (1996) identified a series of factors that can impinge on a group’s cohesiveness:

- The motivation and desire of the individuals involved to work together.
- The size of the group.
- Whether incentives are offered for tasks well done or completed to schedule.
- Infiltration by individuals from other groups and/or the threat of competition from other formal groups.
- Whether individuals have something in common with each other, such as gender, qualifications, experience, etc.
- Whether the leader is weak or strong, consultative or authoritarian.

A high degree of group cohesion is not necessarily a good thing for the organisation. There are potential problems with it as well as benefits.

- Members of relatively cohesive groups tend to work better with and support each other. This, particularly in relation to the degree of interaction and involvement, promotes identification with the group and increases satisfaction. Thus, to this extent, cohesion can be seen as positive.
- On the other hand, highly cohesive groups can be very protective of themselves and their interests. This can make them relatively closed (restricting opportunities to join) and difficult to deal with by outsiders. Where co-operation is required, this can cause problems in openness and sharing information where a potential threat is perceived, and an insensitivity to the needs of others such as using non-shared jargon.

The extent of group cohesion can also affect performance levels, although not necessarily in the way in which you might think. Whilst cohesive groups tend to be more effective, there is no guarantee that

their effectiveness will be in relation to the goals of the organisation. What can be said is that members of cohesive groups tend to perform to a similar level and standard, conforming to the established group norms, whereas less cohesive groups are likely to have a wider range of individual performance levels and standards. The effectiveness of that level and standard of performance in terms of the organisation's goals will depend on the extent to which the group's performance norms support those goals.

We can postulate four possible scenarios here, as illustrated below.

Group Performance Norms	High	Moderate performance	High performance
	Low	Low to moderate performance	Low performance
		Low	High
		Group cohesion	

Thus, a highly cohesive group that has low norms about performance will ensure that a generally low level of performance is produced by all its members.

Finally, the degree of group cohesion can affect the ability of the organisation to instigate change. Again this may be positive or negative. Where a highly cohesive group supports change in general or a particular innovation or development, it will be relatively easy to introduce the change. On the other hand, if there is opposition from such a group, this can be a substantial block to new developments.

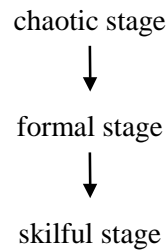
C. BUILDING EFFECTIVE GROUPS AND TEAMS

When organisations set up formal groups, they expect them to be operational, effective, and performing within a short space of time. Groups contain a mixture of individuals, each with their own expectations, objectives and preconceptions of how life within that group is going to be. While managers may wish these groups to be performing fully in next to no time, it is not quite that simple.

We have seen that groups go through a number of stages in their development, prior to becoming fully-fledged, effective units. When building work units – formal groups or teams – there needs to be a similar developmental period. However, we also need to be aware of the relationships which emerge within the group and its internal organisation. Central to this is the balance of roles within the team.

Team Development

Honey (1990) identified three stages through which a team develops into a fully effective operational unit:



These are described below and it is interesting to compare them with Tuckman's four stages.

- **Chaotic stage**

When the team is new and has no previous experience of working on the particular task, individuals throw themselves into the work with little thought about process or rules of working, or even how to achieve a successful outcome.

- **Formal stage**

The team will, at some point, realise the futility of what it is doing and swing the other way into a rigid, highly disciplined way of working where rules and process take precedence over creativity, content and objectives.

- **Skilful stage**

Finally, as team members become more confident and familiar with the problem and with working with each other, they will start to "bend" the rules and work in a more flexibly co-ordinated way, sharing ideas and developing appropriate processes to suit the circumstances.

Roles and Group Functions

Schein (1969) identified two functions of formal groups:

(a) Task Functions

According to Schein, the group's purpose and objectives are achieved by carrying out or implementing task functions. These include:

- Formulating objectives and setting targets.
- Seeking opinions and exchanging information – this helps to facilitate the achievement of the task.
- Reinforcing and confirming whether the correct information has been gathered from brainstorming sessions to solve problems. This involves clarifying that everyone understands the problem and how it can be solved.
- Scrutinising ideas that have been brainstormed and deciding on the "ideal".
- Deciding on whether the "ideal" should be adopted as the solution to the problem – this "ideal" is chosen by consensus.

(b) Maintenance Functions

According to Schein these functions enable the establishment of groups, norms, cohesion, a sense of purpose and *esprit de corps*. He believed that these were essential to ensure that the task was achieved. The maintenance functions include:

- Trying to maintain harmonious relationships while trying to complete tasks. If conflicts do occur, the role becomes one of conflict resolution.

- Maintaining participative opportunities for contributions to be made from group members – and generating acceptance of those ideas.
- Assessing whether the group is performing effectively and initiating solutions as to how it can perform better if ineffectiveness outweighs effectiveness.

This approach derives from the work of Bales (1950) who found that effective groups appeared to have two facets:

- completion of the task or tasks necessary to achieve goals; and
- keeping the group integrated and meeting members' social and emotional needs.

There needs to be a balance between the two. At any time, over-emphasis on either aspect may lead to a crisis which can render the group ineffective.

Each facet of the group spawns a number of roles. Thus, there are group members who help in getting things done, and these members tend to be the most influential. Others tend to be more involved in the social/emotional aspects of group performance, and these members tend to be the most liked.

Examples of the activities associated with these roles are:

Group-maintaining roles	Task roles
Encouraging	Initiating
Harmonising	Information seeking
Compromising	Information gathering
Following	Co-ordinating
	Evaluating

These two categories of role are not mutually exclusive. The same individual may fulfil roles in both areas. It is often the case that the leader is expected to operate in this way, although as noted above, the major influence derives primarily from task roles.

Roles and Effectiveness

Group members need to work together as a team, with the **team's** aim in mind, **not their own**.

Belbin (1981) conducted extensive studies into groups and the roles that group members perform in group activities. He found that groups within which there are too many of the same personalities or skill types or types of qualification, suffer from inefficiency because thinking becomes the same, the group becomes stagnant and it has the effect of stifling initiative, creativity and innovation. Belbin advocated that effective groups need to have a mixture of personalities and abilities that will feed off each other and provide the stimulation and opportunities to generate ideas, reach consensus decisions and reduce the occurrence of conflict situations.

Belbin identified what he called eight **team roles** that need to be present in groups. By “team role”, he meant the way one individual interacts with another, in order that the team can become cohesive and effective.

In recognition of the fact that team roles evolve, in 1993 Belbin revised some of the roles and added a ninth role. The revised roles are as follows:

- **Co-ordinator (replaced Chairman)**

The co-ordinator's role is to ensure participation and action. He/she does this by controlling activities and objectives, monitoring and deploying resources, recognising the strengths and weaknesses of each team member and ensuring that each individual is making the best use of their role.

- **Implementer (replaced Company Worker)**

The implementer's role ensures the organisation's interests and goals are represented in the group. He/she does this by interpreting plans and procedures into workable objectives and ensuring that they are adhered to and are carried out.

- **Shaper**

The shaper's role is to influence the direction of the group by argument and example in group activities and discussions and to advise on the application of team effort to achieving tasks.

- **Plant**

The plant's role is to generate new strategies and ideas within the group's remit.

- **Resource Investigator**

The resource investigator's role is to investigate and report on new concepts, developments and ideas that may affect the group. This role also involves making external contacts and negotiating with them for the good of the group.

- **Monitor-evaluator**

The monitor-evaluator's role is to assess the effectiveness of activities and contributions, and the extent to which the group is meeting its objectives, and to facilitate the decision-making process by analysing problems, evaluating generated ideas and presiding over suggested solutions.

- **Team Worker**

The team worker's role is to facilitate the utilisation of the group's strengths, the use of good communication techniques and to generate and maintain *esprit de corps*. He/she maintains group morale by joking and agreeing.

- **Completer-finisher**

The completer-finisher's role is to ensure that attention is paid to detail, that the task is completed, that mistakes are not made and that the group maintains its sense of urgency when dealing with tasks.

- **Specialist (new role)**

The specialist's role is to provide expert advice when it is needed. In reality, the specialist is not a member of the group, but joins it to provide professional support, and then leaves.

The original eight roles are expanded in Table 7.1 by brief statements of the personal characteristics, contribution to the team and allowable weaknesses for each.

*Table 7.1: Roles essential for effective team performance
(adapted from R M Belbin)*

Role	Personal characteristics	Contribution to team	Allowable weaknesses
Company worker	Conservative Disciplined Reliable	Organises Turns ideas into practical forms of action	Inflexibility Slowness in responding to new possibilities
Chairperson	Mature Confident Trusting	Clarifies goals and priorities Motivates colleagues Promotes decision making	Not outstanding intelligence or creative ability
Shaper	Highly strung Dynamic Outgoing	Challenges Pressurises Finds ways round obstacles	Prone to provocation and short-lived bursts of temper
Plant	Clever Unorthodox Imaginative	Creates original ideas Solves difficult problems	Weaknesses in communication and in management of ordinary people
Resource investigator	Extroverted Enthusiastic Communicative Curious	Explores new possibilities Develops contacts Negotiates	Loss of interest once initial enthusiasm has passed
Monitor/evaluator	Sober Intelligent Dry	Considers all options Analyses Judges likely outcomes accurately	Lack of drive and ability to inspire others
Team worker	Social Mild Accommodating Perceptive	Listens Builds Averts friction Handles difficult people	Indecisiveness in crunch situations
Completer	Painstaking Anxious Conscientious	Searches out errors, omissions, oversights Focuses on and keeps others to schedules and targets	Inclination to worry unduly. Reluctance to delegate

It is often said that, according to their individual characteristics and personality, people have a “preferred” team role, with a “secondary” role which can be played as necessary where the full complement of roles is not encompassed within the group. Thus, effective teams can operate with less than eight members. However, it is important to try and ensure that the full complement of roles is covered – the absence of any one role will weaken the team. Conversely, the presence of too many of any one type is likely to produce failure – a complete team of “plants” might produce many good ideas but they would never get taken up and implemented. Balance is the key.

It is important not to get too obsessed with these labels. A great deal of management training revolves around these concepts and a too rigid application in such courses has brought them into some disrepute. It is not easy to pigeon hole people as, say, “monitor/evaluators” or “plants”, and even more difficult to build teams which specifically include members with the appropriate qualities to perform all the various roles. People tend to act in certain ways in response to different stimuli and needs at different times. They are infinitely unpredictable. What the studies show is an internal need for groups to undertake a variety of roles, not just those associated with the task. They do not specify that people should be one thing or the other; merely that a group needs to have someone to carry out all of them in order to function well.

Characteristics of Effective/Ineffective Groups

McGregor argued that the mere presence of work groups or teams in an organisation does not ensure success; to be **successful** a group must be **effective**.

- **Effective groups**

Effective groups encourage discussion on points on which they disagree and utilise healthy conflict to introduce creativity and change in ideas before reaching a consensus. They see conflict in a positive light.

Such groups are characterised by:

- open discussion – members participate and make contributions to the group, with the discussions being reasonable, and members being prepared to listen to and learn from other group members.
- reaching decisions by a process of convincing members by logical argument rather than crude voting which can leave a sizeable minority disgruntled.
- using situational leadership – different people may lead the group under various circumstances, with different styles of leadership appropriate to the circumstances.
- pursuing common goals, whoever is leading it.
- assessing its own progress to achieving its goals and makes the necessary changes to improve its performance.

- **Ineffective groups**

Ineffective groups establish an agreed viewpoint quickly and defend it against any new, or original idea. Task-completion can thus be achieved quickly, although this often means that the symptom has been treated rather than the underlying cause.

Such groups are characterised by:

- a lack of agreed objectives and an atmosphere full of tensions – these tensions are sometimes held in check, but on occasions flare into destructive conflict, and there are clashes of personality, with members do not really listening to what others are saying.

- decision-making is by voting, but there is little effort to win round the minority who voted against the idea.
- avoiding assessing and discussing its progress and performance.

Bringing the above points together, we can contrast the characteristics of effective and ineffective groups as in Table 7.2.

Table 7.2: Effective and Ineffective Groups

Characteristics of Effective Teams/Groups	Characteristics of Ineffective Teams/Groups
<i>Underlying Goals</i>	
The task or objective of the group is well understood and accepted by the members.	From the things which are said, it is difficult to understand what the group task is, or what its objectives are.
<i>Member Contributions</i>	
There is a lot of discussion in which virtually everyone participates, but it remains pertinent to the task of the group.	A few people tend to dominate the discussion. Often their contributions are way off the point.
<i>Listening</i>	
The members listen to each other. Every idea is given a hearing.	People do not really listen to each other. Ideas are ignored and over-ridden.
<i>Conflict Resolution</i>	
There is disagreement. The group is comfortable with this, and shows no signs of having to avoid conflict or to keep everything on a plane of sweetness and light.	Disagreements are generally not dealt with effectively by the group. They may be suppressed by the leader, resulting in open warfare, or resolved by a vote in which the minority is barely smaller than the majority.
<i>Decision-making</i>	
Most decisions are reached by a form of consensus in which it is clear that everybody is in general agreement and willing to go along.	Actions are taken prematurely before the real issues are either examined or resolved.
<i>Leadership</i>	
The chairman of the group does not dominate it, nor, on the contrary, does the group refer unduly to him.	The leadership remains clearly with the group chairman. He may be weak or strong, but he sits always “ <i>at the head of the table</i> ”.
<i>Self-evaluation</i>	
The group is conscious of its own operations. Frequently, it will stop to examine how well it is doing, or what may be interfering with its operation.	The group tends to avoid any discussion of its own “maintenance”.
<i>Division of Labour</i>	
When action is taken, clear assignments are made and accepted.	Action decisions tend to be unclear. No one really knows who is going to do what.

D. GROUPS AND CONFLICT

Conflicts within and between groups is quite common. In any situation which allocates different roles and attendant powers to individuals, or which different rights and expectations are identified with (and by) different groups, there is the potential for opposition, resistance and conflict. In particular, there is often competition for rewards within and between groups – rewards of power and prestige, and of appropriate slices of the fruits of labour (i.e. profit or the total remuneration package offered by the organisation).

We tend to think of conflict as being negative and there are clearly many destructive outcomes from it – poor working relationships, lack of communication, delays, disaffection, etc. However, conflict can also be positive. It can disclose problems and lead to innovation and change in the pursuit of effective means of resolution. It can enhance group cohesion and co-operation where the group itself is in conflict with other groups. A degree of conflict is, therefore, desirable – but not too much! On the other hand, a lack of conflict may indicate that problems are being suppressed and innovation and change stifled.

Managing Conflict – Structures

All conflict has the potential to be damaging and there needs to be some constructive effort to limit it so that the destructive impact is minimised. Most organisations and groups have structures within which conflict can be contained and dealt with. The main ones are:

- grievance and disciplinary procedures which exist to consider problems between individuals or of individuals transgressing the norms of behaviour;
- collective bargaining whereby the potentially conflicting interests of employees and employers are dealt with in a formal group complete with its own norms of attitudes and behaviours.

Managing Conflict – Strategies

Where conflict occurs, there are various strategies for its resolution. Two major approaches are to change the situation from which the conflict arises, or to deflect the conflict by re-orientating the goals of the parties.

Clearly if it is feasible, changing the situation offers a permanent solution to the problem. Thus, redeploying individuals by giving them different roles or placing them in different groups may resolve interpersonal disputes. Reorganisation of work processes can reduce the points of interaction between conflicting groups. Making more resources available or changing the reward system can resolve disputes about pay or other conditions of employment. However, such solutions are not always practical, either for reasons of time, cost or acceptability.

Deflecting conflict by refocusing the goals of the conflicting parties is unlikely to bring about a permanent resolution to the problem. It can, however, limit the damaging consequences and allow normal relations and performance to continue in the short term whilst an acceptable permanent solution is found. This approach involves getting the parties to subjugate their conflict to the pursuit of some common goal identified as important to them (as individuals or groups). Such goals can be “superordinate” – i.e. overriding major organisational or group goals such as winning a contract or completing a major piece of work – or intermediate, where there are disputes about higher level goals.

Finally, we can identify more detailed strategies for handling conflict which can be deployed by management on both an interpersonal level and/or in dealing with more major group conflicts:

- avoidance – ignoring or suppressing the problem;

- accommodation – allowing the other party to win and have his/her/their own way;
- competition – battling the conflict out in an attempt to win it (with the risk that you may lose);
- compromise – seeking a middle way by bargaining, with both parties giving up certain desired outcomes to achieve satisfaction of others;
- collaboration – seeking to satisfy the desired outcomes of both parties, often by changing the situation itself.

Study Unit 8

Authority and Responsibility within Organisations

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INTRODUCTION

We have seen that an organisation is set up to meet a need – to supply goods or services in order to fulfil that need. We also noted earlier that certain features are common to all organisations:

- All organisations have rules and regulations, formal or informal, written or oral.
- All organisations have a structure – a framework within which individual persons can perform defined work roles.
- All organisations have a recognised system of authority which controls and delegates tasks and duties within the organisation.

There is no right or wrong way to structure authority in an organisation – all we can ask is “*Is this the best way of to achieve the organisation’s goals?*” Traditionally, authority has been seen as being organised in a hierarchy – the chain of command – flowing down from the top of the organisation. However, this rigid structure has been challenged by new forms of distribution of authority and responsibility which are more responsive to the needs of individuals working in the organisation and to the demands of the particular operational parameters of the business.

A. THE STRUCTURE OF ORGANISATIONS

You can think of the structure of an organisation as akin to the skeleton and nervous system of the human body. It is the framework around which the organisation is built and also the channels through which information flows – to direct, co-ordinate and control work activities, and to enable communication.

It is important to be clear at the outset about the distinction between the formal and informal structures within organisations.

- The formal structure comprises the allocation and organisation of individual and group responsibilities in pursuit of organisational goals. It is created by management to define and formalise the interrelationships and interaction of people at work.
- The informal structure comprises the patterns of social interaction within the organisation which are separate from those derived from the formal structure.

Whilst we have seen that informal structures are very important in determining how organisations function in practice, and often how effective they are, it is the formal structure which gives the organisation its shape and defines the way in which management operates. This is the area of study we are concerned with here.

The formal structure consists of three main elements:

- the grouping of tasks and definition of responsibilities which make up the jobs of individuals;
- the grouping of those tasks and responsibilities into units, sections and departments with common purposes and objectives; and
- the mechanisms required to facilitate direction, co-ordination and control of individuals, units and departments.

We have already considered the nature of jobs. Here, we are concerned with the latter two elements, starting with the final one – the structuring of authority through an organisation.

Organisation Charts

An organisation chart is a diagrammatic representation of the organisation's structure. Or at least, elements of that organisation structure since it does not, usually, show detailed information about individual jobs.

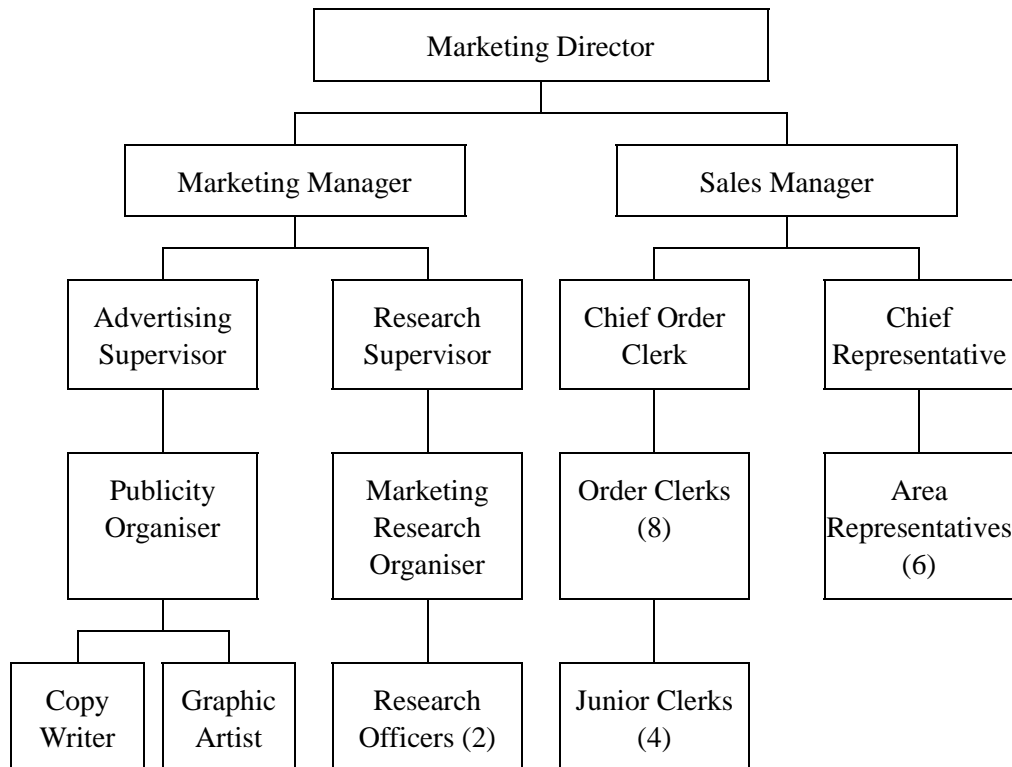
What, then, does an organisation chart show and how useful is it?

Organisation charts vary in the level of detail displayed, but they all invariably display three elements of the organisational structure:

- the division of organisations into departments, sections, units, etc.;
- the major positions in each division; and
- the interrelationships between positions and divisions, including the managerial reporting lines and channels of communication.

Take for example the chart of the structure of a typical marketing department shown in Figure 8.1. This (highly simplified) diagram shows the major divisions of the organisation, the senior posts in some of the divisions, and the hierarchical structure and reporting lines through four tiers in respect of two of the divisions. It gives you some idea of the way in which the organisation is organised and who reports to whom.

Figure 8.1: Typical organisation chart



The reporting lines also show the chain of command within the organisation. The chain of command is the way in which authority is distributed down through the hierarchy of the organisation, all the way from the top to the bottom. In theory, it should be possible to track that line of authority from any position – say a clerk in the finance department – all the way up through his/her immediate superior, to that person's manager and so on to the Managing Director.

So the organisation chart provides a useful snapshot of the formal structure of the organisation at a particular point in time. However, it is not a description of how that organisation actually works. For

example, in Figure 8.1, there is no sense of the role of particular posts, or how each division relates to the others, except through their common managers. There is similarly no sense of the degree of authority and responsibility of the various positions identified, the extent to which they can act autonomously or have to consult their superiors, or the degree of access they have to more senior management.

Thus, the organisation chart illustrates the bones of the structure and much of the central nervous system, but does not show all the branches of the nervous system, nor does it give any indication of how information, direction and co-ordination flow through it.

Basic Principles of Co-ordination and Control

We have noted the essential structure of the organisation as depicted in organisation charts. It is now time to consider the nature of the structure shown there in terms of the interrelationships of positions and the basic distribution of authority. We shall consider three aspects here before looking in more detail in the next section at the way in which authority may be distributed in practice (through delegation and decentralisation). The three aspects are:

- line and staff relationships;
- the span of control; and
- different types of organisational structure.

(a) Line and staff relationships

“Line” relationships describe the situation where there is direct authority and responsibility for the work of subordinates. There is a line of authority flowing from one level in the hierarchy to the next level. This is illustrated in the following diagram.

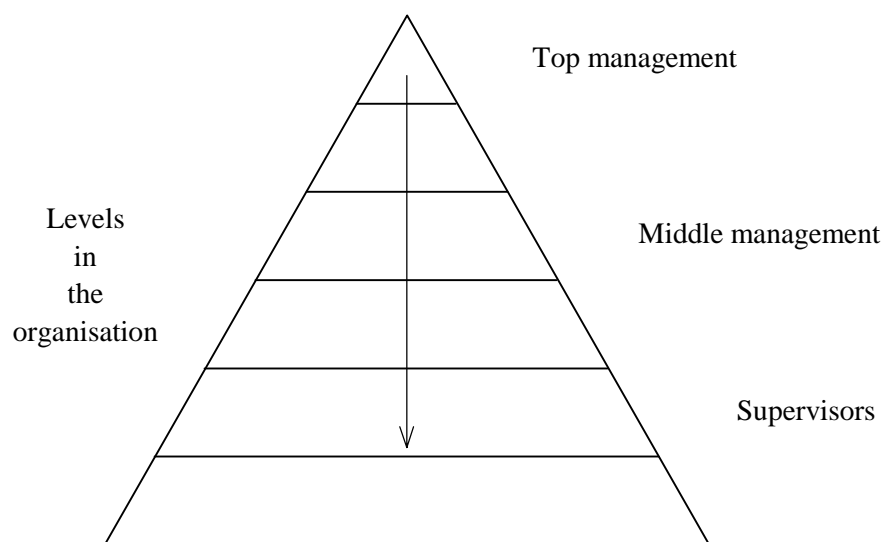


Figure 8.2: The line relationship

Line management is sometimes referred to as the “scalar chain” – the chain of command from relatively few superiors to a growing number of subordinates.

An organisation chart shows very clearly the line management relationships, and as we noted before, it is possible to trace these throughout the whole organisation.

“Staff” relationships describe the situation where advice may be provided, and/or authority exercised, by individuals outside of the line relationships. This is principally in respect of areas

of specialist service expertise, such as IT, finance or personnel. Thus, for example, a personnel assistant who has no direct line management authority, may advise or even require a line manager to take particular actions in respect of some aspect of human relations management. Similarly, finance officers stand in a “staff” relationship with other departments of the organisation in that they can offer advice (on request or at their own behest) and sometimes direct managers elsewhere to, say, raise charges or limit expenses payments.

Staff areas are concerned essentially with enabling the line organisation to achieve its goals. They do not directly set out to achieve such goals themselves, but rather facilitate the work of others. As such, staff organisation tends to develop as an organisation grows in order to cope with the increasing complexity of internal regulation and support. This in turn frees the line manager from concern with the detail of specialised areas not directly related to his/her particular departmental functions. Thus, there is no need for, say, a section head to have a detailed knowledge of personnel matters since the specialist officers of the personnel department are there to provide advice and assistance as necessary.

Line and staff relationships can be a difficult area. There are two main aspects to this.

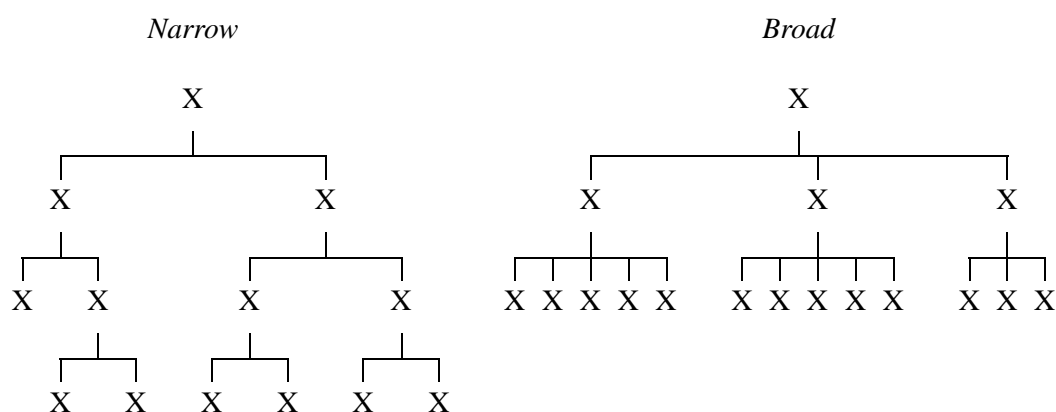
- Staff responsibilities confuse and complicate the structure of authority in an organisation. They breach the “unity of command” which underlies the scalar chain, and introduce what can be virtually a wild card into the established line management relationships. This can be seen clearly if we consider the organisation chart and imagine the complexity of illustrating the potential staff relationships emanating from just the personnel function.
- There are commonly different perspectives at play between line and staff managers, in which the former often see the latter as being out of touch with the practical issues of service provision and of introducing systems and procedures which make life harder for them, whilst staff managers often feel that line management is resistant to any development and take their departmental independence to absurd and ultimately counterproductive lengths.

There are no easy solutions to this tension and it is perhaps inevitable, particularly where service provision is often stretched and has little room to accommodate the requirements of staff areas. The problems may be minimised by a clear understanding of each other’s roles and responsibilities, and unambiguous statements of organisational objectives.

(b) Span of control

Span of control refers to the number of subordinates which a given manager directly supervises. It is significant in that it affects the total organisational structure, communication and methods of supervision.

A narrow or small span of control limits the number of people who report to a manager. This enables the manager to supervise them in detail. By contrast, a broad or large span of control is characterised by less detailed supervision of numerous subordinates.

Figure 8.3: Spans of control

Narrow and broad spans of control tend to lead, in larger organisations, to tall and flat structures respectively, which we shall consider below. There are arguments for and against such structures as we shall see. However, there are also arguments for and against different spans of control. For example, narrow spans provide for detailed supervision which may be necessary for certain types of work or where there is a need to maintain close control. On the other hand, there is a considerable risk of managers becoming involved in the minutiae of the work of their subordinates, thus restricting their freedom and range of work. A broad span of control permits greater freedom for subordinates, but this may not be compatible with the need to control, for example, quality.

There is no ideal span of control. It is, rather, important that the span is matched to the type of duties being supervised. Complex work normally requires a narrow span of control. Likewise, inexperienced staff need close supervision so a narrow span of control is appropriate. In contrast, workers doing relatively simple tasks can be controlled in larger numbers (a broad span) and well-trained, experienced workers can operate within a wide span of control. Other variables include the degree to which a diversity of standards is acceptable, and the degree to which speed of operation is desirable.

Tall and Flat Structures

We noted above that organisational structures can be tall or flat. A tall structure is one that has many levels, for example:

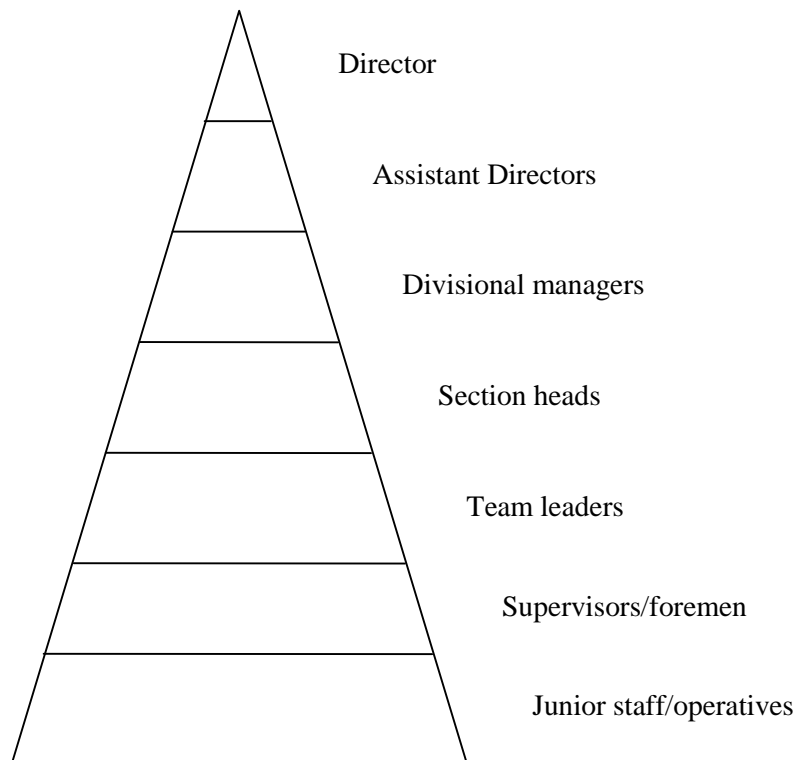


Figure 8.4: Tall structure

Such structures tend to be associated with narrow spans of control, but in larger organisations, broad spans of control can co-exist with tall structures.

The major advantage of tall structures is that there is a very clear and distinct division of work between the various levels. This fits well with strong, clear line authority.

On the other hand, tall structures have a number of disadvantages:

- the profusion of levels makes the specification of clear objectives difficult at each level and there is the possibility of confusion as to functions and role across levels;
- a large distance between top and bottom leads to more communication problems, with the number of levels increasing the chances of distortion, filtering and omissions;
- additional management levels tend to be costly, having a greater amount of administrative activity associated with them;
- tall structures tend to be bureaucratic and rigid, lacking flexibility to respond quickly to meet developments;
- the long ladder of promotion may be discouraging to more junior staff (although a narrow span of control increases promotion possibilities).

Over recent years there has been a demand for more participative styles of management and greater involvement of staff in decision-making. This, combined with the need for greater efficiency and competitiveness, and with developments in information technology, has contributed to a move towards flatter organisation structures.

A flat organisational structure is one that has relatively few levels, for example;

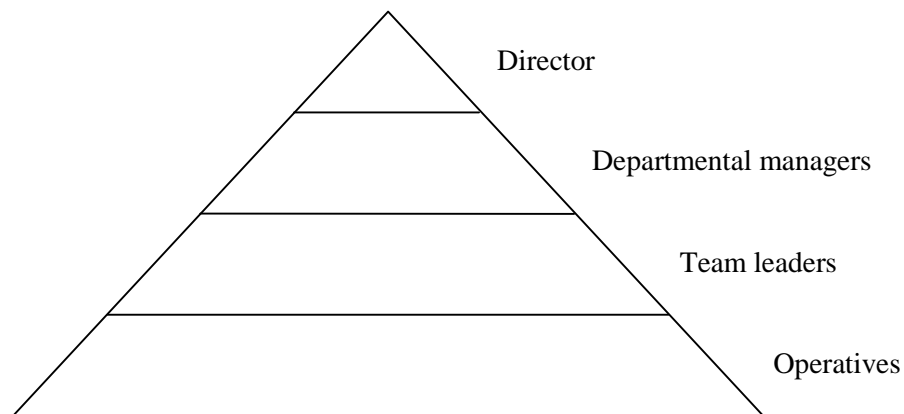


Figure 8.5: Flat Structure

Such structures tend to be associated with broad spans of control, and certainly if there is to be a move from a tall structure to a flat one, this would necessitate a widening of the span of control.

The advantages and disadvantages of this type of structure are the converse of those for tall structures, although it should be noted that the proliferation of roles and objectives at each level may create problems of clear specification.

The perceived wisdom now is that flat structures are preferable in that they provide for more flexible working, greater devolution of authority and autonomy, and carry lower administrative costs from the reduced tiers of management. However, it should be noted that there is no “best” structure – the most appropriate one is that which suits the achievement of the goals of the organisation. There remains a strong case for the control exerted within tall, bureaucratic structures where large, complex organisations – such as local authorities – need to operate through clearly established rules and procedures.

Matrix Structures

The above structures are vertical divisions within the organisational hierarchy. An alternative to this is the “matrix” structure which superimposes a horizontal division onto the vertical hierarchy.



It is an approach which accords with Peters and Waterman's advocacy of the "simultaneous loose-tight" concept. Under this view, the organisation is seen as a network of tasks that are best tackled by teams or taskforces set up to achieve specific objectives. Such teams are made up of individuals with specialist skills, so professional and operative staff are drawn together into a co-ordinated group with shared goals. Project teams or taskforces are important building blocks in effective organisations. They may have relatively few members (Peters suggests ten or less) and can be made up of members drawn from high or lower levels of staff depending on the importance of the task being tackled. They are also flexible – coming into being to tackle a given task and disbanding when the task is finished – but the team spirit lives on ready for new taskforces to be formed as needed.

This is not to say that such structures need to be permanent, fully integrated features of the organisation. That is rare. Most common are temporary project groups set up to investigate and recommend new working strategies or to introduce a new product or service. However, many organisations do have relatively permanent service teams working across departmental divisions.

B. DISTRIBUTION OF AUTHORITY

A key part of the organisational structure is the way in which authority is distributed. This is a very live debate in many organisations as traditional concentrations of centralised authority are being questioned in the pursuit of more flexibility, speed of response and quality in decision making.

There are two aspects to this:

- the distribution of authority throughout the various levels and divisions of an organisation, which takes the form of a debate about centralisation and decentralisation; and
- the passing of authority to act and make effective decisions from one level of management to the next – known as delegation.

Before we examine these, however, we need to be clear about what is involved in “authority”.

Authority and Responsibility

Authority may be defined as

- the **right** to issue valid instructions which others must follow.

There are two other key concepts associated with this:

- responsibility – which is the **obligation** to achieve certain objectives; and
- accountability – which is the obligation to **report** (give an account) to a higher authority for the discharge of those responsibilities.

Accountability is a crucial concept in management. It is the control exercised by more senior levels in the managerial hierarchy over subordinate managers. Any person who accepts responsibility also accepts the need to be accountable for that responsibility.

Accountability thus flows upwards in an organisation, while responsibility is assigned downwards.

If a person is to assume responsibility for certain objectives, and to be held accountable for his/her success or otherwise then that person must have the right to take action and make decisions commensurate with achieving those objectives. Without this right, he/she cannot be truly accountable for the performance of the responsibility. This requires that responsibility must be accompanied by authority – the ability to issue valid instructions (to subordinates, but also to others, such as the finance department to issue payments for services, or the purchasing department to supply particular resources) in order to get the work done.

The relationship which exists between three concepts, then, must be in balance – responsibility and authority must go hand-in-hand, and accountability cannot be expected to flow upwards unless authority and responsibility have first flowed down.

Problems can arise where this balance does not hold true. It is by no means uncommon for managers to lack the authority necessary to discharge their responsibilities – for example, by having to refer routine decisions or requests for supplies to more senior levels, or by more senior management interference in giving instructions to staff. In such circumstances, it would be wrong to hold a manager accountable for failure to achieve their objectives. There is, though, a difficulty with all of this – the problem of dual responsibility.

Subordinates are given responsibility for the duties assigned to them by their manager, and are accountable to him/her for their performance. However, the manager remains responsible for seeing that these duties are, in fact, carried out satisfactorily. He/she is accountable to a higher level of management for that responsibility.

Thus, delegation of responsibility is not an abdication of that responsibility.

Centralisation and Decentralisation

Let us start with a definition of the two terms:

- decentralisation refers to the systematic devolution of responsibility and authority within the structure of an organisation, i.e. certain levels or parts of an organisation are given responsibility for the achievement of specific objectives and the authority necessary for the discharge of that responsibility;
- centralisation refers to the state of affairs where responsibility and authority are concentrated at the higher or more senior levels of an organisation, with little or no allocation to lower, subordinate levels. Centralisation is characterised by decision making being undertaken at the top levels, while the actual work is carried out at the lower levels.

Note that, by centralisation/decentralisation, we are not concerned with the division of the organisation into departments or sections, etc. It is where decisions are made that determines the degree of centralisation, and it is quite possible for an organisation to have many divisions, all of which are strictly controlled from a single central source of authority.

Not that organisations can be totally centralised or totally decentralised. With complete centralisation no-one, other than a small group of senior managers, could make any decisions – the result would be that the organisation would be paralysed and unable to function. At the other extreme, complete decentralisation would deprive an organisation of the overall planning, decision-making, co-ordination and control that are the functions of top management – the organisation would fall apart.

There has to be an equilibrium between centralisation and decentralisation that allows both centralised and decentralised authority to perform useful functions for the organisation.

(a) The advantages of centralisation

It is important to be aware of the strengths of centralised authority before looking at the possibilities of decentralisation.

Chief among these is the role of central authority in ensuring a corporate integrity to the organisation and preventing excessive departmentalism. Senior management needs to be seen as providing leadership for the organisation as a whole, ensuring that the various parts perform as a team within corporate objectives. In the event of disputes between departments or divisions, or between departments and the corporate whole, central authority takes on the role of referee in the resolution of such conflict.

Leading on from this, it is clear that centralised authority is necessary for the making of corporate policy and determining strategic plans across the whole organisation. These depend on drawing together information across all parts of the organisation. At lower levels, information can only be partial, so effective decision making is necessarily limited in its range.

Centralisation may also fulfil other functions where corporate action is necessary, including:

- standardising procedures and approaches – defining and promoting a unity of style and purpose in respect of issues and practices across the organisation (such as equal opportunities practice or customer care);
- crisis management – the determination of action which can be effective (swiftly if necessary) across the whole organisation in response to serious emergencies, the most normal in local government being severe financial constraints imposed at relatively short notice.

(b) The advantages of decentralisation

Decentralisation aims to place the authority to make decisions at points as near as possible to where the relevant activities take place. It utilises local and immediate knowledge of situations in order to make timely and effective decisions within the defined sphere of action. This is in contrast to centralised decision making which is remote from the point of impact. There is, therefore, a clear potential gain in the quality of decision making, but it must be confined to those situations which do not have a wider impact than the area of responsibility of the decision maker.

Apart from the quality and speed of decision making, decentralisation of authority – and the associated responsibility and accountability – has a number of other significant advantages:

- it facilitates the identification and assessment of performance in more detail than is possible with centralised systems, linking objectives of individual units with authority and responsibility for their achievement and accountability to higher management;
- it encourages initiative, stimulates job satisfaction and improves morale by providing individuals with more control over their work and involvement with the objectives of the organisation;
- it fosters the development of managerial ability at lower levels.

(c) The disadvantages of decentralisation

The principal problem is one of the autonomy of decentralised units, where independence from the centre can lead to working against corporate policy. This works both ways in that the centralised authority can lose touch with the detail of operations in decentralised parts of the organisation, and the decentralised unit can lose touch with its role as part of the whole.

Other problems include:

- the possibility that, because decision making is very close to and often involves the affected parties, it can actually turn out to be relatively slow and represent a compromise based on the need for acceptance;
- the duplication of work throughout a decentralised organisation can prove expensive (not reaping the economies of scale generated by centralising operations);
- decentralisation depends on effective management at the lower levels, and this is likely to require extensive training – again a substantial organisational cost.

Effective decentralisation

The advantages of decentralisation are very persuasive and the trend among most organisations now is to move towards increasing the devolution of authority across a wide range of management powers. There are two main reasons for this:

- the growth in the size of organisations; and
- the increasing need for flexibility and responsiveness in operations.

These two factors combine to make centralised control too remote from the point of impact of decision making, and the number of decisions coming to the centre would overload the system anyway.

However, to be successful, decentralisation requires a very clear specification of the roles and objectives of different parts of the organisation, and of the structure of authority, responsibility and

lines of accountability. And crucially, it requires that all management operates within this specification.

R. J. Cordiner identifies ten principles for effective decentralisation.

- Decentralisation should place decision making as close as possible to where actions take place.
- Decentralisation calls for a full spread of relevant information to decision makers.
- The authority delegated should be real, not just nominal.
- Decentralisation requires confidence that associates in decentralised positions will have the capacity to make sound decisions in the majority of cases, and such confidence starts at the highest level. Unless senior management has a deep conviction and an active desire to decentralise full decision making responsibilities and authority, actual decentralisation will never take place. The managers must set an example in the art of full delegation.
- Decentralisation requires understanding that the main role of “staff” is the rendering of assistance and advice to line operators through a relatively few experienced people, so that those making decisions can themselves make them properly.
- Decentralisation requires a realisation that the natural aggregate of many individually sound decisions will be better for the organisation and for the public than centrally planned and controlled decisions.
- Decentralisation rests on the need to have general objectives, organisation structure, relationships, policies, and measurements known, understood and followed, but it must be realised that definition of policies does not necessarily mean uniformity of methods of executing such policies in decentralised operations.
- Decentralisation can be achieved only when higher management realises that authority genuinely delegated to lower echelons cannot, in fact, also be retained by themselves.
- Decentralisation will work only if responsibility commensurate with decision making authority is truly accepted and exercised at all levels.
- Decentralisation requires personnel policies based on measured performance, enforced standards, rewards for good performance and removal for incapacity or poor performance.

So what does an effective scheme of decentralisation involve?

We noted above that there needs to be a clear specification of roles, objectives and authority structures. The basic framework for this may be summarised as providing for the greatest degree of decentralised autonomy of individual units within strong corporate policy and central strategic planning and control.

The functions of the central authority would, under such a scheme, comprise:

- the determination of policy and setting of organisational objectives;
- the approval of objectives suggested by the next-lower level, and the monitoring and control of their achievement;
- the development of long and medium term strategic planning applicable to the whole organisation, including major capital expenditure and projects, and any reorganisation;
- the appointment of senior staff at the next-lower level;
- the provision of technical services where the advantages of scale and centralisation are clear (for example, computers, legal advice, research, etc.);

- the development and promotion of the organisation's image and ethos, both externally and internally.

Decentralised units would need to operate strictly within the defined corporate policy, plans and objectives, and the approved objectives for its own level. Within that, responsibility for the day to day running of the unit's own affairs would be delegated, including:

- short term planning;
- financial management;
- operational decision making.

Note that this type of scheme can be seen in operation at many different levels in the organisation. It clearly applies to the relationship of departments to the centre, but can also be seen in the way larger departments are organised with authority devolved to section heads within a departmental corporate framework, particularly in geographically dispersed organisations

New developments in the decentralisation debate

The consideration of decentralisation has been given an added dimension by the writings of modern management thinkers such as Peters and Handy. The thrust of their argument is that it is not only the degree of decentralisation that is important, but also the way in which it is implemented.

The generally accepted form of decentralisation has been characterised by hierarchical delegation – authority and decision making being passed down from higher to lower levels. However, both Peters and Handy both see decentralisation as not merely the delegation of authority, but the means of breaking with the traditional hierarchical forms.

Peters argues that highly structured forms of organisation are not suitable for the changing conditions of modern society – they either fail to integrate effectively or they integrate tasks at too high a cost (economic and social) so they are inefficient. In place of traditional structures, Peters puts forward the concept of “simultaneous loose-tight”. The tight integrating element is shared values, such as quality and service to the customer. The loose element is the coming into being of taskforces with considerable autonomy on how to tackle tasks so long as the task is completed and the core values are respected. Task discipline arises from the values, for example there should be no short-cuts on quality or service. Under this view, the links of authority should be few but crucial, and decisions of all levels of importance should be made where they are most effective.

Handy sees delegation and decentralisation as a way of developing role as opposed to rule cultures. This is similarly based on a shared vision of corporate objectives which it is the role of senior management to promote and monitor effectiveness against.

Delegation

Delegation is the passing of responsibility from one level of management to a lower level.

As such, delegation forms the basis of decentralisation and often takes place in an organisational setting known as a “scheme of delegation” which is, effectively, the framework of decentralisation we have discussed above.

The advantages and disadvantages of delegation are, similarly, those considered previously in respect of decentralisation. However, in considering the more personal aspect of delegation, it is worth noting that managers very often do not take advantage of the possibilities and prefer to continue to exercise close control over most of the detail of their various responsibilities. There are various reasons advanced for this, such as:

- it takes more time to explain what to do than to do the work oneself;

- subordinates lack the knowledge, skills and/or experience necessary (“if you want something done properly, the only way is to do it yourself”);
- lack of trust in subordinates – the potential consequence of mistakes being made is too great or costly (or may reflect badly on the manager);
- subordinates do not want the additional responsibility, especially with no additional pay or reward.

The process of delegation involves a conscious series of steps:

- planning – the identification of tasks and/or functions which could usefully be delegated and the selection of a suitable subordinate or group of subordinates considered capable of assuming the responsibility;
- specification of the terms of delegation – determination of the objectives and scope of the responsibility to be delegated and communication/explanation of the terms (included expected standards) to the subordinate(s);
- monitoring and review – checking progress and results at suitable intervals, without maintaining such close control that the autonomy of the subordinate(s) to carry out the delegated responsibility is undermined, but enabling support to be provided should it prove necessary.

It is important in considering delegation to remember our previous discussion about authority, responsibility and accountability. The manager delegating a responsibility cannot abdicate that responsibility – he/she retains the ultimate responsibility and is accountable to more senior management for its discharge. However, that is no reason to fudge delegation. Delegation involves passing the responsibility to someone else, and for this to be effective, full authority commensurate with the responsibility must accompany the delegation. Having decided to delegate, the manager must be prepared to live with the consequences – provide support, advice and guidance by all means, but allow the subordinates to fulfil the responsibility if at all possible. It is also important to remember that it is the responsibility that is delegated, not the way of doing it. Again, if possible, the subordinate should be judged against the objectives and standards associated with the responsibility, not against how the manager would do it.

C. PARTICIPATION

One of the key concerns arising from the work of the human relations school is how the human dimension can be brought into harmony with the demands of the formal organisation to improve its functioning. For some, the key is participation.

Participation is all about involving people in their work in a more meaningful way, usually through taking part in the decision making process usually reserved for management alone. It is especially appropriate for those decisions which closely affect subordinates, but may be extended to include any form of decision.

Principles of Participation

A useful place to start this topic is to review the work of Mary Parker Follett. She was an Englishwoman with early leanings towards politics who’s interest in social matters led eventually to a career in industrial relations. In her first significant book “The New State”(1918), Follett argued for a better controlled and ordered society so that the individual could live a fuller life. Neither government nor industry, the two main sources of control in society, could exercise control arbitrarily; it could

only be done with the sanction of individuals. It was this need for agreement between two groups of people which was to attract Follett's attention and which encouraged her to lay down principles to bring about meaningful participation in the functioning of organisations.

She identified four principles of participation.

- **Constructive conflict**

Follett believed that conflict is neither good nor bad – it is merely the expression of divergent interests. Management must try to synthesise these interests, rather than seeking to impose a view which is contrary to them. Importantly, synthesis is not the same as compromise. Compromise is the most common form of resolving conflict, but Follett found it unsatisfactory because it involves all parties in the bargain losing something.

Assuming that we accept synthesis, or the integration of interests, is worthwhile, how is it to be achieved? First, the obstacles to integration must be brought out into the open. Every effort must be made to examine the differences between the parties. Analysing conflict means breaking it down into its constituent parts by investigating the psychological implications of the parties' demands. One must identify those which must be met and those which are less significant and can be satisfied in another way.

Another characteristic of conflict is that it is not static but dynamic; it is always evolving and growing in complexity because in the situation each party is not reacting just to the other party, but to the total situation which, of course, includes their own position and motivations.

- **Giving orders**

Follett identified two defects in the giving of orders by managers – their transmission in an over-authoritative and uncompromising way, and the giving of no orders at all. She thought that these problems could be removed if orders were de-personalised so that the only concern would be with the situation to which the decision is being applied. What is needed is to seek to discover and obey the law of the situation. This is invariably the procedure when two people of equal authority are trying to find the right solution to a problem – for example, when the heads of a sales department and a production department are making a decision on a product, the solution is found by studying the market and discovering the solution which meets the needs of the situation. This should happen in superior-subordinate relationships throughout the organisation.

The problem, then, when trying to make others adopt a strategy should not be one of how to persuade people to think as we do, but how to help others to see the solution which exists within the situation.

- **Group responsibility**

An undertaking should be so organised that everyone feels responsibility for the whole organisation, not just the achievement of their own area of work. One of the problems of functional organisation is the emphasis on achievement in a particular job or in the particular function, not in the total organisation. One of the main difficulties of management is how to instil in all members of the organisation a feeling of collective responsibility.

Follett suggested that participation in decision-making, involving members of the organisation at all levels and implementing the law of the situation, will all help to develop collective responsibility. Also, employees need to see the contribution they are making to the organisation as a whole and this demands that there must be good co-ordination of all parts. Follett had some harsh words to say about the standard of co-ordination in organisations, feeling that the

often very little co-ordination which does exist does so purely because the heads of departments are able to get on well with each other, rather than as an organisational imperative.

- **Authority and responsibility**

It is very difficult in any organisation to pin down authority and responsibility. Authority is rarely one person acting on his own and responsibility is usually the result of a pooling of resources of many individuals. According to Follett, there is a need to share responsibility and involve people; for example, “power with” should replace “power over”, with consultation taking the place of dictatorship.

Creating Effective Participation

(a) A climate of behaviour

Douglas McGregor’s work on motivation forms part of the basic understanding of that subject (as we shall see later in the course). However, he had some interesting observations on participation, suggesting (in “Changing Patterns in Human Relations”) that management’s function should be:

“to create conditions which will generate active and willing collaboration among all members of an organisation – conditions which will lead people to want to direct their efforts towards the objectives of the enterprise... People often expend more energy in attempting to defeat management’s objectives than they would in achieving them. The important question is not how to get people to expend energy, but how to get them to expend it in one direction rather than another. For management, the answer lies in creating such conditions that efforts directed towards the objectives of the enterprise yield genuine satisfaction of important human needs”.

He goes on to claim that management by integration “is a deliberate attempt to link improvement in managerial competence with the satisfaction of higher-level ego and self-actualisation needs.... It is a strategy – a way of managing people. The tactics are worked out in the way of circumstances. Forms and procedures are of relatively little value... The tools for building this managerial philosophy are attitudes and beliefs about people and about the managerial role, not manuals and forms”.

These quotations indicate how participative management in the organisation is more than joint consultation committees and suggestion schemes. It is more a climate of behaviour, an atmosphere or spirit within the organisation, between individuals and between departments.

Rensis Likert, another writer to whom we shall return when considering leadership, observes in his description of the practices of his “highest-producing managers”:

“The organisation consists of a tightly-knit, effectively-functioning social system among the members, with trust between superiors and subordinates. Sensitivity to others and relatively high levels of skill in personal interaction and the functioning of groups are also present. These skills permit effective participation in decisions on common problems. Participation is used, for example, to establish organisational objectives which are a satisfactory integration of the needs and desires of all members of the organisation... Communication is efficient and effective...”

“Widespread use of participation is... employed by the high-producing managers in their efforts to get full benefit from the technical resources of the Classical

theories of management coupled with high levels of motivation. This use of participation applies to all aspects of the job and work.”

The climate of behaviour should be all-pervasive. Clearly, different types of problem require a different approach and not all matters are suitable for participative decision making and involvement. However, whilst it is evident that, for example, full participation is particularly appropriate in matters about which subordinates feel keenly (with staff generally, matters such as shift arrangements, canteen, car parking, hours of work, and so on), beware of the temptation to slip back into thinking participation is wanted only for the “sugar in the tea, snail in the salad, paper in the loo” type of business. Rudimentary attempts at joint consultation in some organisations have too often floundered, partly because subordinates have quickly realised they are being fobbed off with trivia.

For participation to be genuine, and be seen as such, it must include matters of importance. Of course risks of trouble exist – but most managers are paid on the assumption that they can handle trouble.

(b) Capacity and willingness of management

Management have to believe that participation is a valuable asset in carrying out their role. This involves accepting a change in perception for many from a concern with, as Pigors and Myers put it, “how can we make people work harder for us?” to “how can we help people to want to work more productively with us?” This is a necessary underpinning to involving a wider circle of participants in the decision making process.

Rosemary Steward (in “The Reality of Management”) is pessimistic about this possibility:

“There seems little to suggest that many companies will practise participative management. This requires a belief that it is right to do so (which is not common among managers and not markedly on the increase), as well as a personality that can cope with the problems inherent in any genuine attempt to encourage employees to share in some aspects of decision-making. Managers who do not genuinely believe that people have a right to share in decisions affecting them are likely to be too irritated by the difficulties which arise in discussion”.

(c) Capacity and willingness of subordinates

Few managers avoid the habit of denigrating the capacities of their subordinates, at least from time to time among other managers (although they may, for obvious reasons, exclude their own immediate juniors from condemnation – especially if they selected them for appointment!). Yet experience shows that, invariably, people are perfectly capable of taking on the duties of their seniors, maybe two or three grades higher, when the opportunity arises (for example, during a ‘flu epidemic, holidays and so on). There is little reason to believe that participation would falter on the ability of subordinates to play a part in it.

Willingness to contribute on a regular basis may be a more serious difficulty. The informal culture may well not permit it (“that’s management’s job”), especially if participation is being introduced in what has hitherto been an authoritarian climate. Generally speaking, though, subordinates welcome involvement in the decisions which affect them and their work, so with the right handling this again should not present an insurmountable problem.

On some issues, the motivations of management and subordinates may be poles apart and motivational deadlocks must be avoided. For example, where subordinates is likely to be adversely affected by a decision on a matter, such as a change in working practices, they are hardly likely to participate impartially in the decision-making. However, this is no reason to

abandon the participatory process, although the factors influencing particular contributions must be borne in mind.

Further, trade union agreement is likely to be necessary. Local trade union officers may feel that the workers' loyalty to the union is threatened; close relations with management may be thought akin to supping with the devil. This problem is similar to that of the clash with the informal culture and may well be resolved in the same way – effectively appealing to the workers over the heads of the union who are, after all, part of the formal structure even though they may be closer to the informal than management.

(d) Time

It is a common perception that participation takes time. Well, yes it does if everyone needs to be involved or special arrangements have to be made, but that is rarely the case. Remember that participation does not mean involving all staff on every decision, or having special forums for the process. It can be done quickly and simply by just asking for advice or informally reviewing options with a few subordinates or peers.

Time is an important factor for many managers, though, and there will be occasions when only limited – if any – participation is practicable. However, the occasional such decision will be much better received if it is known to be an exception, rather than just the latest instance of “nobody asked us”.

(e) Communication

Effective participation needs good communication – both upwards and downwards, and sideways through the organisational hierarchy. This demands that there are effective formal channels of communication and that all necessary information is made available. Sometimes this requires a degree of openness which both management and managed may find uncomfortable and threatening. It is, though necessary.

Two particular techniques are associated with this:

- Attitude surveys – to ascertain employees' attitudes towards their jobs, their workmates, their superiors, factors in the work situation causing them frustration, and so on, the results not being treated as only for management's eyes, but being fed into discussion groups of managers and subordinates. Thus, employees at different levels are able to directly influence each other's understanding of social and organisational problems, and together decide on appropriate action.
- Performance appraisal – full participation by subordinates makes regular appraisal much more worthwhile and positive, and more likely to be conducted in a supportive framework.

We shall consider both these techniques elsewhere in your course.

(f) Cost

Participation takes time – the manager's time and the subordinate's time – and time as we all know costs money. There is then a cost to participation in financial terms. It may also have a cost in terms of the disruption of established formal patterns of relationships. However, the whole point of participation is to both improve decision making by widening the contributory opinions and expertise, and to bridge the gap between the informal and formal organisation by involving workers more meaningfully in their work environment. The benefits of this should far outweigh the costs.

Individual or Group Participation?

Much participative management is carried out by exchanging ideas with a single subordinate, or perhaps with several subordinates individually. The big drawback of the latter process is the time taken up, but there are advantages to consultation on an individual basis:

- each individual has the chance to speak, and see the other considering his ideas
- each individual has the stimulus of what the other says and of how he reacts – i.e. a personal discussion – to prompt and develop his/her own thinking
- on some matters frankness is more likely – things can be said which would be unwise, even impossible, with a third party present

Group participation tends to be a more formal affair and probably needs to be arranged in advance to ensure that everyone can be involved. It can be more time consuming in total, what with the arrangements, the time of the meeting itself (and everyone knows meetings invariably last longer than scheduled) and the inevitable involvement of some who are not concerned or not able to contribute – although this can be offset against saving in management time and the time taken for individual consultation.

However, group participation offers the following advantages:

- Creative thinking is more likely, from the chain reaction of thought, and from the interaction of different fields of knowledge and different temperaments, provided a permissive atmosphere exists to encourage free expression
- Integrated and balanced decisions are more likely to be reached, as each party is influenced by the same facts and feelings as everybody else, the manager's formal authority is set against the subordinates' strength of numbers and, probably, specialist knowledge, and the group is better able to influence any deviant member(s).
- Group cohesion is improved – as friendship and mutual understanding develop, group loyalty grows, common standards and attitudes are adopted, and the group will put social pressures on its members to conform (so the mechanism of participation brings the informal organisation into the formal functioning of the organisation).

Nevertheless, you should recall that these same group pressures can hinder management and prevent it functioning effectively in the organisation. This can occur when the business discussed at a meeting involves a challenge to prevailing beliefs and cherished customs, or the announcement of a decision which is likely to be highly unpopular. In such circumstances the manager may be wise to avoid the risks of a power struggle by not calling a meeting. Instead of offering a chance for group opposition to be voiced and coalesce, it may be better for patient education and persuasion of subordinates to be attempted through individual consultations. (In this case it would be clear that the participatory process would be allowing the informal organisation an opportunity to clash with the formal structure.)

The Impact of Japanese Company Practices

Probably one of the greatest influences on management thinking in recent times has come from studies of the way Japanese companies operating in Britain and the USA have adapted some of their native ideas to motivating Western workforces.

W Ouchi drew attention to the importance of the participation of the workforce. His **Theory Z** argues for consultation and participation of workers in decision-making. Later researchers have

studied the wider implications of participation and identified that team spirit, motivation and morale in some Japanese firms in Britain are engendered by the following factors:

- A company uniform, worn by **everyone** from the managing director to the most junior worker.
- Everyone eats at the same self-service canteen - management **and** workers.
- Single-status car parks, toilets, etc., used by **all levels** in the organisation.
- Voluntary exercise sessions, where both management and workers keep fit.
- Regular meetings, where managers and workers sit down together to thrash out problems.
- Usually only one trade union is allowed in order to avoid inter-union disputes.

In this view, participation encompasses a universal involvement in the organisation's processes and operations – breaking away from the “*them and us*” (boss and worker) image of the past. It implies an entire, new organisational culture and approach to work, rather than adaptations aimed at improving traditional organisational practices.

Effects of participative management

A number of benefits flow from the adoption of participatory processes.

- Improved decision making through a better flow of information, the greater knowledge, viewpoints and emphases that the wider group can bring, and the interaction of complementary decision-making skills.
- A substantial improvement in morale through meeting more of the workers needs, resulting in increased productivity and a better standard of performance, reduction in labour turnover, absenteeism, lateness, and so on, and a reduction in the number of grievances with generally more amicable work relationships.
- Improved preparedness to accept change, as fear of the unknown disappears and involvement in planning the change removes the insecurity often engendered.
- Greater ease in managing subordinates. The need for close supervision can be greatly reduced (and, indeed, perhaps a reduction in the number of managers and supervisors) as the informal work group adopts and maintains the formal norms and goals. Remember that the formal authority of a manager is ineffective and purely nominal until it is accepted by the members of the work group. Real authority, or power, has to be earned, and the practice of participative management – satisfying subordinates' needs for self fulfilment – while appearing to be soft management, paradoxically may earn the manager real authority to conduct his/her organisational functions.

Apart from these direct effects, which we may anticipate from our understanding of the nature of the human dimension to organisations, a number of subsidiary effects may also be apparent. Participative management may well affect other aspects of an organisation.

- The communication system – most managers despair of ever reaching 100% efficiency in communicating effectively with staff, but participation certainly makes it necessary to get as near as one can and the lessons learned through the process can be valuable in many other areas requiring communication.
- The formal organisation itself may need adjustment in the light of the effects of participation, for example where one particular subordinate proves especially useful in one field of work or level of activity, he/she may be permitted to take the actual decisions (thus, decentralisation flows from participation), or where it becomes the practice for one particular subordinate to be regularly consulted on a particular field of work, that role may need to be accepted as part of

the job and grading, remuneration, etc. adjusted accordingly. In addition, broadly speaking, participation renders possible a flatter organisation – one with fewer tiers.

D. EMPOWERMENT

Empowerment can offer an approach to organisations that will enable them to succeed, and treat their staff and customers well.

Empowerment is a development from delegation. The decision to delegate is made by individual managers, some of whom might be more willing to delegate than others and thus any benefits to be gained from delegating may be variable.

When delegation is integrated into the work organisation as a permanent feature of the operating principles and practices, employees are given increased responsibility for their own work and are allowed to work with more independence. They become “empowered” and relieved of detailed instructions and controls. Empowerment gives employees an increased sense of responsibility as they decide on an everyday basis the fitness of their work, rather than their manager. The duty to do a good job is on the employee and they are less able to blame their manager for poor decision-making.

Empowerment offers a way of treating staff with respect and honesty, and offers a way of working for organisations that want to be successful in a climate of change. In order to be successful, empowerment must occur in conjunction with proper training and development to ensure that individuals are equipped with the abilities necessary to make sound decisions; feedback should be given and the organisation should nurture an atmosphere which facilitates change.

Consider the following two explanations of what empowerment means in practice:

“The purpose of empowerment is to free someone from rigorous control by instructions and orders and give them freedom to take responsibility for their own ideas and actions, to release hidden resources which would otherwise remain inaccessible”.

Jan Carlson

“When managers are truly empowered, the burden of proof should be on head office to tell them why they can’t, rather than on them to prove why they should”.

Valerie Stewart

Empowerment is the concept of giving people more responsibility about how they do their own jobs. It is about giving more involvement in decision-making and more encouragement to investigate their ideas fully. Empowerment is a process to increase efficiency and make greater use of each individual’s contribution. It implies synergy – the **whole** can be greater than the **sum of the parts**.

Empowerment can be broken down into three distinct areas:

- Ownership
- Teams and leaders
- Structure and culture

We shall look at each of these in turn.

Ownership

Empowerment is about **ownership**. It is a way of involving people in the operations of the organisation, so that they feel personal responsibility for their actions. If people feel that they **own** their actions or decisions, then they are likely to be better actions or decisions.

(a) **The Stockholder Model**

The **traditional** view of organisations is the stockholder model. The organisation is in existence to make profit for the shareholders (or stockholders).

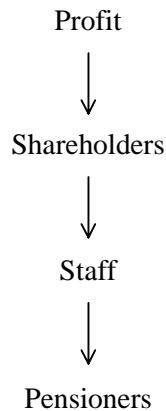


Figure 8.7: Stockholder Model

If the objective of the organisation is **solely** to make a profit then, of course, it can engage in environmentally unsound practices or, if the management believes that it will lead to profit, Theory X management practices. With this approach, no other factors need to be taken into account.

(b) **The Stakeholder Model**

The stakeholder model is a different approach, and one that seems more appropriate to 2000 and beyond. It is an approach that can take into account the external environment and interact with it. The model in its basic form looks like this:

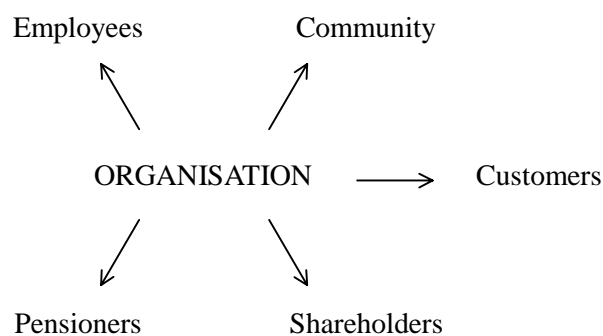


Figure 8.8: Stakeholder Model

- **Employees**
The employees achieve reward and recognition, as both staff and management have an input in decision-making.
- **Community**
The organisation has a commitment to the local community in terms of job opportunities and disposable income. It may provide facilities for outside use (such as sports grounds).

At the macrocommunity level there is a responsibility to be environmentally aware. This may be in terms of pollution or in building aesthetically pleasing offices.

- **Customers**

The customers are looking for reliability and value for money. They are also concerned with the wider implications, as shown, for example, by a campaign to boycott the goods of a Swiss-based confectionery manufacturer which was pushing the use of powdered milk for babies in the Third World. The campaign was based on the idea that they were doing this to make a profit rather than acting in the interests of the mothers and babies.

- **Pensioners**

Those with an interest in the success of the organisation such as pensioners and subcontractors are involved and kept informed.

- **Shareholders**

The organisation still needs to perpetuate itself, and there needs to be a return on investment but what is also important in the financial marketplace is confidence and positive image.

Teams and Leaders

Successfully empowered organisations are based on teams that are working well and co-operatively. Self-managed teams which share responsibility and develop their own working practices are part of the empowerment process but they must obviously still work to the policies and objectives set by management. Workers are usually allowed day-to-day operational control without always having to refer to management for a decision. The limits of responsibility for decision-making are pre-set in agreement between the parties.

Some of the activities that will need to be developed can include **multi-skilling**, providing the organisation with more flexibility. Staff can be moved around in times of crises to do other work. In Japanese companies, where lifetime employment has been guaranteed, staff are expected to do whatever the organisation requires them to do. By giving staff more skills, their ability to do their jobs and their satisfaction levels are raised.

A second important area for teams is encouraging them to contribute ideas on work methods. This process may be achieved through systems such as **quality circles** or regular, formalised meetings. The team members can be encouraged to agree how the work should best be organised and distributed to achieve the team targets and the organisational goals. Bonus or performance pay schemes may be introduced that reward the team rather than the individual.

The whole approach requires managers to **lead** their people and get the most out of them. Organisations need to operate as inverted pyramids. The frontline workforce are the face of the organisation; they are the ones who interact with the customers. The role of management is to manage that process and ensure that it works successfully. In this model, the board is the fulcrum on which the organisation can change direction (see Figure 8.9).

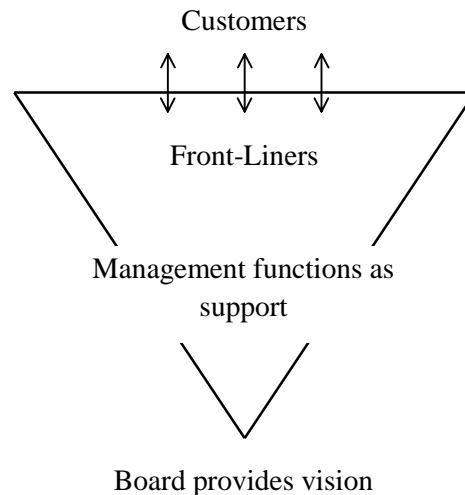


Figure 8.9: Inverted Pyramid Model

So, the managers are leaders, they constitute a resource and they need to lead in a way that will encourage empowerment. They will need to encourage participation and involvement. The job of empowered managers is becoming harder. In the slimmer team, they will have to manage poor performers and either train them or move them out. There is no room for slack: the other members of the team deserve to be protected. Also, the leader will have to manage the appraisal process better. If staff are to be left to “get on with it”, then the “it” needs to be very carefully agreed and worked out. How will the manager measure the performance and how often? (We will look at performance appraisal later in the course.)

Some of the outcomes of empowerment for individuals and teams will be that jobs become more interesting as individuals have more responsibility and the ability to influence events. This will lead to increased motivation of the individual and improved morale for the team.

Empowered teams (teamwork) form the basis of high performance work systems; there are examples of empowered self-managing teams in The Body Shop, Unipart, and CIBA UK. Such teams have few traditional first-line supervisors; some of the teams have dispensed with such a role completely and appoint their own, often rotating, leaders.

In the empowered team the supervisory role (according to **Peters** (1987)) should have the following aspects:

- A span of control of 50-75.
- To act as a co-ordinator, facilitator, trainer.
- To do a lot of “*wandering around*” rather than watching people work.
- To work **across** the organisation, with other functions, to solve problems.
- To help the team to develop and implement ideas to improve performance.

Available evidence indicates that the typical employee response is positive, and that such an approach usually results in more effective performance. However, research has also shown that some employees are more comfortable working in the traditional way, taking instructions from managers.

Empowered teams:

- Aim to improve organisational flexibility and product quality for competitive advantage.

- Are based on the argument that increased autonomy improves skill, decision-making, adaptability, etc.
- Involve a review of the management function, especially for the supervisor.
- Will have a long-term effect on the organisational culture, attitudes and behaviour.
- Affect the human resources management strategy.

Structure and Culture

You will probably have come to the conclusion that a flexible/human relations model of management is appropriate when empowerment is introduced to the organisation. There are various decision-making centres, all connected to enable the free flow of information, and all co-ordinated by senior management so that they pull together to achieve the objectives of the organisation. Department managers, supervisors and workers from departmental teams work together to achieve goals and targets. Staff advisers contribute their expertise.

The implications of working in this type of management structure are those of personal commitment and the individual thinking for himself. Employees at all levels have the opportunity to make a major contribution. Really able staff can be promoted rapidly, over the heads of employees who have been there longer.

Rules and regulations are flexible and can be altered if they are found to be unsuitable for changed conditions. There is no real end to a person's job; there is always the opportunity to expand and develop. Personal relationships are built up through interaction with individuals and groups at all levels in the organisation.

Many people thrive on this type of management structure, and derive considerable job satisfaction from "empowerment".

The organisation will need a culture that is open and responsive to change. The Japanese word "*kaizen*" means continuous improvement. When you learn a new skill you can make tremendous improvements in the early days but as you get more proficient the improvement gets smaller and smaller.

For culture change to happen, there has to be clear commitment from senior management and the involvement and participation of all staff. Management will need to change from issuing directives and acting in the way of the traditional hierarchical pyramid; the new way will be to provide the overall direction and vision, and then set targets, questions and challenges.

Empowerment and Training

A key change process in creating and maintaining an empowerment culture will be training and development. Training needs to be used with top management to help them work through and plan the changes required. Training can facilitate their "visioning". Another key area is the training of middle management. There will be a lot of uncertainty and fear about whether they will still have jobs. Some managers will have to adopt a whole new way of managing their staff. Finally, the staff will need influencing and assertiveness skills. After years of being told what to do they will need help to change their approach. Assertiveness training is a good way to reach and change attitudes, whilst influencing skills will be useful so that the empowered staff can communicate with each other. One of the outcomes of empowerment is that there will be many staff on the same level who will be required to interact with each other. Influencing and assertiveness skills can help to make these exchanges more successful.

Evaluating Empowerment

How will you know that the empowerment exercise has been worthwhile? Some of the obvious ways of checking the success of the programme will be by random interviews at different levels to see how jobs have changed. Do the job-holders have more responsibility? Are their departments more successful? There may be statistical evidence to show increased performance, decreased costs and even decreased sick absence – an indicator of staff motivation, as we noted in an earlier study unit.

Another well-used method would be attitude surveys, which we discussed in Study Unit 5. These can be used before and after any changes. Information can be obtained on general satisfaction or involvement in decision-making.

Empowerment in Action (A Case Study)

The subject of this case study is Harvester Restaurants, then a division of Forte's and, in particular, features the Dulwich restaurant. It was described by **Jane Pickard** in *Personnel Management* magazine (November 1993).

The Harvester empowerment plan was highly structured and linked to delayering. Because of this it was seen as highly threatening by many staff. The structure now is that a branch manager works with a "coach", who handles all training and some personnel issues. Everyone else is a team member of some description.

In the first six months after empowerment was introduced staff turnover rose as those who did not want to change, left. Many people lost status. One employee who had been taken on as an assistant manager became a waitress. However, as she had some special skills she became a "team expert" (mastering special responsibilities or "accountabilities" makes one an expert). A team can be made up completely of experts. The experts are now elected by the team.

Accountabilities include recruitment, drawing up rotas or keeping track of sales targets. The accountabilities were to replace traditional upwards promotion which was no longer available under the flatter structure. The teams look after their own recruitment and promotion and the coach is available for training. The changes have meant that waitresses and chefs are now accountable for ordering their own stock, carrying out their own hygiene checks, dealing with customer complaints or cashing up. Four people are empowered as "appointed people" to open up in the mornings and lock up at night.

Each team on each shift has a co-ordinator. All members of the team take it in turns to take on this role – it is recognition that someone needs to make instant decisions. The staff are empowered to do virtually anything except decide whether they will be empowered. They also have tight targets to meet: every waitress in the Dulwich branch is expected to sell a side order to every table. If they don't do this the team wants to know what went wrong.

Every restaurant in the chain is run in the same way, but there can still be local flexibility. A good example of team decision-making is that one restaurant in a tourist area was so seasonal that staff decided to give up summer holidays altogether and take them in the winter.

Study Unit 9

Leadership

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INTRODUCTION

People in organisations rarely, if ever, work entirely alone. As we have seen, people belong to all sorts of different groups – both formal and informal – and these exert a very strong influence on behaviour. We have also seen that what motivates people can be very diverse and this sets a problem for management in organisations – how do you get the best out of people. The link is leadership.

Throughout history it has been argued that the difference between success and failure, whether in war, business, protest movements or football, can largely be attributed to leadership. In this unit we shall explore various approaches to what leadership is about. Although we shall not be able to come up with a definition of what makes a good leader, we should be able to identify a number of aspects of leadership which contribute to the effective achievement of organisational goals.

A. WHAT IS LEADERSHIP?

Some introductory definitions

We shall start with a definition:

Leadership is a process by which individuals are influenced so that they will be prepared to participate in the achievement of organisational or group goals. It is the role of the leader to obtain the commitment of individuals to achieving these goals.

But isn't this more or less a definition of management? Well, not quite. Leadership and management are not synonymous. The key phrase in the above definition is “individuals are influenced”.

Management is about planning, organising, directing, co-ordinating, controlling and reviewing the work process, including what individuals do within that. It is a broad spectrum of organisational processes and practices. Leadership, on the other hand, is about how one person can influence others to do what is required for the achievement of goals – a narrower quality concerned with the hearts and minds of people in the group.

Management certainly encompasses leadership – good management is probably impossible without appropriate leadership skills. However, not all managers are leaders – either by design or default. Leadership itself may have nothing to do with management – it exists in groups rather than organisational structures and, therefore, will certainly also exist in the informal organisation where, in management terms, it may create problems in controlling workers whose influence comes from elsewhere. Not all leaders are managers.

Consider the following definition by Field Marshal Slim, talking about leadership in the army:

“There is a difference between leadership and management. The leader and the men who follow him represent one of the oldest, most natural and most effective of all human relationships. The manager and those he manages are a later product, with neither so romantic nor so inspiring a history. Leadership is of the spirit, compounded of personality and vision: its practice is an art. Management is more a matter of accurate calculation, of statistics, methods, timetable and routine: its practice is a science. Managers are necessary; leaders are essential.”

A manager – be it a chief executive, director of finance or section head, or captain, lieutenant or corporal – has **authority** to direct the work and behaviour of others by virtue of rank, job description, etc. The leader, though, has **influence** within the group to direct the work and behaviour of others. This can be a far more potent source of power than mere authority.

Let us now turn to a second definition that extends our first. This comes from the Australian C. A. Gibb:

“Leadership is a concept applied to the structure of a group to describe the situation when some personalities are so placed in the group that their will, feeling, and insight are perceived to direct and control others in the pursuit of common ends. Leaders in the group are those persons who are perceived most frequently to perform those roles or functions which initiate or control behaviour of others towards the achievement of group goals or sub-goals.”

This is useful because it brings in the idea of more than one leader: we are too inclined to talk of “the leader of a group”, when a group may have several leaders for different functions. Also, it sets leadership firmly in the context of a particular group, demonstrating leadership as a function of inevitable personal interaction within the group.

Kinds of leadership

Leading on from these introductory definitions we can see that there may be many different kinds of leaders within an organisation. There is, firstly, a key distinction between the formal and the informal organisation:

- Formal leaders are those appointed to positions within a hierarchy in the organisation structure. The job description will indicate the authority attached to the post, and over which subordinates the holder of the post is expected to exercise influence. Of course whether the post holder will be a leader rather than merely a manager is harder to prophesy.
- The informal leader may exercise appreciable influence within a work group. Although not necessarily in a post with any formal authority, and thus unable to issue formal instructions and directives, such a person may initiate action through friends or colleagues, or block action, in conflict with the formal leader’s wishes. “Soldiering on the job” or “skiving” is a common example of the informal leader’s influence, as was seen in the Hawthorne Studies where the group norm of output was decided and maintained by informal leaders at a very different level from that envisaged by the formal leadership structure.

Clearly it is desirable that a work group should accept a single leader – the formal one – or at least accept his/her influence rather than that of any informal one when the two clash. Advocates of “democratic leadership” urge that participation ensures that objectives are accepted by both manager and subordinates, and organisational goals are thus pursued by both the formal and the informal structures.

A second distinction in kinds of leadership is based on the source of power.

- Organisational leadership is the same as formal leadership, leadership exercised by virtue of position within the organisation structure. We are emphasising here that power comes from the formal authority of the post.
- Personal leadership is where power derives from the personal qualities of the person concerned – his/her temperament and background, energy, methods, etc. – indeed, in summary, charisma. In business history, personal leadership is conspicuous among entrepreneurs and empire-builders such as Henry Ford, Lord Nuffield and even Richard Branson. In large established organisations, there is less scope for it and it may even be discouraged as upsetting the normal bureaucratic hierarchies of impersonal power. Where personal leadership is strong, it may be a powerful addition to formal authority or a challenge to that authority where it is exercised by informal leaders.

Leadership tasks and skills

We noted above, in our first definition, that leadership is a process. What does that process involve? The picture becomes clearer if we look first at the tasks and skills accepted as being required of a leader.

The basic task of a leader is to influence (or motivate) group members to commit themselves to the goals of the group and work to achieve them. In order to carry this out, in **any** group, the following tasks are likely to be necessary:

- planning, organising and exercising control over group activities;
- enabling all members to clarify and understand their roles in the group, particularly in relation to other groups and as the circumstances of the group and its activities change;
- enabling all group members to perform their roles satisfactorily within the group.

Leaders must have a range of skills to use to achieve these tasks. These are influencing skills – persuasion, teaching, providing an example, etc. – in order to inspire and motivate the members of the group. It must be based on an (intuitive or learned) understanding of what motivates individual group members at different times and in different situations or circumstances, and it must take place in a climate within the group which encourages action on the basis of aroused motivation.

What makes leaders?

Until recently, thinking about leadership centred on the personal traits and characteristics thought to be essential. This view has come to be known as “traits theory”.

The earliest idea was that leaders were born not made. Under the influence of the behaviourist school of psychological thought, this notion is clearly untenable. However, it has long been believed that leaders possess certain qualities which mark their leadership ability, and there is still some mileage in considering what these qualities are. We may no longer accept that leadership traits are inborn, but if we identify them, perhaps they can be acquired through learning and experience. (It has, after all, been a maxim of the English upper classes that a public school education inculcates leadership ability – that Waterloo was won on the playing fields of Eton.)

It is tempting to think that a list of inherent qualities can be compiled to make a sort of Identikit of the “natural leader” – judgement, initiative, intelligence, dependability, courage, resolution, sense of humour, and so on. However, this approach is fraught with difficulties.

- Many such lists have indeed been drawn up, but no two writers quote the same qualities. The result is invariably an assembly of all known human strengths and virtues! W O Jenkins, an American psychologist, reviewed 140 lists of leadership qualities suggested for groups of children, military, business and professional personnel, and concluded: “no single trait or group of characteristics has been isolated which sets off the leader from the members of his group.”
- Some very successful leaders conspicuously lacked certain qualities often suggested as necessary – for example, did Winston Churchill have tact, or Adolf Hitler integrity?
- We are all aware of managers in our own organisations who have many of the desirable qualities, yet are incapable of leading anybody anywhere. Is something else required?
- There are problems in meaning and in measurement of the qualities often specified – for example, what is the relative importance of each quality and when does, say, “determination” become stubbornness” or even sheer “pig-headedness”?

- If we are to train leaders, can qualities like courage and a sense of humour be implanted or developed – and if not, and those qualities are essential, do we have to revert to an elitist approach and resignedly accept that some people are leaders and some are not?

These points do seem to negate the value of trying to think in terms of personal characteristics, but whilst we can acknowledge the limitations, it is possible to reach some generally acceptable conclusions. Without being too deterministic about it, a number of (very) general qualities do emerge from the various studies undertaken:

- intelligence, relative to that of the followers (although it is by no means necessary to be very much higher) which can give a (perceived) greater understanding of the situation;
- personal maturity, self-confidence and self awareness, or at least the ability to appear so in the leadership situation, which can promote confidence and faith in the leader's decisions;
- social skills in recognising and giving value to the contribution of others according to the group norms, in communicating effectively information and attitudes, and in dealing with the necessary social relationships.

The traits approach founders ultimately on the difficulty of identifying any universally acceptable qualities of leadership. A different approach then is required if we are to clarify what constitutes leadership and how leaders can most appropriately operate.

There two main theoretical approaches to this:

- studies which examine leadership style – how leaders behave; and
- studies which process of leadership in relation to the environment within which the group is operating (the situation), the relationship between the leader and the group and the functions of leadership within the group.

B. LEADERSHIP STYLES

Leadership is the process by which one person influences others to achieve group goals. We have seen that the process involves an interaction between the leader and the group in order to exert that influence. Now we turn to a consideration of leadership style – the leader's predominant way of behaving in inter-personal relationships within the group. There are two basic models of style:

- authority models, which consider the way in which power is exercised and relate strongly to attitudes along the lines of McGregor's Theory X and Theory Y; and
- orientation models, which explore the relationship between the emphasis given to achieving the task and to relating to people within the leader's behaviour.

Lewin's Iowa study

One of the earliest studies of leadership was that undertaken by Lewin (and others) at Iowa University in the late 1930s. It has had a lasting impact on thinking about leadership.

The studies concentrated on identifying what effect different styles of leadership have on a group. Three basic styles were postulated and reviewed as to their operational implications and associated advantages/disadvantages. These are:

- **Authoritarian (or autocratic) leadership**

With this style, all authority is centred on the leader and decisions are enforced by the use of rewards and the fear of punishment. Communication tends to be primarily in one direction, from the leader to the followers.

The major advantage of autocratic leadership is the speed with which decisions can be made. A potentially off-setting disadvantage may be the effect of autocratic leadership upon group morale. Members may resent the way decisions are made and thus support them as little as they can.

- **Democratic (or participative) leadership**

In contrast to the autocratic style, democratic or participative leadership takes into consideration the wishes and suggestions of the members as well as those of the leader. It is a human relations approach, in which all members of the group are seen as important contributors to the final decision. Participation is sought in order both to encourage member commitment to the decision and to improve the quality of decisions.

Advantages of participative leadership often include increased morale and support for the final decision, and better decisions through shared information and ideas among group members. Potential disadvantages include slower decision making, diluted accountability for decisions, and possible compromises that are designed to please everyone but are not the best solution.

- **Laissez-faire leadership**

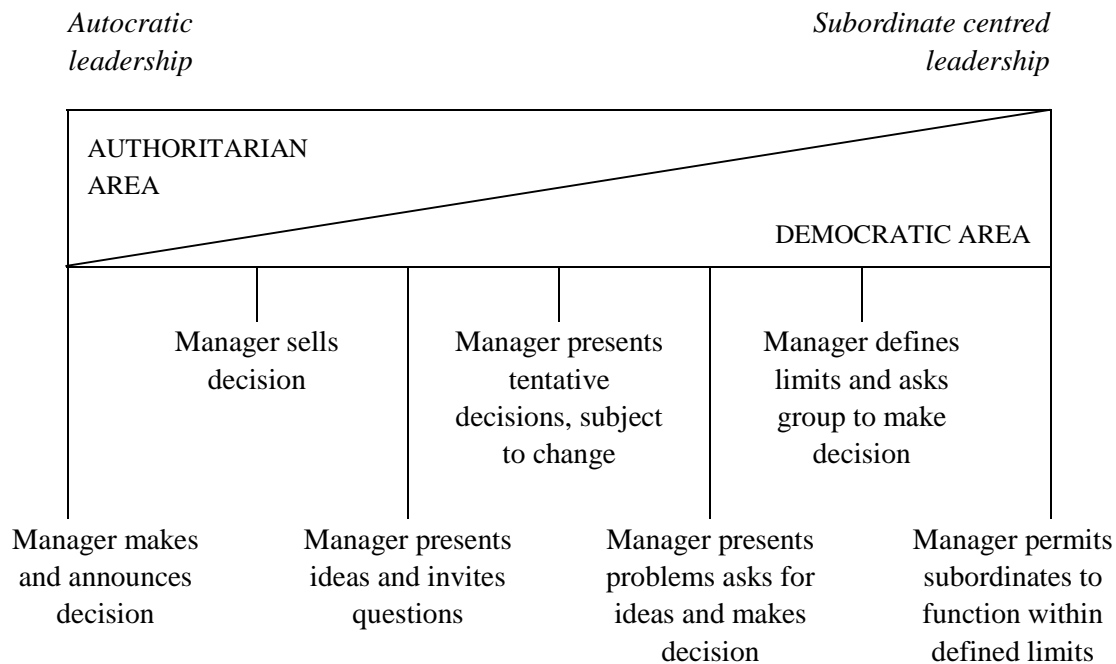
Moving still further away from autocratic leadership is the laissez-faire approach – literally, “allow (them) to do”. Here the leader exercises very little control or influence over group members. A member is given a goal and mostly left alone to decide how to achieve it. The leader functions mainly as a group member, providing only as much advice and direction as is requested.

The major advantage of laissez-faire leadership is the opportunity for individual development offered to group members. All persons are given the chance to express themselves and to function relatively independently. A disadvantage that may result is the lack of group cohesion and unity toward organisational objectives. Without a leader, the group may have little direction and a lack of control. The result can be inefficiency or, even worse, chaos.

Tannenbaum and Schmidt's Continuum of Leadership Styles

A refinement of this simplified approach was developed by Tannenbaum and Schmidt. They proposed a continuum of possible leadership styles, ranging from the totally autocratic at one extreme to an emphasis on individual members' freedom to decide issues subject only to broad limitations at the other extreme. Where their model differs from that of Lewin is in the middle – Tannenbaum and Schmidt saw many possible leadership styles which could be taken up rather than Lewin's rather general single style.

The model is generally shown diagrammatically in Figure 9.1 and shows seven styles of leadership influence.

Figure 9.1: Continuum of Leadership Styles

Tannenbaum and Schmidt maintain that when seeking to select the most effective leadership style for a given situation, three variables should be analysed – the leader him/herself, the subordinates and the situation itself:

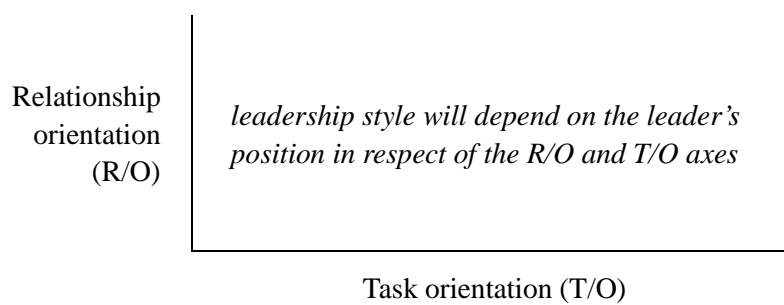
- the leader's own position power (within both the formal and informal organisation) and, importantly, his/her personal characteristics and motivations will be major determinants of style;
- the make up of the group itself – the wants and needs of the individual members, and their individual and collective view of the leader – is, as we have seen from the previous section, crucial in determining leadership effectiveness and needs to be considered in respect of what an effective leadership style may be;
- the situation itself constitutes the task itself as well as the type of organisation, the effectiveness or otherwise of the group, and pressure of time, etc.

In considering this approach, it is important to realise that no particular type of leadership style is being advocated or is suggested. It is improbable that leaders consistently adopt one style at one point on the continuum. Rather, leadership involves the flexibility to diagnose the situation, take stock of the group itself and be aware of one's own position, and to adopt an appropriate style to suit the circumstances. However, it is also worth noting that, whatever the strength of findings about the importance of the group and situation variables, leaders are individuals too and will often be bound by the limitations of their own capabilities and characteristics or their own over-riding preferences.

Orientation Models

The basic premise to this approach is that leadership style is a function of two variables – the way in which the leader is concerned with both the group (his/her "relationship orientation") and the particular task being faced (the "task orientation"). This can be expressed diagrammatically as follows:

Figure 9.2: Relationship/task orientation



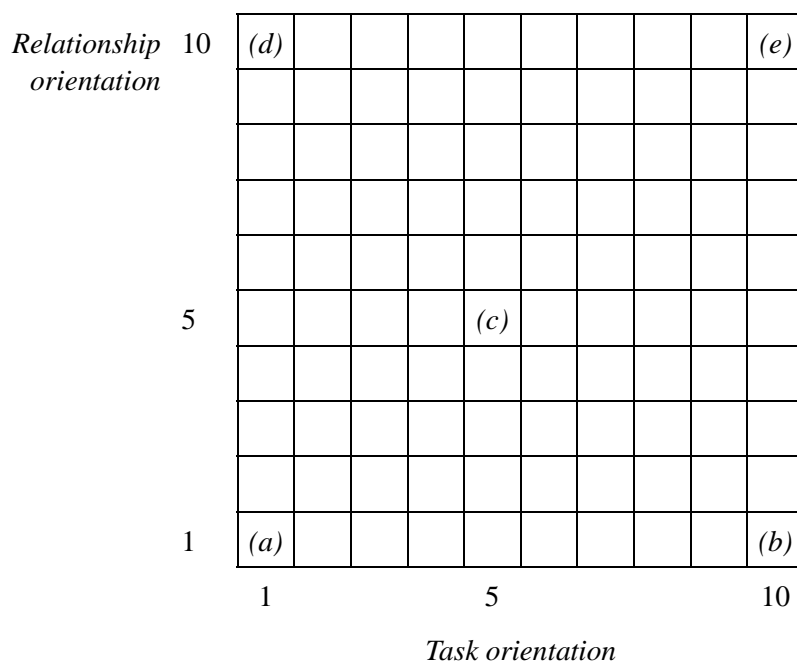
- Relationship orientation refers to the degree of interaction with people in the group, the concern for people expressed by the leader.
- Task orientation refers to the degree of emphasis given to getting the job done, decision making, work organisation and control, etc.

Two particularly influential models are based on this approach.

(a) Blake and Moulton's managerial grid

This model divides each axis of the basic diagram into ten and draws it up as a grid. A typology of styles is then suggested using a number of positions on the grid.

Figure 9.3: Moulton and Blake Grid



Each square on the grid represents a potential style of leadership or management. Blake and Moulton identified five basic styles according to the four extremes of high and low orientations, together with the middle ground. These, (a) – (e) on the above diagram, are defined as follows.

- (a) 1.1 management – often called “impoverished management” – shows a minimum of concern for either people or production. This type of manager exerts just the minimum effort to get the work done and has little interest in his/her subordinates.
- (b) 9.1 management is concerned only with the work and has little interest in people. Efficiency in operations results from arranging conditions of work in such a way that human elements interfere to a minimum degree.

- (c) 5.5 “middle of the road” management balances the necessity to produce with maintaining morale at a satisfactory level in order to achieve adequate organisational performance.
- (d) 1.9 management is all about the people and shows little concern for getting the work done. Thoughtful attention is paid to the needs of the staff for satisfying relationships, leading to a comfortable, friendly atmosphere and work tempo. This is sometimes called “country club management”.
- (e) 9.9 management is seen as the ideal. The manager gets the work accomplished by committed people. He/she tries to provide a situation where workers’ and the organisation’s goals are the same and this interdependence through a “common stake” in the organisation leads to relationships based on trust and respect.

Blake and Moulton considered that all managers should strive to attain 9.9 on the grid, with training being directed to this end.

(b) Reddin’s three dimensional model

William Reddin used the same basic premise of style being a function of task and relationship orientations to develop a slightly different typology of leadership. His model just identifies four basic styles covering the grid:

Figure 9.4: Reddin Grid

<i>R/O</i>	<i>High</i>	RELATED	INTEGRATED
	<i>Low</i>	SEPARATED	DEDICATED
		<i>Low</i>	<i>High</i>
		<i>T/O</i>	

This model simplifies the concern for people or production into either high or low, and it becomes thereby a more helpful analytical tool than Blake and Moulton’s detailed grid and their classification by extremes. Note that Reddin does not express any preferred ideal in this typology. Each style is, rather, seen as having its own qualities which may or may not be appropriate in different situations, and which, therefore, may or may not be effective in use. Leadership needs to be flexible and apply different styles at different times, as the situation demands.

The following two Tables elucidate some of the features of the typology.

Table 9.1 looks at the qualities leaders or managers (or even management generally) in each style might display in relation to various factors.

Table 9.1: Leader's response to various factors under Reddin's basic leadership typology

Factor	Style			
	Separated	Related	Dedicated	Integrated
Interaction with others	Corrective	Acceptive	Dominating	Joining (teamwork)
Mode of communication	Written	Verbal	Verbal/written directive	Discussion
Direction of communication	Little	Upward (listening but little reporting)	Downward	Two-way
Time perspective	Day-to-day	Little concern for task time	Very prompt, immediate action	Variable, as required
Identification with	Rule book and organisation	Subordinates (and peers)	Others who are dedicated and the job	All people involved in the job
Systems emphasis	Maintenance of procedures	Support of social system	Technological system	Socio-technological system
Subordinates judged by	Conformity	Work relationships	Getting the job done	Co-operation, participation
Superiors judged by	Ability	Warmth and approachability	Power and ability	Co-operation, teamwork
Organisational effectiveness	Uninitiative, but defining procedures	Supportive of subordinates	Pushing and initiating	Setting standards, planning, corporate approach
Suitability for work	Procedural administration (accounts, clerical, etc.)	Managing professionals	Tight time scales and high values of production	Supervising interacting officers

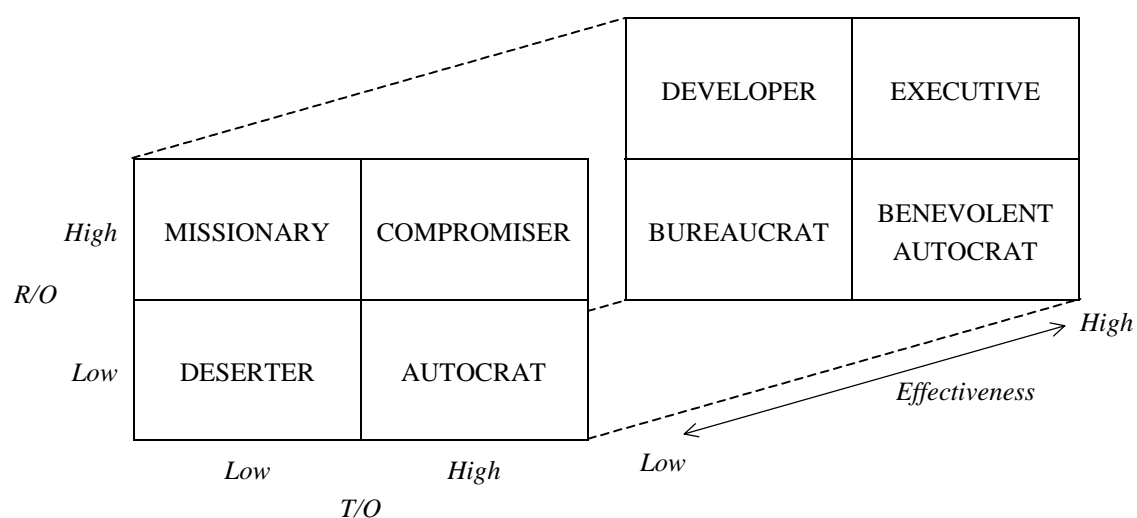
Table 9.2 looks at the factors in the work itself which might lend themselves to the different styles of management. Reddin terms these “technology factors” and defines them as factors in the job itself. In so far as they lend themselves to particular leadership styles, the most appropriate in respect of each style are as follows:

Table 9.2: Relationship of technological factors to Reddin's basic leadership typology

<p>RELATED</p> <p>Subordinate skill</p> <p>Commitment required (from other workers)</p> <p>Method autonomy (workers selection)</p> <p>Wide span of discretion</p> <p>Creative component</p>	<p>INTEGRATED</p> <p>Subordinate interaction</p> <p>Subordinate independence</p> <p>Manager interaction</p> <p>Solution multiplicity</p> <p>Pace autonomy</p>
<p>SEPARATED</p> <p>Intellectual component</p> <p>Task simplicity</p> <p>Intrinsic interest</p> <p>Subordinate autonomy</p> <p>System control (degree of work control by system)</p>	<p>DEDICATED</p> <p>Physical component</p> <p>Performance measurability</p> <p>Directions needed</p> <p>Unscheduled events</p> <p>Manager knowledge</p>

Effectiveness is seen as being how appropriate the particular style from the typology is in the particular situation. Consider the Table of work factors appropriate to different styles overleaf. The separated style, for example, may be effective where those work factors respond to a low task and relationship orientation, but not where, say, a high task orientation is needed (where the work needs a great deal of direction and control). Other situational factors – such as the structure and technology of the organisation, and the styles and expectations of the manager's subordinates, co-managers and his/her own manager – will also be conditioning factors on effectiveness.

Reddin developed the model further by adding effectiveness as a third dimension to the grid. This allows him to identify an effective and an ineffective style for each of the four basic styles, as shown in Figure 9.5:

Figure 9.5: Effectiveness in Reddin's Grid

Thus, in considering the “dedicated” style (high T/O, low R/O), if this is applied in appropriate circumstances (and is, then, effective), the manager will be a “benevolent autocrat”, whereas if it is applied in inappropriate circumstances (and is thus ineffective), the manager will be (simply) an “autocrat”.

Reddin goes on to describe the main characteristics of each style, as set out in Tables 9.3 and 9.4.

Table 9.3: Characteristics of Reddin's effective styles

<p>DEVELOPER</p> <p>Implicit trust in people</p> <p>Concern for developing people as individuals</p> <p>Sets high standards</p> <p>Utilises team management</p>	<p>EXECUTIVE</p> <p>Good motivator</p> <p>Recognises individual differences</p>
<p>BUREAUCRAT</p> <p>Keeps to the rules</p> <p>Seen as conscientious</p> <p>Maintains control of situation by the rules</p>	<p>BENEVOLENT AUTOCRAT</p> <p>Knows what he/she wants and how to get it without causing resentment</p>

interaction with subordinates. Attitudes are still subservient to superiors, but some upward communication takes place in the confines of what the superior will be glad to hear. Confidence and trust in subordinates tends to be condescending and subordinates feel little freedom to discuss work. However, whilst policy decisions are taken at the top, some decisions within prescribed fields may be delegated, and ideas and opinions from subordinates are sometimes sought and used.

- ***System 3 – consultative***

Management retains the right to make decisions, but tends towards a participative involvement with subordinates. Rewards and occasional sanctions are used.

Communication is two way, but upward communication is limited to palatable views and information. There is a substantial degree of confidence and trust in subordinates and a certain freedom to discuss job matters. Subordinates have a moderate amount of influence over decision making and can usually get their ideas and opinions heard by supervisors.

- ***System 4 – participative***

Management gives some direction to subordinates, but allows total participation in decision making by consensus and/or majority throughout the organisation – setting organisation goals, improving work methods, determining rewards. The organisation is viewed as a series of overlapping groups, with each group linked to the rest of the structure through the person who is a member of more than one (the “linking pin” function which we shall look at below). Communication is free and full in all directions, based on complete confidence and trust in subordinates who are always asked for their ideas and opinions.

We can see from this that Likert’s own value judgements pervade the model and clearly he saw System 4 as the ideal to be striven for (as did Blake and Moulton in respect of their position 9.9). Whilst recognising the results of Likert’s research – high producing undertakings more often had management along the lines of Systems 3 and 4, whilst low producing ones were mostly characterised by Systems 1 and 2 – we should not lose sight of the potential for effectiveness, according to the situation, across a wider spectrum of styles as shown by Reddin.

C. SITUATIONAL THEORY

The behaviourist approach of identifying leadership styles suffers from the problem that what constitutes an effective style in one situation may not necessarily be so in another. A different approach has, therefore, developed which sees effective leadership as constituting the most appropriate style for the circumstances. Thus, leadership behaviour is contingent upon the characteristics of the situation.

Clearly, there are a wide variety of situational characteristics which could be identified as being conditioning factors on leadership behaviour, and a number of different approaches have, therefore, been developed.

Fiedler's Contingency Model

Fiedler accepted the concept that leaders differ in the extent of their orientation to the task in relation to their orientation to people, and put forward the view that any such orientation will be effective

given the right circumstances. The model aims to identify those situations in which each kind of leader will be effective.

Fiedler proposed three factors which, to the extent that they each exist in any situation, affect the “degree of favourability” for a leader. The factors are:

- **Leader-member relations** – the extent to which the leader has the support of the group;
- **Task structure** – the extent to which the task can be clearly defined and structured;
- **Position power** – the amount of power vested in the leader’s position (usually by the organisation), and this is strongly related to the ability to reward and punish.

Leader-member relations is seen as the most important factor, with strong group support for a leader increasing the favourability of the situation. High task structure and strong positional power are also seen as producing favourability.

The model proposes eight positions with different mixes of these factors along a continuum of situational favourability and matches them against leadership style characterised as either relationship or task orientated. At each end of the continuum – in those situations which are most favourable or least favourable to the leader – the task-orientated leader will be effective, whereas in situations which are only moderately favourable, the relationship-orientated leader will be most successful.

Fiedler argued that leaders cannot easily change their orientation and, hence, their leadership style. They need, therefore, to analyse the degree of favourability in the situation and, where it does not match their style, make adjustments – for example, by increasing task structure.

Situational Leadership Model

This approach, developed by Hersey and Blanchard, is based on the theory that leadership behaviour is contingent upon one major situational factor – that of the readiness of followers to act.

- Leadership style is again postulated as being conditioned by the degree of task or relationship orientation, giving four possible styles (in a similar way to that shown previously in respect of Reddin's grid).
- **Follower readiness** is a product of the ability and willingness of followers to accomplish the particular task – ability being described as “**job readiness**” and including the knowledge, skills, experience and aptitudes appropriate for the task, and willingness (or “**psychological readiness**”) is the confidence, commitment and motivation needed. These factors give us four levels of follower readiness:

High ←————→ Low			
R4	R3	R2	R1
Able and willing	Able but unwilling	Unable but willing	Unable and unwilling

The appropriate leadership style for each level of readiness is as follows:

- R1: “**telling**” – providing specific direction on what to do it and how to do it;
- R2: “**selling**” – giving direction, but also supportive of willingness and enthusiasm;
- R3 “**participating**” – a supportive style emphasising two-way communication and collaboration to enhance motivation;
- R4 “**delegating**” – where little direction or support is needed.

For example, if we consider a group of new employees, we might judge them to be in category R2 and the appropriate style for working with them in the first few days of their employment would be “selling”.

These four styles can be mapped onto a task/relationship orientation grid to match style against types of leader behaviour:

Figure 9.6: Situational leadership grid

<i>R/O</i>	<i>High</i>	PARTICIPATING	SELLING
	<i>Low</i>	DELEGATING	TELLING
		<i>Low</i>	<i>High</i>
		<i>T/O</i>	

Thus, for example, leaders with a high R/O and low T/O will be most effective in situations of moderate follower readiness (able, but unwilling or insecure).

Normative Leadership Model

This model, designed by Vroom and Yetton, provides a structured approach for leaders to determine the most appropriate style of decision making. Leadership style here, then, is seen as in varying according to the degree of involvement of subordinates in decision-making. Five styles are identified (autocratic, consultative and group, with the first two being split into two categories each) and decision-making becomes increasingly participative as one moves from style A1 (leader decides) to G (group decides).

Analysis of the situation, leading to a determination of the most appropriate style, is conducted by means of an algorithm or decision tree addressing the following situational factors:

- **quality requirements** – how important is the decision?
- **commitment requirement** – how important is subordinate commitment?
- **leader’s information** – do you have sufficient information to make a good quality decision?
- **problem structure** – is the problem well structured?
- **commitment probability** – if you were to make the decision yourself, is it reasonably certain that your subordinates would be committed to the decision?
- **goal congruence** – do subordinates share the organisational goals to be attained by this problem?

- **subordinate conflict** – is conflict among subordinates over preferred solutions likely?
- **subordinate information** – do subordinates have sufficient information to make a high quality decision?

Path-Goal Theory

This approach, most closely associated with House, focuses on how leaders can influence the way in which subordinates perceive goals (both work and personal) and the possible paths to their achievement. As such, it uses expectancy theory for guidance in determining leadership behaviour.

Four leadership behaviours are proposed:

- **directive** – giving guidance, providing standards, specifying the basis of outcomes and rewards;
- **supportive** – showing concern for subordinates, making work more pleasant, being friendly and approachable;
- **participative** – consulting and involving subordinates;
- **achievement-driven** – setting challenging goals, providing high expectations and conveying confidence.

In considering which behaviour will be most appropriate, two groups of situational factors must be assessed:

- **subordinate characteristics** – their personalities, abilities, goals and needs; and
- **environmental characteristics** – the task itself, the work group and the formal system of authority within the organisation (similar to Fiedler's three situational factors).

These need to be considered in terms of their impact upon the elements of expectancy theory (effort – performance – outcome – valence), which is viewed as conditioning motivation and is, therefore, the “path” towards the desired end result of goal attainment.

For example, a leader may assess the group's performance-reward expectancy as low because the rewards available (part of the formal authority system – and hence a situational factor) are unclear. Clarifying the link between performance and reward would require directive behaviour.

Study Unit 10

Conflict in Organisations

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INTRODUCTION

In any organisation consisting of a number of individuals, all with their own personalities, attitudes and values, there is bound to be conflict. Conflict involves an **obvious** clash of interests between people in an organisation. People may feel they have conflicting interests, but it does not become **conflict** as such until this feeling has obvious results. It can arise at any and all levels within an organisation and can be very destructive. It needs to be minimised in order to reduce tension and stress amongst staff, and to promote effective working relationships.

In this study unit we shall consider how to handle this conflict in such a way that there is the least possible disruption to the organisation and the people involved. We shall then move on to study the management of change in modern turbulent conditions.

A. THE NATURE OF CONFLICT

Cole (1995) defined conflict as:

“...a condition that arises whenever the perceived interests of an individual or a group clash with those of another individual or group in such a way that strong emotions are aroused and compromise is not considered to be an option...”

All organisations, individuals and groups experience conflict at some time during day-to-day business activities. Some experts would argue that conflict is good, because it challenges the *status quo*, encourages individuals and groups to air their views, and aids the healing process. Other authorities believe that conflict is dangerous, counter-productive and should not be allowed to arise in the first place. Whatever people's views are, conflict **does** and **will** occur, wherever and whenever there are people.

Handy (1993) believes that differences between people and groups are natural and inevitable. He even believes that conflict is necessary:

“...paradoxically, differences are essential to change. If there were no urge to compete and no need for disagreement, the organisation would either be in a state of apathy or complacency...”

Some managers actively encourage conflict between groups and individuals. It stops formal and informal groups from becoming too cohesive, which may have the result of trying to shift the authority and power base in the organisation. Conflict can also increase the level of competition between groups and individuals. This has the effect of keeping everyone on their toes, stops them from becoming too complacent, and enables parties to talk to each other in order to resolve the conflict.

Types of Conflict

The first classification we can make relates conflict to the structure of the organisation:

- in **vertical conflict** the dispute is between people at different levels of authority;
- in **horizontal conflict** the dispute is between people of approximately equal status.

The classic case of vertical conflict is the dispute between management and labour, because it involves the dividing line between those who make the decisions and those who have to carry them out. However, vertical conflict can arise between one level of worker and another and between one level of management and another.

Horizontal conflict arises between individuals or groups at a similar level within the organisation. Demarcation disputes between different types of workers used to be all too frequent in British industry. Likewise, managers at similar levels can come into conflict with each other over a variety of issues.

We can also distinguish conflict on the basis of how it takes place:

- **Organised conflict** refers to the actions of one group combining to express collective dissatisfaction against another, usually taken through recognised channels for complaints or disputes, as in the case of employee-employer disputes. We are not concerned with this type of conflict here.
- **Unorganised conflict** is that which takes place on an informal, usually individual basis (although groups may be involved). This tends to be in the area of dissatisfactions at the workplace and can be expressed as grievances or inappropriate behaviour (possibly giving rise to disciplinary problems).

An alternative approach to considering workplace conflict is to distinguish between the issues on which conflict may be based, and here it may be viewed as relating to “**rights**” or “**interests**”.

- A conflict of right arises from an alleged violation of rights established by a contract of employment. It is about who is right and who is wrong on a particular issue, and as such usually lends itself to settlement by some form of adjudication.
- A conflict of interest arises from the different aspirations involved in the agreement of terms and conditions of employment. It is not a question of right or wrong. It lends itself, therefore, not to adjudication but to bargaining, although where bargaining cannot resolve the issue, recourse to adjudication may be necessary.

This distinction is important since it has implications for the way in which conflict is handled. For example, a grievance about “rights”, such as being required to undertake a job which is (allegedly) outside of a person’s job description, may be settled by management at a relatively low level by reference to the relevant rules or agreement (in this case, the job description itself). However, a grievance about “interest”, such as an individual (or group) considering that their rate of pay is unfair compared to others in the organisation for the same or similar work, is not so simple. Its resolution will involve bargaining and may create precedents which affect other people or parts of the organisation. This needs to be referred to higher levels of the organisation.

The organisation is likely to experience all these different types of conflict at one time or another and needs strategies to deal with them all. We shall go on to examine these strategies later in the unit, but for now we shall develop further certain aspects of the types of conflict which occur – their sources, symptoms and implications for the organisation.

Causes of Conflict

There are a number of factors which may lead to conflict between two or more parties within the organisation. By far the most important of these, in organisational terms, is goal conflict. However, there are other significant factors – not least to the individuals concerned.

(a) Goal conflict

This arises where individuals or groups pursue different and conflicting goals from other individuals or groups (or, indeed, the organisation as a whole). You should be aware of the potential for this from previous discussion of the work of Mayo. Individuals and groups commonly have their own goals which are distinct from those of the organisation and, where

pursuit of the latter does not result in satisfaction of personal/group goals, these may take precedence.

We can also see goal conflict brought about by competition where at least one party will lose and suffer frustration of their goals. This can arise on an individual, team or group level, and may have its roots in organisational practices or the informal organisation.

(b) Role conflict

This may arise where it is not clear either what one's role is – a lack of objectives or understanding – or where two or more people perceive themselves as carrying out the same role. In theory, this should not arise in the formal structuring of organisations (although that is not to say that it does not occur in practice, particularly in times of change), but it is more common in informal group relationships. There may even be competition between individuals for particular roles and the potential for conflict increases with the desirability of the rewards attached to those roles and the differences in perception of how those roles should be carried out. Clearly, the most significant of these roles is that of leader, but other group roles may be particularly important at different times during the work on a group tasks.

(c) Task interdependency

All organisations, of necessity, involve people working together and relying on each other to fulfil their tasks. Where this is frustrated, conflict can arise between the interdependent workers.

We can identify two types of conflict situation here.

- **Sequential interdependence** – where performance by an individual or group is dependent upon the performance of other tasks by another individual/group, such as on an assembly line where the pace of work is dictated by the slowest member or on a building site where the bricklayer is dependent upon a supply of mortar from the person mixing cement.
- **Reciprocal interdependence** – where both parties rely on each other to get to the task completed, such as where purchasing is dependent upon receiving a specification of goods required, but the requisitioner needs purchasing to supply details of the goods available.

(d) Competition

Competition can take many forms in a organisations – for scarce resources, promotion, rewards (both in terms of recognition and money), etc. – and may involve both individuals and groups. Where the outcome of competition is unfavourable to a particular party, the sense of grievance may be such that there will be conflict.

Competition may also result in frustration of organisational goals where it replaces co-operation, and this may be the result of inappropriate rewards systems – for example, the tying of bonuses to individual performance rather than that of the group or the organisation as a whole.

(e) Communication failures

Breakdown in communication processes (which we discuss in detail in the next unit) or lack of communication may lead to a variety of problems in organisations. It can give rise to frustration in task interdependency, a lack of clarity or understanding of goals and objectives and, importantly, feelings of alienation on the part of the individual (or group) where he/she/they feel left out of the process.

(f) Individual differences

Personality clashes, jealousies and other personal animosities – either permanent and transitory – are inevitable when people work closely together. These tend to be more abrasive when people are new to each other and to reduce over time as a measure of tolerance and acceptable working relationships are built up.

(g) Leadership and control

Poor, or inappropriate, leadership can result in a lack of direction for both individuals and groups, causing goal and role conflicts where individual perceptions are allowed to step into a void left by a lack of organisational or group consensus. This can arise within both the formal organisation (due to indecisive or poor management) and the informal organisation.

Implications of Conflict

Conflict is often perceived to have a very negative impact on organisations. Undoubtedly, it does have undesirable outcomes, often resulting in the frustration of organisational goals where individuals and groups do not perform efficiently and effectively. The problems include:

- inter-personal (or inter-group) hostility – arguments, aggression, “sniping”, lack of co-operation, etc.;
- not meeting performance targets;
- stress among individuals;
- low morale and lack of commitment and involvement – leading to absenteeism, high labour turnover, poor performance, and alienation and disaffection, etc.;
- withholding information and resources;
- increasing costs and delays.

However, conflict can have positive aspects too.

- It may cause the team to question its approach to a problem or a decision that it has taken.
- It may stimulate creative solutions.
- It may release tension and air issues which would otherwise demotivate the individuals involved.
- It may prompt individuals to assess their own feelings and choose between options.
- It may challenge, and perhaps lead to a change in, the existing power base within the team, thus acting as a catalyst for change.
- It may create competition and act as a motivator for improved performance.

Conflict also draws attention to things going wrong, and indicates that there are different views within the organisation, enabling it to change direction to cope with changing conditions.

As a result, a certain level of conflict is important for organisations. Without it, many of the above positive outcomes may not arise. Further, if there is a very low level of conflict, it is likely to indicate that problems are being hidden. On the other hand, too high a level is likely to result in the negative aspects dominating.

We can see, therefore, that managers need to monitor conflict and understand its basis in order that a proper balance may be maintained and the negative outcomes minimised.

B. STRATEGIES FOR CONFLICT RESOLUTION

Changing Situational Factors

In considering the causes of conflict above, it is clear that there is great scope for management action to make changes to the factors which give rise to conflict situations. This can take many forms, including the following.

- Increasing resources to reduce perceived inequities in their allocation.
- Reorganising the rewards system to ensure a more consistent and clear relationship with performance (or other indicators of value).
- Re-designing tasks and roles to ensure compatibility with staff aptitudes and abilities, and to reduce task interdependency.
- Re-deploying staff (including managers) to new jobs more compatible with their aptitudes and abilities.
- Training and development of managers to improve their abilities to lead and motivate staff through appropriate non-monetary rewards (praise, recognition, etc.) and improved communication.
- Training and development of staff to enable them to perform more effectively and meet their objectives, as well as to provide them with opportunities for advancement.
- Improving communication systems by removing barriers to effective communication and increasing information flows.

Most of these solutions are, however, expensive and may take time to implement. Whilst they are important – indeed, the existence (or persistence) of conflict could be seen as demonstrating a need to take action in one or more of the above areas – they may not be immediately practical.

Promoting Superordinate Goals

This technique is designed to reduce or resolve goal conflict by refocusing the (conflicting) goals that individuals or groups pursue. The aim is to promote the organisation's own goals over and above those of the individual or group, although it may not be appropriate to emphasise specifically those goals themselves since it is possible that they have already been rejected or superseded by the individual/group goals. Rather, it is necessary to establish agreement on goals which are perceived as being more important than those currently being pursued and which require the support and effort of all parties.

Classic examples of this approach are where there may be a threat to the organisation or group from outside – increasing competition or changes in the environment – with a possible threat to the organisation or group's survival. This will, in all likelihood, unite individuals in the common goal of protecting the organisation/group and result in improved performance in the pursuit of the objectives required to meet that goal.

Other possible approaches include:

- the development of reward systems which emphasise company performance rather than individual performance – principally profit sharing and co-partnership (the distribution of shares in the company); and
- the development of participative management and empowerment processes throughout the organisation.

Both of these give members of the organisation a greater personal stake in its goals and their achievement. We have discussed participation and empowerment earlier in the course, so here we shall just develop the discussion in respect of profit sharing and co-partnership schemes.

- **Profit-sharing**

In order to blur the distinction between the two sides to industry, some organisations in the business sector give their staff a share in the profits of the company in addition to their normal wages. The scheme is usually that the firm pays its staff a fixed share of the profits, to be divided among the employees on the basis of seniority, length of service, or other agreed criteria.

Profit-sharing schemes aim to bridge the gap between capital and labour, and tend to increase morale in the organisation. They may reduce labour turnover as employees have an incentive to stay on and build up a long service record in order to improve the size of their share of the profits. Such schemes give an incentive to increase output and to cut costs and waste. Furthermore, the principle that those who have helped to create profits should be given a share in them makes the term “our firm” more meaningful.

However, there are certain drawbacks to profit-sharing. What happens if the firm makes a loss? Should employees have to pay towards such a loss? Is the time lag between the effort put into work and the reward from the profits so great that much of the incentive value of such payments is lost? Precisely how much of the profit share should each employee receive? (Some employees may feel the distribution is unfair.)

- **Co-partnership**

In co-partnership schemes, instead of distributing a portion of the firm’s profits in the form of cash, the distribution is in the form of shares in the company (often there is a clause which forbids the employee to sell these shares while he still works for the company). Some of the more advanced co-partnership schemes allow the employees holding shares to elect representatives to the board of directors.

This gives all the advantages of profit-sharing, and adds a sense of ownership in the organisation. Also, where worker-directors are elected, the employees have some say in the running of the business.

However, the actual extent of share ownership by employees may be such a small proportion of the total shares of the firm as to be negligible in terms of share-owning power. The income from the shares each worker holds may also be very small. Some workers resent not being able to sell their shares whenever they wish. Worker representatives on the board of a firm may be so few in number as to be really only a token presence – they can be outvoted by other board members on any major issue. Some critics of co-partnership schemes even argue that having employees on the board of directors complicates union negotiations.

Interpersonal Techniques

Managers need to have the skills to reduce or resolve conflict at the interpersonal level – both between themselves and subordinates, and between individuals/groups within their purview. The basis of such techniques is an assessment of the causes and outcomes of the conflict and this requires both involvement and detachment:

- involvement, to listen and explore the views of the parties involved; and
- detachment, to undertake an objective assessment of the causes and of the positions taken.

Thomas (1977) identified five conflict-handling modes which may be used by managers. We have met these briefly before when considering conflict in groups, and shall develop them here in more detail by reviewing some of the situations in which each may be appropriate.

- avoidance – ignoring or suppressing the problem in the hope that it will either go away or at least not be too disruptive;
- accommodation – allowing one party to win and have his/her/their own way;
- competition – battling the conflict out in an attempt to win it (with the risk that you may lose);
- compromise – seeking a middle way by bargaining, with both parties giving up certain desired outcomes to achieve satisfaction of others;
- collaboration – seeking to satisfy the desired outcomes of both parties, often by changing the situation itself.

Clearly any particular approach is not appropriate in all situations, and the manager will have to assess the situation to determine the best possible mode of intervention in order to reduce or resolve the conflict. The following Table provides examples of the types of situation where each approach may be effective.

Note that, while it is often deemed that the collaboration mode is the most appropriate because all parties to the conflict are likely to be satisfied, it should be clear from the Table that there are situations in which the other approaches may be more suitable.

Table 10.1: Conflict handling strategies and appropriate situations

Strategy	Appropriate situation
Avoidance	<p>Where the issue is trivial and there are more important ones pressing</p> <p>Where the benefits of resolution are outweighed by the potential for disruption</p> <p>Where time is needed to let tempers cool</p> <p>Where time is needed for gather further information</p> <p>Where others can deal with the issue more effectively</p> <p>Where other issues are involved</p>
Accommodation	<p>When you are wrong and need to show reasonableness</p> <p>Where the issue is less important to you than to others</p> <p>Where you want to build credits for facing later issues</p> <p>In order to minimise loss when facing defeat</p> <p>In order to maintain harmony and stability</p>
Competition	<p>When quick, decisive action is needed</p> <p>When unpopular actions have to be taken on important issues</p> <p>When you know you are right on important issues</p> <p>Where non-competition will be seen as weakness and exploited</p>
Collaboration	<p>When both viewpoints are equally valid and important</p> <p>In order to take advantage of different perspectives</p> <p>In order to gain commitment through consensus</p> <p>When there is a need to repair or re-establish damaged relationships</p>
Compromise	<p>When the issue is important, but is not worth the disruption of more assertive modes</p> <p>When opponents of equal power are committed to mutually exclusive actions</p> <p>In order to resolve complex problems on a temporary basis</p> <p>When collaboration or competition is unsuccessful</p>

C. STRUCTURES AND PROCEDURES FOR CONFLICT RESOLUTION

Most instances of unorganised conflict can be resolved by appropriate management action. However, if the dissatisfaction or problem persists, there needs to be an organised response. There are basically two methods of organised response to conflict.

- in-house resolution by means of an appropriate procedure for adjudication or bargaining; or
- use of a third party, outside the organisation, to find a suitable resolution.

The Role of Procedures

The aim of procedures is to provide orderly, consistent and known methods for dealing with working relationships, for considering problems arising from such relations, and for resolving differences. In effect, therefore, they provide a means of defining and containing conflict in a set of agreed rules.

Procedures also ensure that matters which may at some point come before an external party for adjudication or consideration, are dealt with – and may be seen to be dealt with, via appropriate documentation – in a fair and objective way, and that all appropriate steps are being taken to resolve the conflict.

The principle procedures with which we are concerned here are those in the areas of grievance and discipline. These are likely to have been developed and agreed by management in association with employee representatives, and are also likely to draw on the recommendations of other bodies such as the Advisory, Conciliation and Arbitration Service (ACAS) or the Institute of Personnel and Development (IPD).

(Procedures will also exist for other aspects of employee relations, such as the form of collective bargaining and the method of dealing with organised disputes. It is likely that these, and others covering such matters as appraisal and recruitment and selection, will have been agreed with the trade unions.)

Third Party Involvement

There are essentially three types of third party intervention:

- **conciliation** – a process of intervention designed to narrow disagreements between the parties by clarifying positions and keeping negotiations going, but where the responsibility for settlement of the dispute still lies with the parties themselves;
- **mediation** – a process whereby recommendations are made for resolving the conflict after the mediator has heard both parties' cases, but the final responsibility for settlement still lies with the parties themselves; and
- **arbitration** – a process whereby the third party effectively adjudicates on the disputes by determining the means of settlement, after hearing evidence from both parties. The parties invariably agree in advance to accept the arbitrator's findings and the award is, therefore, binding.

Grievances and Grievance Procedures

A grievance is a formal complaint by an employee about some action of management, his/her pay or conditions of service, or some other aspect of employment within the purview of management to resolve. Thus, it is a dissatisfaction which is great enough that it is felt necessary to bring it to the

attention of management. Making a formal complaint also implies that that is not the end of matters – the complainant wants the dissatisfaction resolved and is looking for management to do so, presumably to his/her satisfaction.

Formal grievances are comparatively rare. The vast majority of dissatisfactions at work do not result in the making of a formal complaint. In most cases, something happens to dissipate the dissatisfaction – the cause of the problem may be removed in some way, or the aggrieved member of staff accepts and lives with, or gets over, it. Sometimes this may be the result of prompt action by aware management.

Even if the sense of dissatisfaction persists, it does not necessarily follow that a grievance will formally arise:

- some employees may be afraid of antagonising their superiors by questioning their decisions;
- some may be afraid of being stigmatised as troublemakers;
- many employees believe management will not, or cannot, do anything about the problem in any case.

However, in those cases where individuals do feel sufficiently strongly about the issue, the dissatisfaction will be elevated to a grievance and its resolution will be handled according to the agreed rules and regulations of the organisation's grievance procedure.

Grievance Procedures

A grievance procedure describes the method by which an employee may raise a complaint about his/her working conditions, and the steps which shall be taken to deal with the complaint.

All organisations have some form of grievance procedure. Indeed, whilst a procedure itself is not specifically required, the Employment Protection (Consolidation) Act 1978 (as amended) does require that an employee's written statement of particulars includes details as to how, and to whom, application can be made for the redress of any grievances relating to their employment.

Statements about how organisations handle grievances can vary from very short and vague notes about raising problems with your supervisor, to several pages detailing all aspects of the procedure.

An effective grievance procedure should have two major objectives:

- to encourage employees to state their grievances;
- to enable management to resolve grievances quickly and efficiently.

In order to achieve these objectives, it is essential that the procedure commands the confidence of all staff, usually effected by its being produced through the process of collective bargaining, such that management and unions have agreed the procedure and have a commitment to its effective operation.

It is usually accepted that there are seven areas which an effective grievance procedure should cover. These are considered below.

- It should be written and easily understood.
- It should cover all employees and all issues. It is considered best practice for there to be one common set of rules covering all aspects of grievance in respect of the organisation as a whole. Thus, the same procedure would apply irrespective of the cause of the grievance, or the employees involved. This avoids having a variety of different procedures to deal with, say, grievances over pay or among senior management, and allows a common, equitable approach to characterise the organisation's response to problems.

- It should provide for quick handling of grievances. The aim of the procedure should be to settle the grievance as quickly as possible. There is nothing to be gained by delay, which can lead to frustration and a hardening of attitudes which can make resolution more difficult.
- It should, usually, involve the first-line supervisor. A good grievance procedure will also aim to settle the problem as near to the point of origin as possible. This invariably means that the immediate supervisor of the employee would be involved in the first stage of the procedure.

There are a number of advantages to this:

- (i) employees are likely to be more comfortable with a hearing involving managers that they know, rather than going to more remote, senior management, and thus be more encouraged to use the procedure;
- (ii) first-line supervisors know the employee and, probably, the circumstances, so can bring a greater degree of understanding to the procedure;
- (iii) it avoids undermining the authority of the supervisor with his/her staff which may be caused by by-passing the first-line management.

(There needs, clearly, to be provision for the first-line supervisor to be excluded from the procedure where he/she may be a party to the grievance or where his/her relationship with the employee may be such that it may inhibit the bringing of the complaint.)

- It should have clearly defined stages, each with a time limit. The procedure should specify a (limited) number stages through which the grievance should pass if it is not resolved at the previous stage, and there should be a clear time limit associated with each stage. The stages will usually involve progressing the grievance up through higher levels in the management structure.
- It should provide a right for employees to be represented. It is essential that the procedure makes clear the individual employee's right to be represented at any hearings by his/her union representative or by a colleague or friend. This helps the employee feel confident about taking on management, by having the benefit of support and advice
- It should specify what happens to unresolved grievances. There are bound to be occasions in which an organisation is unable to settle a grievance via its own internal procedures and the employee (or the employee's union) wishes to take matters further. For this reason, many grievance procedures conclude with a clause specifying appropriate external stages such as conciliation, mediation and/or arbitration by a body such as ACAS.

Grievance handling

It is not our intention here to go into detail about the conduct of grievance interviews and cases. However, it is important to note the aim of such processes.

The aim of a grievance interview is to resolve the grievance. Having said that, it isn't always the solution which is most important. The way in which the supervisor arrived at the solution may be even more important – even an ideal solution is likely to be ineffective if it leaves the employees still feeling aggrieved (for example, because it was arrived at only after bitter argument, accusation and counter-accusation).

This indicates that the way in which a grievance is handled is every bit as important as the solution itself. Employees arrive at grievance interviews with a sense of injustice. They should leave the interview at least feeling that they received a fair hearing and consideration. This becomes increasingly important as the likelihood of the grievance being resolved in the employee's favour recedes.

The aim in handling a grievance is thus to arrive at a solution through a discussion which, as far as possible, provides a conclusion satisfactory to both parties.

Discipline and Disciplinary Procedures

In any community in which people live and/or work together, there is a need for agreed standards of acceptable behaviour. These standards form a code of conduct to which most people conform without thinking about it and which allows behaviour to be regulated to ensure the smooth interaction of individuals as they go about their life and/or work.

The standards themselves are not punitive, but there are invariably sanctions applicable to their infringement. Thus, the code takes the form of a system of rules requiring compliance. It is perhaps inevitable that from time to time people will break these rules. In doing so, they interrupt the smooth operation of the community, perhaps cause inconvenience or danger to others, and make themselves liable to sanctions. Even so, the underlying purpose of the sanctions is not to punish the wrong doer, but rather to ensure that they understand what is acceptable behaviour and the need to correct their own behaviour so that it conforms with the standards.

This (admittedly, highly simplified) view of the basis of rules and discipline applies equally to groups, organisations and even societies. The principles are, more or less, the same.

Discipline is the enforcement of the rules of acceptable behaviour. There is an important initial distinction to be drawn, reflecting the above points, between the use of negative and positive discipline.

- Negative discipline is authoritarian and punitive. It is based on the prevention of unacceptable behaviour by punishment – perform your task correctly and obey the rules, or be disciplined (for example, warned, docked pay, dismissed, etc.). This form of discipline may appear to be effective in the short term, but is unlikely to engender a positive acceptance of standards of conduct in the longer term.
- Positive discipline is corrective rather than coercive, emphasising the desirability of positive acceptance of standards of conduct. Discipline is based on the motivating forces of encouragement, compliments and rewards, and the application of counselling and guidance techniques to changing behaviour.

Another difference between negative and positive discipline is that negative discipline frequently punishes the symptom of a problem. For example, an employee may be given a formal warning for persistent lateness – on the basis of the rules requiring disciplinary action for being late for work, say, twice in one week. However, a positive approach to discipline would attempt to find out why the employee was late, regarding that as the problem to be investigated and solved rather than simply taking the lateness as a misdemeanour to be punished.

It is often the case that, when the causes of unacceptable behaviour are investigated, many are basically down to management rather than the employee him/herself. Infringements of the rules are often a symptom of alienation from the job and/or the organisation caused by such factors as:

- the employee lacking the necessary skills, and not having received adequate training;
- the job itself having changed;
- the payment system being inappropriate;
- the employee not knowing what is required of him/her in the job;
- the employee being placed in the wrong job;
- the job itself is alienating;

- the work conditions are unpleasant.

Even when we think of causes which are not known to management, they are often things such as financial or domestic worries – which are not really the “fault” of the employee.

Disciplinary systems

All organisations have some form of disciplinary system to ensure compliance with the agreed code of conduct within the organisation. In informal groups and small formal organisations, there will be a number of relatively informal rules and understandings as to what will happen if they are broken. In larger organisations, these rules and understandings need to be more formally stated.

This formal disciplinary structure will comprise two elements:

- disciplinary rules – the standards of conduct which set out what is expected of employees; and
- disciplinary procedures – the methods of dealing with (alleged) failure to observe the rules.

In addition, it is common that guidelines are issued to assist managers in applying the rules and procedures. Such guidelines are important in ensuring that managers:

- know how to apply the procedures so that they are applied fairly and consistently across the whole organisation; and
- adopt the desired approach of the organisation to the enforcement of discipline and, especially, in the conduct of disciplinary interviews.

Disciplinary rules

Every organisation needs rules which set standards of conduct at work and aim to make clear to employees what is expected of them. Individuals should know the standards of performance they are expected to achieve and the rules to which they are expected to conform.

Such rules fall into two types:

- “work rules” which say how jobs should be done and the circumstances in which they are done – for example, job descriptions, health and safety, use of company facilities, timekeeping, holiday arrangements, and so on;
- rules which define misconduct – in other words the “disciplinary offences”.

Disciplinary procedures

A disciplinary procedure lays down the way in which a disciplinary case should be handled. It thus provides a method of dealing with any shortcomings in performance or conduct. As we have already seen, the procedure can emphasise either:

- helping poorly performing or undisciplined employees to achieve and maintain acceptable standards (the “corrective” approach); or
- the punishment of employees who fail to reach acceptable standards (the “punitive” approach).

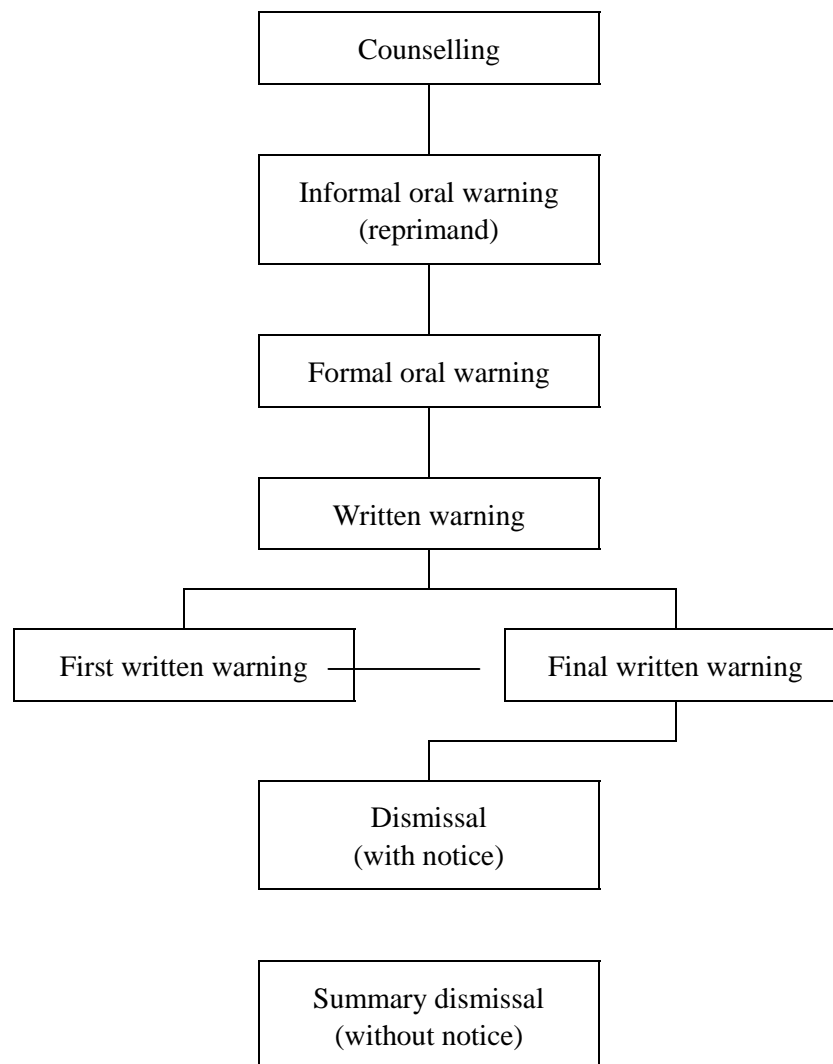
As with grievance procedures, there is no statutory requirement to have a disciplinary procedure. However, the Employment Protection (Consolidation) Act 1978 requires that employees are provided with information about the disciplinary rules and procedures in their written statement of particulars, including details of the person to whom employees may appeal if dissatisfied with a disciplinary decision.

The essential features of a good disciplinary procedure (as recommended by ACAS) are as follows:

- It should be in writing and be clearly understandable.
- It should specify to whom it applies (normally equally to all employees).
- It should provide for matters to be dealt with quickly.
- It should indicate the disciplinary actions which may be taken.
- It should specify the levels of management which have the authority to take the various forms of disciplinary action.
- It should provide for individuals to be informed of the complaints against them and be given an opportunity to state their case before decisions are reached.
- It should give individuals the right to be accompanied by a trade union representative or a fellow employee of their choice.
- It should ensure that, except for gross misconduct, no employees are dismissed for a first breach of discipline.
- It should ensure that disciplinary action is not taken until the case has been carefully investigated.
- It should ensure that individuals are given an explanation for any penalty imposed.
- It should provide a right of appeal with specified procedures to be followed.

Disciplinary action

There are a range of disciplinary actions available. They are usually linked with repeated action being taken against an employee, although the seriousness of the offence may justify stronger action being taken and in certain cases (gross misconduct) may lead directly to the ultimate sanction of summary dismissal.

Figure 10.1: Types of disciplinary action

Other forms of disciplinary action which might be taken, provided they are allowed in the contract of employment, include:

- transfer to alternative work, which may be with or without a reduction in pay and/or grade;
- fines, which are comparatively rare.

There might also be special forms of disciplinary action in particular circumstances. For example, abuse of the rules of flexi-time may lead to a transfer to normal working hours.

Discipline handling

It is not our intention here to go into detail about the conduct of disciplinary interviews and cases. However, it is important to note the aim of such processes.

The main reason for taking any disciplinary action is to encourage an employee whose standard of work or behaviour is unsatisfactory to improve. Dealing with the matter promptly may avoid the need for more serious action later. At the same time, enquiries should always be conducted with thought and care. The possible disciplining of an employee is a serious matter and should never be regarded lightly or dealt with casually.

In many cases the right word, at the right time and in the right way may be all that is needed. Counselling by managers, in the form of a discussion with the objective of encouraging and helping

the employee to improve, will often be a more satisfactory method of dealing with a breach of discipline than a formal disciplinary interview. It is particularly useful where the problem relates to job performance.

Study Unit 11

Communication in Organisations

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INTRODUCTION

We have seen the importance of communication in organisations right from the beginning of the course. Organisations of any kind – formal and informal – depend on obtaining and transmitting information in order to achieve the co-ordinated action necessary to achieve their goals. At the very basic level, a common understanding of goals is fundamental to this, but it develops from there to communicating the way in which activities are to be undertaken and obtaining the information necessary to decide what to do and how to do it. And given the huge variety of ways people have of communicating, it is crucial to understand what is involved in communication and what are the best ways of achieving effectiveness.

This Unit discusses the nature of communication in organisations through the different types of communication – written, oral and (importantly) non-verbal – and the various channels and systems through which effective communication can take place.

A. THE NATURE AND SCOPE OF COMMUNICATION

A Basic Definition

A good place to start is by considering a definition of communication. You will find many different ones in different books and the following is an adaptation of a number of standard statements in order to provide a comprehensive definition.

Communication is the activity whereby an individual or group conveys, consciously or unconsciously, information to another individual or group, and where necessary evokes a discriminating response. The information may be facts, feelings or ideas.

There are a number of key points to recognise here which are often overlooked.

- Communication can be by or to a group of people. It is not just person to person – that is one type of communication and involves consideration of a different set of criteria.
- Communication can take place whether you are aware of it or not. This is important because information can be transmitted in an unconscious way, particularly by how it is communicated – the very choice of medium, unintended meanings in words, or non-verbal cues such as body language.
- Communication is usually intended to evoke a particular response – to get someone to do something, understand something, etc. The measure of effectiveness in such circumstances is the degree to which the desired response is achieved.
- Communication is concerned not only with the transmission of factual information. Although in management terms that is usually the main purpose, there are very often other things being communicated – again consciously or unconsciously. We have identified feelings and ideas in particular, which may either be the subject of the communication or may be underlying or contained within the main subject.

Communication and Management

Studies of how managers spend their time invariably show that the majority of it is spent in communication – irrespective of their positions in the organisation. Peter Drucker sees communication as central to management:

“A manager motivates and communicates. He makes a team out of the people who are responsible for various jobs. He does that through the practices with which he manages. He does it in his own relations to the men he manages he does it through constant communication, both from the manager to his subordinate, and from the subordinate to the manager”.

Communication is all pervasive within organisations and management. Factual information has to be sent to, received and interpreted by others above, below and at the same level as the manager. Ideas need to be received, considered, and agreed or rejected by those in the decision-making process. Policies, strategic plans, major decisions and general directives have to be issued by senior management. Orders are sent down the line of the organisation's hierarchy of command, and reports come back. Along horizontal lines, staff specialists such as personnel managers, send recommendations and explanations concerning technical matters, and receive reports back as relevant. And throughout all this communication of information, notions of management culture and style are being confirmed, and common understanding and feelings about every aspect of operation are being sought.

The central importance of communication within organisations is perhaps more tellingly shown by reflecting on the proportion of problems which arise from failures in communication. This is especially acute in large multi-disciplinary organisations, where it is all too easy for information flow to stop at the boundaries of professions, departments and specialist groups. We can also see the way in which individuals or groups can have their particular sensitivities provoked by exclusion from information flows – for example, non-invitation to a meeting, omission from a list of those receiving minutes of a meeting, absence of consultation over some matter – or by the way in which information is presented (for example, by the formality of expression and medium, or the use of offensive language including gender and racial stereotypes). Give this some thought for a moment – what failures in communication have occurred in your own organisation in the last week or month? And what were the consequences?

The early writers on organisation and management theory completely ignored the topic of communication – for them, information flow was simply a case of transmitting orders to subordinates, and the assumption of rationality in organisational functioning and decision making meant that problems of information did not exist. Chester Barnard was the first writer to give the subject due attention, projecting it as a means by which people are linked together in an organisation in order to achieve a central purpose. The human relations school of thought also brought communication to the fore. Group activity is impossible without information flow – without it leadership, co-ordination and change are impossible – and information flows are subject to interruption by various barriers – organisational, semantic and human relations. Finally, the systems approach can be seen as drawing attention to the flows – the arrows – between the parts of the system and the way in which each element of the system interacts with others.

B. THE COMMUNICATION PROCESS

There is a basic process which holds true for any type of communication – among individuals or groups, formal or informal, etc. It can be shown diagrammatically as follows:

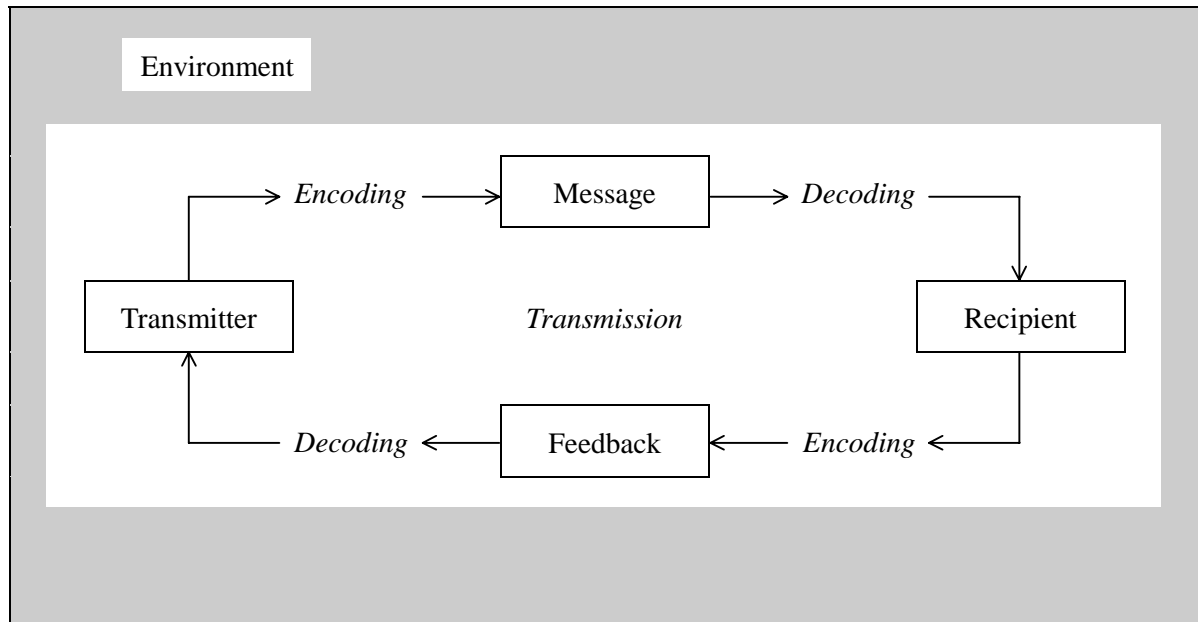


Figure 11.1: The process of communication

We shall briefly consider each of the elements of this process before going on to consider the form of communication and the barriers to effective communication which are inherent in the process.

- The “transmitter” is the sender. He/she/they will initiate the message, which initially exists as information in the sender’s (senders’) mind.
- Before the message can actually be transmitted, it must be “encoded” – translating the intended meaning which exists in the sender’s mind into words, gestures and symbols, etc. which can actually be conveyed. Major problems can arise in this process – much depends on the sender’s skill in putting his/her meaning into effective words, etc. which the recipient will understand. This involves not only the sender’s skill, but assumptions about what the recipient will understand, the appropriateness of certain words, gestures and symbols in the situation, the sender’s expectations and past experience, relationships (particularly in terms of status) between the sender and recipient, and even the emotional state of the sender.
- “Transmission” is the form of communication itself – written, oral, non-verbal (gestures and symbols) – and the medium by which it is delivered, such as written memorandum/report/letter/E-mail, telephone, face-to-face meeting, presentation using display graphics and handouts, etc. To a large extent, this element of the process is bound up with the encoding element, but it is useful to distinguish them in order to identify the slightly different concerns associated with the transmission element itself. Careful consideration needs to be given in particular to the appropriateness of different media for the type of message – a written memorandum or telephone call may not be the best way of dealing with an awkward personal disciplinary problem with a subordinate!

- The “recipient” is clearly the person or persons to whom the message is directed. Note, though, that there may be unintended recipients – people who overhear a conversation or can see an exchange through an office window, or those who read a letter, etc. left on a photocopier or unprotected on a word processing system.
- The recipient has to “decode” the message as transmitted in order to understand it. Effective communication takes place where there is a common understanding of the message between the transmitter and the recipient, but the decoding process can result in misunderstandings where the word, gestures or symbols are not interpreted as intended by the sender.

The pattern of “transmitter>encoding>transmission>decoding>recipient” completely describes the communication process, but is only one part of it. Commonly there is a reverse process of “feedback”. Where a particular communication does not allow for feedback, it is known as “one-way communication”. Not surprisingly “two-way communication” is where there is a provision for feedback. There is no necessity for communication to be two-way – memoranda, newsletters, brochures, etc. are invariably one-way and are concerned with providing information, making announcements, etc. without engaging in any dialogue. Two-way communication provides the opportunity to check that there is common understanding between transmitter and recipient, but increases the possibility of problems in the encoding and decoding elements.

The last element of the process to consider is the “environment” within which the transmission takes place. As with any system, the environment both conditions the way in which the system operates and can impact on the process itself. It can have a positive or negative impact on communication effectiveness. There are two aspects to consider:

- the broader organisational and management context and culture within which communication takes place, which may affect both the chosen form of words, gestures, etc. and the medium – in relation to both what is available and considered appropriate;
- interference in the process itself, through what is commonly called “noise”, including interruptions in the encoding or decoding process (such as fatigue or distractions) and in the transmission itself such as static on a telephone line (from which the term derives). Noise is invariably a barrier to effective communication.

C. TYPES OF COMMUNICATION

There are two major types of communication:

- verbal communication, which is the use of words to communicate – either in written or oral form (and we shall consider each of these separately below); and
- non-verbal communication, which is communication by elements or (mainly) behaviours which do not use words.

Written Communication

Most organisations – particularly those with large office-based administrations – are notorious users of paper. The plethora of written communications such as memoranda, reports, messages, letters, guidance manuals, newsletters, brochures and leaflets, etc. in business organisations must account for a substantial number of forests each year, let alone government bodies! Sometimes, and necessarily so, it seems like the organisation runs on it. Even the widespread introduction of IT and the goal of the paperless office has not stemmed the avalanche – if anything it has made it worse with more drafts of letters and reports being printed out from word processors and reams of financial control figures

generated from financial systems for distribution to the multitude of budget holders. (Note that the use of information technology – E-mail, spreadsheets, etc. – also counts as written communication).

But where would we be without it? Written communication has a number of very significant advantages.

- It provides a permanent record of the message, one that can be referred back to and checked.
- Writing allows for more careful compilation of the message, with the opportunity to think it through, clarify and ensure easier comprehension (particularly for long technical matters).
- Written documents can be widely distributed with ease, using printing and copying facilities to reach those not able to attend personal communications.

On the other hand, it does not come without certain disadvantages.

- Producing the quality of written documents to which recipients have become accustomed is not cheap, and with the temptation to distribute very widely, the costs of printing, paper, postage, etc. can be expensive.
- Written communications can tend to be impersonal, and this can have drawbacks where it is seen as a mechanistic device (the formal “putting it in writing”).
- Obscurities and misunderstandings are difficult to clear up – the timescale for feedback can be quite long (compared with oral communication) and wide distribution and the permanency of the record can compound problems.

It is worth noting that, in various studies, managers tend to be quite deprecating about the standard of written communications they receive, and only slightly less deprecating about their own abilities to prepare effective written reports, etc. You may want to consider this in relation to the quality of written material circulating in your own organisation (and to your own skills!). Despite the opportunity of time to think and clarify the message, there are still very many examples of written information causing confusion and misunderstanding. As in all forms of communication, the skills of the transmitter to encode the message effectively is the key.

Oral Communication

Communication via the spoken word takes place on an individual level in face-to-face conversations or on the telephone, and among groups of people in meetings. This is just as important a form of communication in organisations as that by the written word – after all, staff spend a large proportion of their time interacting with others.

Oral communication has certain specific advantages.

- It is immediate in that information can be provided as and when needed, and often in response to questions.
- The opportunity for immediate feedback and questioning should ensure that understanding is maximised.
- It is more personal and direct, with the personality and feelings of the participants being allowed into the communication process.

On the other hand, there are disadvantages.

- It is time consuming and costly, particularly where a number of people have to be brought together, and can be difficult to terminate.

- The impermanence of the communication can lead to problems in recall of precisely what was said, particularly in any technical exchange (although the production of written reports either before meetings to aid discussion or as records of the communication after the event can overcome this).
- There may, conversely, be more opportunities for misunderstandings owing to the relative immediacy of both the communication and the feedback opportunity. Possible problems include the lack of preparation in dealing with questions (leading to off-the-cuff responses which may not be right), overlooking certain items either in the initial message (forgetting to cover them!) or in responses to questions, probable lack of channels for checking meaning after the event, and status differentials between manager and subordinate (or even tutor and student) causing reticence about asking for clarification.

One of the key features of oral communication is that it is invariably two-way. As such, it is worth noting that it involves more skills than just the presenting of information – it includes the ability to engage in a dialogue. Thus, effectiveness depends not just on the quality of the spoken word by the transmitter (itself no mean skill, particularly when addressing a group of people – and even ten people can be quite daunting to the inexperienced), but also on the quality of listening and the way in which feedback takes place.

- Listening skills are notoriously poor. We allow ourselves to be easily distracted and often pick up only general impressions of what is said (especially using non-verbal cues to help identify meaning and significance).
- Feedback – both giving and receiving – is a neglected skill. It can present problems of showing apparent failure (to understand), challenge to authority and dealing with criticism.

Non-Verbal Communication

It is virtually impossible to engage in both written and oral communication without also transmitting messages by non-verbal means. These are the various signals given out by our behaviour or other elements in or surrounding the communication. They are so important that studies suggest that they are crucial in ensuring the effectiveness (or otherwise) of the communication.

The types of non-verbal cues that convey information are:

- body language – gestures, eye movements, expressions and general posture which provide much of the information about people's feelings;
- voice – the pitch and tone, etc. of how a message is conveyed;
- space – the way in which the physical environment is laid out may affect the effectiveness of an oral communication, by for example ensuring comfort and lack of intrusion into personal space;
- personal presentation – clothing, grooming, etc. can give signals about a person which can support or detract from the message being conveyed;
- written presentation – the physical layout and structure of words on a page can be crucial in facilitating meaning, apart from the clarity of the words and sentences themselves.

Of particular importance to the effectiveness of communication is the consistency between the non-verbal cues and signals, and what is being said. (There is less chance of problems arising with written communication.) It has been suggested that there are six possible ways in which these elements can interrelate, the first four of which reinforce the verbal communication and the last actually negates it:

- repetition – for example, pointing as well as giving directions;
- complementing or adding to – for example, looking embarrassed when confessing to a mistake;

- accenting or emphasising – for example, pounding the table when making a point;
- regulating the communication – for example, nodding to indicate someone else should speak;
- substituting for speech – for example, shrugging shoulders instead of speaking;
- contradicting – for example, showing anger whilst saying “I’m not angry”.

D. BARRIERS TO EFFECTIVE COMMUNICATION

We have seen some of the problems which the type of communication itself can present for effectiveness – principally in relation to the skill of the transmitter, but also in relation to the inherent qualities of the form itself. We shall also consider some other aspects which impede communication when we look at communications systems and channels in the next section. Here we are concerned with two elements in the communication process which can prevent its effective operation:

- the people involved in the process themselves and the perceptions they bring to it; and
- the words themselves used in the communication, or “semantics”.

People and Perceptions

Communication takes place between people, even if we often use machines and impersonal media to carry the message, and people are infinitely complex. We have an incredible capacity to distort meanings or misunderstand intentions based on our own personal perceptions and preconceptions of the world and of other people. You need to be aware of some of these factors as they interfere in the communication process.

(a) Receptivity

It seems startlingly obvious, but is nevertheless overlooked in many situations, that both parties to the communication process must be open and willing to take part in it. Communication will fail if either the transmitter or the recipient is not interested or is distracted for one reason or another.

(b) Relationships

Much communication in organisations is between people at different levels within the organisation and the relationship between those communicating can effect the outcome.

Three particular problems can occur:

- status differentials (between managers and subordinates within the formal organisation, but also between apparently equal persons whose status differs in some way within the informal organisation) can prevent seeking clarification or raising issues for fear of disapproval;
- professional jealousy or conflicts between the management and specialist staff advice can prevent issues from being raised and restrict openness in discussion (holding back information for reasons of advantage or lack of trust);
- preconceptions of roles can distort meaning where one party to the communication steps out of the role in which he/she/they are perceived as playing (particularly where managers act in an unfamiliar, social way when putting across formal points).

(c) Stereotyping

Stereotyping is the attribution of characteristics to an individual based on an assumption of the characteristics of a group to which he/she is perceived to belong. We engage in stereotyping all the time – indeed, the world would be an impossible place to make sense of if we did not. Thus, when meeting people for the first time, we make an initial assessment of them from a number of characteristics – dress, style and manner, mode of speech, etc. – and form generalised opinions about them from that. Without any additional information about the individual, we shape our initial opinions around the stereotype applicable.

The problems with stereotyping occur when we start to draw, and act upon conclusions about the individual based on those perceived group characteristics, rather than finding out more about the person. Where such generalised images do not fit the individual, or where they do not apply equally to all members of a group, we risk giving offence or distorting communication based on misconceptions about the other party. Thus, generalisations about the abilities, actions and motivations of people based on gender, race, differing abilities, social class, etc. need to be carefully considered.

(d) Halo effect

The halo effect is the use of one set of characteristics about an individual to form a view about that individual as a whole. This can be either positive or negative depending on the characteristics used as a basis for the whole perception. It is a common problem in organisations where opinions can be formed on the basis one, or just a few, instances of performance (good or bad) and the individual judged forever after on them.

(e) Individual misperceptions

As well as tending to misjudge others, we as individuals also have a tendency to allow our feelings about ourselves to colour our interactions. Three common problems are:

- projection – the assumption that others share our thoughts, feelings and characteristics;
- perceptual defence – the blocking out or distorting of information that threatens our own beliefs or position;
- self-serving bias – the perception of oneself as being responsible for success and of others as being responsible for failure.

We cannot easily get away from these problems, but we can and should be aware of them and do all that we can to make rational assessments of people as individuals and of the situation. Effective communication can only be enhanced by so doing.

Semantics

Communication cannot be effective unless there is a common reference and meaning for the words and symbols used in the process. Semantics is the study of the meaning and choice of words, and each person can be said to have their own “semantic net” of words and meanings which is used to make sense of communication in any given situation. When encoding or decoding a communication, the individual does it in accordance with his/her semantic net – and if there is a difference between the nets of the transmitter and the recipient, a problem of understanding will arise, known as a “semantic block”.

There are two main semantic problems common in communication in organisations.

The first is the tendency we have to be imprecise in our use of language, particularly in face-to-face situations where body language and perceived empathy can be used to fill in gaps. What is actually

meant may well not be what is said and/or what is heard. There are numerous examples of this and we quote one here, but see if you can think of others from your experience:

What was said: *“I want your first draft estimates as soon as you can do them”*

What was meant: *The first draft estimates are needed by the end of next week.*

What was heard: *Do the estimates straightaway and drop everything else.*

The second semantic problem arises from the endemic use of jargon of organisations. This includes both professional jargon associated with particular specialist functions which is indecipherable to outsiders (or, worse, employs particular meanings for words which have different meanings in common usage), and the shorthand used for everyday communication in offices, particularly the use of initials or acronyms. These require common understanding among the parties to the communication in order for it to make sense. However, where this does not exist, the use of jargon effectively excludes the recipient from the process – a particular problem when communicating with people outside the organisation (i.e. the general public).

E. COMMUNICATIONS SYSTEMS

The effectiveness of communications within the organisation does not just depend upon ensuring that the process is efficient and effective. The purpose of communication is to ensure that information reaches those who need it, at the right time. This requires that there is a flow of information throughout the organisation (and outside it), along established channels through which people can send or receive messages. In this section we shall review the systems which exist for such flows of information.

There is an important initial distinction to be made between formal and informal lines of communication. Formal systems are those which arise from the formal structure of the organisation – between managers and subordinates, between different functions or departments and between those with staff and line responsibilities. Within many large organisations, particularly governmental bodies, there is also the political dimension of communication with board and council members through the particular structures of the committee system to consider. Informal systems are those which cannot be depicted on a formal organisational chart, especially relationships between peers which are used for the exchange of information and the ubiquitous “grapevine” which exists within the informal structure of all organisations and ensures the very fast spread of all sorts of information, conjecture, rumour, gossip and intrigue.

We shall also consider here the channels which exist for information exchange between the organisation and its environment, in particular its service users, customers or clients. Here the concern is with both obtaining and receiving information about wants, needs and perceptions of service, and the provision of information about services.

Formal Communications Structures

Organisations can be characterised as comprising channels of communication between different levels in the strict hierarchical structure (vertical communication – both up and down) and between persons or groups at the same level in the structure or across functional divisions (horizontal communication).

(a) Downward communication

Downward communication is the flow of information from a higher level to one or more lower levels in the organisational structure. It is, typically, concerned with passing directions about the performance of tasks, or about the procedures and practices of the organisation, providing

or eliciting information about individual performance, and developing understanding about the organisation and its goals and the specifics of the job. The types of communication employed include face-to-face meetings (private or public, formal and informal, between individuals and groups) and a plethora of written communications such as memoranda, bulletins, newsletters, notice boards, manuals, etc

Apart from the problems noted above inherent in the forms of communication, downward communication across more than one level in the organisation can be prone to distortions and difficulties. There are particular problems in presenting information, either in oral or written form, which can be clearly understood in the same way by recipients at different levels. The opportunities for semantic blocks are increased by having to frame the message for a wide variety of different recipients with different perceptions and semantic nets, and with mass audiences there is little opportunity for feedback to clarify meaning. Often feedback and clarification takes place between individuals and their immediate manager, making the meaning dependent upon the manager's perception and this can lead to different interpretations between different managers. In addition, dissemination of information across several levels may require the co-operation and involvement of managers in the distribution process, and this leaves it open for intentional or unintentional manipulation, distortion or filtering of the information by individual managers. Again, with little or no channels for feedback to the originator, there are many opportunities for the communications to become ineffective.

(b) Upward communication

Upward communication is the flow of information from a lower level to one or more higher levels in the organisational structure. It is, typically, concerned with the reporting of progress, problems, new developments and situations which need attention, making suggestions for improvements, seeking clarification, and questioning. The types of communication involved include written reports and memoranda, meetings with superiors (individually or in groups), suggestions schemes and attitude surveys. In addition, specific formal systems for dealing with staff problems, through grievance procedures, and for joint consultations with trade unions may be brought into play.

Upward communication suffers from the same barriers to effective communication as have been described above in respect of both the forms of communication and the specifics of downward communication. In particular, there is a tendency for individuals to filter or distort information in order to show themselves in the best possible light to their superiors. It is also the case that, too often, management does not encourage upward communication and is not receptive to the information that can come from below.

(c) Horizontal communication

Horizontal communication is the flow of information between individuals at the same level within a functional organisational structure, or between individuals or groups at different levels in different functions (mainly departments, but sometimes it can be sections in large, highly differentiated departments). This will include "staff" relationships concerned with the provision of information and guidance in specialist areas from outside the immediate work unit (for example, by finance, personnel or IT specialists), as well as co-ordinating activities, sharing information and providing mutual support, and resolving conflict or problems. The types of communication involved include formal meetings, reports, memoranda and face-to-face meetings.

There are a number of problems associated with horizontal communication. Firstly, highly structured organisations often see communication channels in very hierarchical terms and

require horizontal communication to take place through the upward and downward channels with only (senior) managers actually communicating across functional borders. Whilst it is clear that, in some situations, managers need to know what is going on (or more strictly, the outcomes), the routing of communication between two individuals in different departments through their respective managers leads to considerable opportunities for filtering or distortion in the process. The introduction of looser, matrix structures and the use of inter-disciplinary working groups helps to break down this problem, but leads to different problems of control and responsibility. Other problems with horizontal communication arise from barriers which we have noted before, but which tend to be exaggerated by crossing functional borders. These are the use of specialist language and jargon within each functional area, and functional loyalties and jealousies which may restrict the flow of information in order not to disclose failures or to maintain some advantage over the other party.

Committee Systems

Formal meetings – of committees, sub-committees and formal working groups – are important channels of communication and are widely used in both public and private sector organisations. Indeed, they can be crucial to organisational effectiveness where there is a duty to involve specified members in the decision making process. Committee systems have both a constitutional basis in that certain types of meeting are often required to take place, and also a functional legitimacy in that they provide the most efficient framework for the despatch of business involving particular decision-makers.

The main functions of formal meetings are to:

- provide members with an opportunity to exchange views and information;
- make recommendations to a higher organisational level;
- generate ideas or solutions to problems;
- make policy and other decisions for the organisation.

Committee systems constitute an additional element in both vertical and horizontal communication, and whilst they have very specific roles which exclude much of the information flows within the organisation's management structure, it can increase the barriers to effectiveness through introducing further semantic blocks and additional problems arising from written and oral forms of communication. In addition, the need to take certain matters to committee causes delay in the flow of information.

Committees introduce a very specific set of communication practices. These comprise agenda preparation, chairing and minuting, as well as the presentation of reports in accordance with the needs of the committee. Agenda writing, chairing and minute writing introduce copious opportunities for controlling and manipulating the flow of information – particularly in respect of what gets discussed, the views that are heard and the way in which decisions are reported, disseminated and monitored.

Informal Communication

(a) The grapevine

People do not just communicate through the formal channels in organisations. They talk to each other at lunch, across desks, in toilets and corridors; they go out socially in groups; travel to and from work together, or away on business; meet in shops or outside schools, etc., etc. Of course, much of this social intercourse has nothing whatsoever to do with work, but a lot does. And it relates not so much to issues arising from people's positions in the organisation as to

personal issues – how the individual views the organisation and what goes on in it. The mass of information exchange taking place in this way represents an enormous amount of informal communication – the grapevine.

Grapevines exist in virtually all organisations and can spread information throughout the organisation very quickly – far faster than formal channels. They are generally perceived as having an adverse effect on good communications, and as being based on rumour and gossip. However, the information that circulates on the grapevine is invariably not so much inaccurate as incomplete, with the gaps filled in by conjecture. The problems arise mainly from the effect on morale when adverse events are distorted through selective and careless transmission of information such that uncertainty over what is actually happening arises, rather than deliberate rumour-mongering.

The grapevine does actually have a number of positive aspects. Certainly, for newcomers to the staff it can be very important in orientating and teaching them about the reality of the organisation (as opposed to the often inaccurate and late information given in induction programmes about formal operations). The grapevine can also be seen as a release mechanism for the pressures and stresses of life in the organisation. Finally, it is not unknown for management to use this channel of informal communication for their own ends – planting information to counter other information circulating on the grapevine, or preparing the ground for a formal announcement by allowing discussion of aspects of it to take place beforehand.

(b) Information networks

Informal communication can also be said to include flows of information which owe nothing to the formal structures of the organisation, but nevertheless relate to formal tasks and roles. These are the channels or networks which individuals use to gain or disseminate information relevant to their jobs or roles. Such communications networks can be established formally by management, but are more likely to develop informally based on contacts between individuals.

A good example of such networks is the informal contacts between “staff” functions and executive line management. Rather than using formal channels which may necessitate involving management, individuals seek out the information they need about, say, how to handle a disciplinary problem or how to carry out some particular aspect of financial management, by discussing it informally with a contact in the personnel or finance department.

It is these kinds of contacts and channels of communication which often oil the administrative machinery. They allow people to operate outside the formal channels and get results more quickly. They also give individuals the prestige of “being able to get things done”, without recourse to management to overcome blocks or problems in operating processes. They also allow non-functioning systems to keep going by unofficially sanctioning ways of bypassing the problems.

Team Briefings

Team briefing is a specific technique aimed at combining the features of upward and downward communication in the formal dissemination of information through the organisation. Developed during the second World War as a means of briefing military units, the approach is to cascade information down through the organisation by means of face-to-face meetings which also allow for a degree of discussion and upward feedback through questioning. Briefing groups comprise, generally, 10 -20 members of staff, with the briefing being led by their immediate manager/supervisor.

The briefings form part of an integrated approach to communication within the organisation whereby staff can become less dependent on informal channels of communication.

The team briefing system works from the top downwards in gradual stages to disseminate management information, sales figures, progress made, policies, and the implications of all these things for the staff involved. However, any information passed on must be made relevant to those who are going to hear it. So, for example, a board meeting will be followed by briefing groups being held at the next level down, using briefing notes issued by the initial meeting, but adding any other information that may be relevant at this level. The last level of briefing group is the supervisor or first-line manager briefing the shop-floor/clerical staff.

Briefings also allow upwards communication. This gives individuals the chance to respond to management information or edicts that may have been “passed down”. This upwards communication is important, as management can gauge employees’ thoughts, views and feelings about aspects of organisational life. Team briefings have the added advantage of encouraging motivation and morale, as they generate a feeling of *esprit de corps* and co-operation.

Meetings should be held at regular intervals (from fortnightly to quarterly depending on the circumstances), but they should be arranged well in advance so that they are seen as part of the organisation’s communication system. Supervisors/managers who lead the briefing sessions should keep notes between meetings of any important items that should be mentioned at the next briefing meeting. It is often of benefit if the supervisors/managers who do the briefing have training in presentation techniques.

It is important to remember that team briefing is **not** intended to replace other channels of communication, but to **supplement** them. Thus, urgent matters should always be dealt with immediately and not saved for the next briefing session.

For this type of communication to work effectively, certain principles must be applied:

- Briefings must be held at regular intervals - not just when a crisis looms.
- Each briefing should be fairly short - say 30 minutes.
- It should be given by the supervisor or middle manager - someone in day-to-day contact with the group.
- There should be face-to-face, open discussion in which all members are encouraged to participate.
- Each briefing should conform to a structure, e.g. progress to date, policy and changes which will affect the group, individuals’ tasks within the group, praise where it has been earned, points of action and explicit instructions given with time for explanations.

External Channels of Communication

In an increasingly competitive world, all organisations are becoming more customer orientated – seeing the wants and needs of the consumer as being central to their operations. This focus means that all communication which may find its way outside the organisation – by design or not – is seen as conveying messages about the organisation to its customers (existing and potential). As with all forms of communication, this involves issues about the clarity of the actual message as well as any underlying meanings which may be imputed from the process.

In view of the importance of this, it is very common for all external communication to be seen as having a marketing application. This goes beyond the specifics of marketing research and communication to encompass a public relations dimension in presenting the organisation to the public. Thus, styles of letter writing, forms of speech and appearance, use of specific presentational forms and methods, etc. may be laid down to ensure a consistent and appropriate image of the organisation.

We can characterise external communication as encompassing three categories:

(a) To meet statutory requirements

Legislation compels organisations to disclose certain information and, whilst many make available the minimum possible to meet such requirements, there is a value in openness in some situations.

What has to be divulged can be divided, broadly, into three areas:

- To recognised trade unions – the Employment Protection Act 1975 requires employers to disclose such information to the representatives of recognised independent trade unions as it would be good industrial relations practice to disclose.
- To the public – since the 1850s there have been laws which require companies to publish details of their financial and trading positions in order to protect investors and possible suppliers. Successive Companies Acts have contained much of the provision in this respect.
- To government departments, agencies and official bodies – many organisations are only too well aware of the number and complexity of official returns. Examples include tax returns to the Inland Revenue, accounts to the Department of Trade and Industry and VAT information to the Customs and Excise authorities, to name but a few.

(b) To increase and improve business

For the majority of organisations, suppliers and customers are external to the business and the level of business is directly related to the level of external communications with those people. For example, potential customers must be aware that the organisation exists - they must know the products and services offered, the prices and terms of business, etc. If they are not told, there will be no more trade!

Business improvement will come from good communications, which will include not only advertising and public relations, but also the way in which orders and ordinary routine correspondence are dealt with.

(c) To maintain or improve an organisation's image

All people with whom an organisation deals, or with whom it comes into contact, will have an image of that organisation. It is this image which an organisation will wish to develop through the consistent application of good standards of communication – using formal public relations activities, but also, crucially, through the general efficiency and effectiveness of all forms of external communications. This, then, involves all members of the organisation in projecting an image based on such matters as the way in which the telephone is answered, the speed and tone of letters, the way in which information is presented.

These are all subjects which we shall address in the next unit.

Study Unit 12

Effective Communication

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INTRODUCTION

Organisations can be seen as communication systems. They comprise continuous flows of information – inwards from their environment, internal throughout the entire organisation and outwards, to the environment. Just how effective these flows of information are depends on the quality of communication. That is the subject of this Unit. We shall look at some of the criteria which determine the effectiveness of communication, principally the written word in the form of reports, letters and minutes, but also in respect of the use of forms for the acquisition of information and the ways in which meetings (and specifically, committee meetings) are expedited.

Much of the discussion here will seem common-sense and, perhaps, superfluous to your present studies. However, it is useful to codify good practice and reflect on what often seems obvious in order to become more aware of it. You may also feel that some of what is said here may be redundant because communication styles are determined by organisational norms and customs. Again, though, it is helpful to be aware of other approaches and methods, and most particularly, the principles which underlie them, in coming to a view of the efficiency and effectiveness of your own organisation's practices.

A. BASIC GUIDELINES

There are a number of different approaches to defining guidelines for effective communication, but they all say more or less the same thing:

say it clearly, accurately and be brief.

The approaches we review below develop this in slightly different ways. They work for both written and oral communication and are worth reflecting on in respect of your own style and practice, and that of your organisation. How well do you, or it, meet them?

The Needs of the Receiver

At the outset it is vital to remember that, in any form of communication, what you are trying to do is convey information to a recipient. Whatever is said or written must take into account his/her/their needs – what they need to know, what they are capable of understanding (not just in terms of their intellectual capacity, but perhaps in the time available), what the circumstances of the communication are, etc.

Too often, reports or letters are written in a way which implies that the reader already knows much of what is being communicated – computer software manuals are a prime example of this in assuming a degree of understanding about how a program operates and the technical jargon associated with it. They do not consider carefully enough who is actually going to be reading the material and how they will want to use the information conveyed.

A number of points come out of this fairly obvious initial observation. In preparing any form of communication, you need to give attention to:

- the language used – it has to be clear to the recipient what is being said;
- the structure of the communication – the recipient has to be able to follow what is being said, and to be able to find and refer to elements again if necessary;
- the “tone” of the communication – it has to speak or appeal to the recipient in some personal, direct way;

- the content – the recipient has to be able to get what he/she/they need (or what you want them to get) from the communication in an unambiguous way.

The ABC Approach

This approach to effective communication lays the stress on:

- A – accuracy
- B – brevity
- C – clarity

- **Accuracy**

The information conveyed must be as accurate as possible at the time of presentation – another seemingly obvious point, but one which has a number of implications.

In order to be truly accurate, it may seem necessary to use incredibly complicated language, particularly legal language, in conveying caveats and qualifications to, say, a rule. This may be very off-putting or difficult to understand for many recipients and needs to be avoided. (It clashes with C for clarity). In most circumstances, some degree of absolute accuracy may be sacrificed for clarity.

All communications should be dated in some form or other. This sets the information in a particular time frame and allows for variations to be made to reflect new information at a later date.

Being accurate is not always easy. In many situations, the information being conveyed is not precise or complete, and this needs to be openly recognised where the recipient needs to be aware of any limitations.

- **Brevity**

Time is often far too valuable or short (for both the transmitter and the recipient) to employ a lot of unnecessary words. Brevity means being concise and being concise helps the recipient – arguments or points do not get lost in a clutter of waffle, so the message is more likely to be identified and understood.

Being concise or brief does not necessarily mean simply stating the bald points. The use of explanations, examples and analogies all contribute to clarifying messages and should be used where appropriate. However, the essence is to stick to the point and not over elaborate or wander off into other areas which may confuse the issue or lose the audience.

- **Clarity**

Clarity is achieved through the use of the right language – words that the recipient will understand, set out in a logical order with appropriate structuring of the information. This is very important, particularly given the need to be concise which may seem to conflict with clarity – there may be a tendency to use shorthand explanations or jargon to keep it brief, but which do not help to make the message clear.

It is important, therefore, to consider carefully the audience – what language will they understand (principally the use of jargon or specialist language, but also the main language such as English, Hindi, Urdu, etc.), what explanations and examples will make sense to them, in what circumstances will they receive the communication.

The Seven Cs

This rather more developed approach considers a wider range of points than the ABC approach. The “seven Cs” includes aspects of tone and style as well as the basic elements.

- **Clear**

As above, the need is for meaningful language which avoids ambiguity and communicates the message in a way which can be easily assimilated by the audience – words and phrases need to be chosen with care, unavoidable jargon, terms and lesser known concepts and procedures need to be explained. Short, simple, structured sentences help, as do the use of headings (particularly in reports and memoranda, although there is no reason why they cannot be used in letters to help clarify different topics and, even, in oral presentations).

One problem often encountered is the need to refer to other documents or extracts from them, or to background information. The inclusion of such material in the body of a written communication can be extremely confusing. Extraneous material can be placed in appendices, annexed to the main report or typed separately as enclosures for letters or memos. This helps to keep the main communication to the point throughout.

- **Concise**

Brevity, compatible with the complexity of the information to be conveyed and the necessary style and tone, is of the essence. Thus, it is better to say “I regret that” rather than “I regret that I have to say that”. One of the trends in written communication has been to be more direct and use less of the rather obtuse and long-winded language of formal business letters and communications from the past. That tendency has not disappeared completely, particularly from formal, well established organisations, but where the flow of language is not damaged, every effort should be made to cut down on the number of words said to say something. In oral communication, it is even possible to use very short staccato sentences or just phrases.

- **Correct**

Obviously the information has to be correct as we noted above. However, also do not lose sight of the need to check the text for errors, especially in figures, names (there is nothing worse than misspelling someone’s name on a letter!) and addresses.

- **Courteous**

In any form of communication, it pays to consider it as a personal address to the recipient(s). Thus, in trying to be brief, do not be curt, do not be afraid to introduce personal references where appropriate (using “I” or “you”), be polite and use friendly language rather than formal “officialese” which is a barrier to communication.

- **Complete**

The communication should be a full conveyance of the message, leaving as far as possible nothing out (even if you have to say that “X” is the subject of another communication or will be dealt with later). In that way, the audience will be aware that they have everything they need.

This may mean going beyond what were your original terms of reference for writing a report or a letter, etc. Other information may need to be brought in, in order for the complete picture to be presented.

- **Consistent**

The flow of language is considerably aided by consistency in its use, such as standardising the person and tense, and sticking to a particular style and tone throughout. A number of problems arise from this:

- adopting a consistent and clear usage of non-gender specific phrasing (to avoid the use of “he” all the time which you will find in most older texts) can mean using rather convoluted phrasing or an overuse of “he/she” or “(s)he” which can look and sound clumsy;
- choosing between “I” and the more anonymous “we” in formal letters and reports, etc., both of which have their advantages at different times;
- the convention of writing reports in the passive tense (“it may be seen that”) can give rise to phrasing difficulties and also conflicts with the more direct and courteous use of active tenses (“you will see that”), but it can be confusing to switch between the two too often.

- **Convincing**

This last point is often overlooked. It is very important to show confidence and commitment in what you communicate, even though there may be times when you do not actually feel that in what you have to do at work. Doubt, ambiguity and vagueness come through very clearly in all forms of communication. Messages need to be conveyed with conviction or they will not be taken seriously.

Structure

Virtually all communications can be structured along the same overall lines. A very basic maxim which works nearly all the time is:

- say what you are going to say;
- say it;
- say that you’ve said it.

This maxim can be interpreted as the basic “introduction – body of the communication – summary/conclusion”. Let’s look at this in a little more detail.

- **Introduction**

It is vital to get off to a good start! The first sentence sets the tone and style for the rest of the communication and you should give that some thought. Often getting that first sentence right sparks off the flow of language for the rest of the communication.

The introduction sets the scene for the message. It orientates the reader or listener to what is going to be said and importantly, how it will be said (the general approach, tone, etc.). Thus, an introduction needs to cover the background to the issue, why it is being dealt with and briefly, what is to come.

- **Middle Section**

The main body of the communication conveys the information. If necessary this should itself be structured into paragraphs (not too long), headings, lists, etc. Careful consideration should be given to the numbering of headings, paragraphs or lists since these facilitate reference to particular points. It is likely that each organisation will have conventions about how to do these in formal reports.

- **Conclusion**

Including a summary at the end is a useful means of bringing together the various points made in a concise way. (It is also helpful to hard pressed managers who, it is often said, just turn to the summary and recommendations without bothering to read the rest of a report!)

Recommendations are often included in this part of a report, although many organisations have a convention of putting them right at the beginning.

Use of Visual and Graphical Effects

The written or spoken word are just one means of communication, albeit the most important. On their own, though, they can tend to be somewhat boring – too many pages of text to wade through, listening to a speaker for too long, etc. can turn off the best recipient no matter how good the written or oral presentation. One way of alleviating this is the use of visual or graphical effects within reports, booklets, manuals, information brochures and oral presentations.

They should not be used, though, just to break up the monotony of text or words. They must have some clear purpose for themselves, and pictorial representations of information do have a number of very persuasive advantages, such as

- certain information – particularly in respect of relationships between things – can be presented more clearly through graphical representation than by written or spoken descriptions;
- information can be effectively summarised in visual displays, aiding understanding and absorption;
- visual aids command attention, partly by being different from the written or spoken word, but also by being eye-catching and interesting in themselves.

The most extensive use of pictorial forms of presentation is in the use of statistics. Tables of figures, particularly if at all lengthy, convey little to the average eye, and it is difficult to see the relationships between various items without a thorough examination of the figures. Graphs, bar charts, pie charts, etc. give the results of tabulation in a special form, enabling the whole range of the subject and particular relationships to be seen at a glance. Their purpose will be to draw attention to particular interpretations of the data.

Use of diagrams, etc. can also help to convey complex relationships between different elements in organisations, so we have organisation charts, systems diagrams, flow charts, etc.

Finally, tabulation itself can be considered an element of visual or graphical enhancement, even though it is basically just a way of structuring text. The use of tables to summarise information in terms of relationships or under headings gains from the fact that, in tables, you do not need to use full sentences. The information is presented in truncated form and is likely to be more easily absorbed, although it is important to remember that this is a summary device and fuller discussion of the issue will probably be necessary elsewhere.

The value of numerical data may be increased many times by effective tabulation. Tabulation is the systematic arrangement of numerical data which has been collected, so that a reasoned account of its interpretation can be facilitated. It depends on a logical classification of the data into clearly defined groups, each with characteristics of its own (e.g. classifying customers by gender or by different age groups, etc.). The information is then set out clearly in the minimum space and with the minimum wording. The following rules should be observed in the preparation of statistical tables:

- each table should serve a single purpose – attempting to show more than one group of relationships in the same table tends to obscure the message;

- the table itself should have a title or caption, and each grouping of information must have a heading, all of which should be as short as possible and self-explanatory;
- tables should not contain figures with a large number of digits – rounding numbers is acceptable since a high degree of accuracy is not usually that important (it is the relationships which are), and expressing all figures in, say, thousands is better than writing them all out in full;
- the number of columns and headings should be kept to a minimum – a multiplicity of headings etc. prevents the proper emphasis being given to the key facts and tendencies shown by the table;
- units must always be stated (£,000's, age, etc.);
- figures showing relationships such as percentages, ratios, etc. should be placed as near as possible to the figures from which they are derived.

Note that the use of graphical forms of presentation are not always effective. There are dangers in their use and care must be taken to ensure good results. At worst, inappropriate or poor visual displays serve only to confuse meaning. Particular problems are poor presentation – inaccuracies in the information, bad labelling or simply badly drawn diagrams, etc. (including inappropriate size) – and gratuitous use where the pictorial form does not meet the advantages described above. The increasing sophistication and availability of text and image processing technology makes bad drawing less of a problem now, and combined with high quality methods of reproduction, complicated graphics and even photographs can be included with ease and little cost.

B. PREPARING EFFECTIVE WRITTEN DOCUMENTS

In this section we shall consider some of the main forms of written communication, looking at their characteristics and effectiveness. Throughout, you should bear in mind the basic guidelines we have set down and also the practice in your own organisation. All organisations have particular conventions about how to prepare letters, reports, minutes, etc. and it is not our intention to undermine these. However, there are many instances where “the way its always been done” does not accord with what may be most effective.

Letters

Nowhere is it more important to apply the principles of good communication than in writing letters. An organisation's letters are its “ambassadors”, often the form that initial contact with people outside the organisation takes. Indeed, letters are invariably the main, and possibly even the only, direct contact with others outside. First impressions are, accordingly, vital.

The recipient of a letter tends to judge the organisation by the language, tone, style and relevance of the communication. He/she looks on it as an indication of how the organisation manages itself and what it thinks of him/her. Positive or negative impressions can, therefore, easily develop.

In writing any type of letter, always keep in mind the desired result. Constantly ask and remind yourself, “what am I trying to achieve”. The answer is normally obvious – for example, to convey the time and place of an appointment. It may, though, not always be so clear – a complaint about a specific problem, say on the particulars of a service offered, may mask a general misunderstanding of roles, responsibilities, expectations, etc. which should be dealt with in the response.

(a) Presentation

Obviously, the minimum standard for a business letter is that it should be expressed in clear, accurate language. However, more than mere mechanical accuracy is needed. Tone is important: it must be appropriate to the subject matter and includes such elements of tact, courtesy, and – when some potentially unwelcome information is being conveyed – care and diplomacy.

The style of language employed is important here. Business letters are formal forms of communication and, whilst they should be personal and direct, colloquial expressions should be avoided. Nevertheless, the use of active rather than passive phraseology helps make communication more interesting, personal and direct (“I enclose ...”, rather than “enclosed is ...”). The increasing use of standardised letters produced through word processing systems should not be an excuse to avoid the personal touch – names and addresses should always be correct and personal information inserted wherever appropriate, so that the recipient continues to feel that this is a letter to him/her, not just one of hundreds sent out by an anonymous organisation to a lot of anonymous people.

The impression has been fostered that there is a special form of English that is appropriate to business letters. This “commercial” language of the past is still found in some letters, but most of these antiquated phrases are now generally not acceptable. For example, abbreviations of Latin tags, notably “ult” (from “ultimo”, in the preceding month) and “prox” (from “proximo”, in the next month) can be replaced much more meaningfully by “last month” or “next month”. A few more examples are as follows:

We are in receipt of your letter	Thank you for your letter
Pursuant to	Following
It is incumbent upon us	We must
It will be our earnest endeavour	We shall try
It is within my power	I can
Your good selves	You
We beg to assure you	We assure you
Furnish	Give
Consequent upon	Because of/As a result of
We are obliged to	We must/We have to

One final point here is to re-emphasise the importance of one of the seven “Cs” – complete. Many letters, whilst dealing with the subject of the communication, do too little to orientate the recipient to the specifics of the case. Letter writers are generally dealing with one specific case at a time and have all the information to hand; the recipient may receive many different letters at the same time, often all on similar subjects and perhaps several from the same organisation, and needs to be made aware of exactly what this particular letter is about. Including the reference(s) of any previous correspondence and explaining clearly within the letter exactly what is being discussed, help to overcome this and clarify meaning.

All we are reiterating here is that letters, seemingly trivial but an important form of communication, must adhere to the principles of effective communication. You must think carefully about the recipient and his/her needs, apply the ABC and/or the Seven C’s approach, and structure the communication to enhance its clarity.

(b) Types of business letter

There are various type of business letter. We categorise them into give groups below and provide some notes about considerations in preparing each. However, each individual letter you may prepare is an individual undertaking; therefore it has to have its own:

- aims – e.g. to reassure the recipient;
- target audience – e.g. a supplier;
- circumstances – e.g. a worry about payments outstanding;
- proposals – e.g. providing information and suggesting a plan of action.

In addition, the situation of the writer will affect the letter. In writing on behalf of an organisation, you need to project the right image, but need to be wary of making personal commitments that may not be backed by the organisation, and must be aware of any responsibilities that apply.

● Letters for information

Most letters are written to request or provide information. Clarity is essential – be certain about what information you want or is requested from you and express it clearly and directly. If you are providing information, it is often helpful to clarify your assumptions of the recipients present understanding at the outset, rather than launch straight into the subject.

● Letters to influence or persuade

Many letters seek to change the perspective of the recipient on a particular issue. Often such letters are responses to complaints – either refuting the complaint or apologising for the situation and seeking to defuse the problem.

In letters which involve arguments and discussion of different interpretations, approaches or courses of action, the text should be objective and largely dispassionate. (Complainants have a lot more latitude in how they can express their opinions than someone writing on behalf of an organisation!) In setting out the argument, it is useful to anticipate (and deal with) any possible objections from the recipient. Also, structuring can emphasise the writer's own case – isolating key points, putting them at the beginning of paragraphs rather than burying them in text, etc.

● Public relations letters

Any letter to a person outside the organisation is, in effect, an instrument of public relations. Some are specifically designed to be so, for example justifying policies to a pressure group or writing to a newspaper or journal (see below). There may be no immediate need to provide such information, but it is being done to maintain a public image of keeping concerned people informed of developments.

This type of correspondence should aim to present the organisation in the most favourable light – avoiding unnecessary formality, being positive and looking to the future rather than back at the past. In dealing with complaints, the same principle applies. Letters should display courtesy and a willingness to act rather than being defensive and suggesting an eagerness to shift the blame.

- **Standard letters**

Circular or standard letters to a number of recipients are used extensively by all organisations. However, people are far less prepared to accept communications which are not, in whole or in part, relevant to themselves. It gives a very bad impression of an organisation which is insufficiently aware of people as individuals with their own differing needs and circumstances.

It is important to ensure that all the information applies to all the recipients. Where any points are not uniform, this should be indicated and/or attempts made to make them specific to the individual. Thus, in sending a standard letter to a number of persons notifying them of arrears in payments, it is helpful to have the particulars of the arrears for each person set out clearly – amount, period covered, etc. – rather than a generalised statement. Word processing makes it easy to adapt letters so that they are person specific. Obviously the details of name, address and the recipient's name in the salutation (Dear) can be inserted through mail merge facilities. However, in some circumstances, there is a good case for leaving the salutation out and allowing it to be hand-written as a personal touch.

- **Letters to periodicals**

Letters written to newspapers and journals (always addressed to the editor) are also relatively common. They are done to defend or justify a decision or action in the face of media criticism, or to promote some aspect of the organisation to the wider public.

One point to bear in mind is that it cannot be assumed that readers have access to any previous discussion about, or any prior understanding of, the issue – a letter or article that provoked the correspondence, or the circumstances of, say, a proposed new supermarket. This is likely to affect the way information and arguments are presented.

Reports

The purpose of a report might be to give information on a particular subject, to explain, or to put forward proposals or recommendations. Reports may be for different people at different levels, so the aim is to provide a useful document for people with varying amounts of time or interest in its content and detail. Ultimately, the test is whether the document meets the recipients' needs.

The basic task of a report writer is to provide the reader with the means of making a better decision.

(a) Basic rules

The basic rules for report writing include:

- keep to the guidelines that apply to all effective communication – the ABC or seven Cs approach;
- ensure a logical sequence in the arrangement of points, write simply in short sentences and paragraphs, and give each paragraph a focus;
- plan the layout carefully, paying special attention to headings, paragraphs, sub-headings and numerical listings;
- pitch the language, style and tone according to the recipients of the report; and
- sign and date the report.

There is not, however, a single correct way of preparing a report because each will meet a differing need. In every case, however, the resulting document should be clear and effective for

its immediate purpose. It may also be required for consultation in the future, in relation to similar problems or circumstances. Some formality is, therefore, necessary to make the subject matter of the report readily accessible and understandable.

Reports should also be written so that they can be filed and cross-referenced.

(b) **Types of report**

There are two main types of report:

- ***Routine reports***

Routine reports are much used in industry and commerce, but are also common in the public sector, and are normally presented at stated intervals, e.g. quarterly committee reports, annual company reports.

They are generally a statement of facts, normally with each sector having its separate section or set of paragraphs with a relevant reference or heading. Such reports tend to cover finance or sales or general progress.

The purpose and form of such reports tend to be standardised.

- ***Special reports***

Special – or ad hoc – reports are on “one-off” events or issues, for example on an accident or a visit, an appraisal of a proposed innovation, or a progress report reviewing that innovation.

Special reports may be wide-ranging in their discussion, but will be single issue in practice. The content will be determined by the terms of reference – the instructions or guidance governing what may be investigated.

Another approach to classifying reports is to distinguish between, “reports for information” (which will be noted) and “reports for action” (which will require decisions on action to be taken). On the whole, routine reports are for information, and special reports require action.

Effective report writing

Apart from the normal considerations of language, clarity, style, etc. in the writing, two other key elements in ensuring effectiveness in report writing are the preparation for and layout and organisation of the report.

(a) **Preparation**

It is essential that the objective and purpose of the report are known, as these will govern the material required and the style and method of presentation. The objective may be:

- Providing information – for example, details of a bad debtor. In this type of report, substantial data is combined with detail of case histories, so every effort needs to be made to present the information in as clear and as easily digestible a form as possible. It also needs to be accurate and up-to-date.
- Giving explanation – typically, a report on new legislation or a major development relevant to the organisation’s activities and interests. This calls for the concise presentation of essential facts and, possibly, of opinions on the impact of, say, the new legislation on the organisation.
- Making new proposals – for example, to change an existing procedure. Typically, a policy needs detailed analysis to establish viability and the practical problems of implementation.

In preparing such a report, a writer must be at pains to be objective and present a balanced account with arguments both for and against the proposal.

There are, of course, many other reasons for demanding reports. Once the purpose of a report has been established, the writer should consider to whom it is to be addressed. What is suitable for one group may not be suitable for another, for instance, with regard to what needs to be explained and what is taken for granted.

The final phase of preparation is to collect the relevant material. This usually involves research, consideration of opinions and arguments expressed by others. It is not usually sufficient to rely solely on one's own recollections, feelings or theories.

If a conclusion or recommendation is appropriate, this should be kept in mind from the start. It is an essential part of such a report, and the writer should have a good idea concerning any conclusions before starting the report. This is not to say that conclusions may never thereafter be modified. It sometimes happens that the discipline of putting facts and arguments on paper leads to alterations in the original proposals. The intellectual exercise is one advantage of written reports. A well thought-out report is only possible when preparation is thorough.

(b) Layout and organisation

The essentials of a report are reasonably obvious, but it is always necessary to establish them clearly and to state them in the report. The essential information which should be included is:

- To whom the report is made.
- By whom the report is written.
- The date the report was written.
- The authority under which it is written.
- The purposes of the report.
- The title for the report.
- The subject matter of the report.
- The reference of the report (for filing, the date of the meeting when it will be considered, and so on).

As well as the report being physically well laid out, it should also be well-structured, in terms of the material in it. The best way to achieve this is to regard the project from the viewpoint of the people who called for the report. Ask, "what do they want to know?"

A number of considerations are important in seeking to achieve effective layout and organisation.

Headings

Headings are of considerable significance, especially in longer reports. Headings should be as explicit as possible. Reports are often consulted hurriedly to extract useful information when a similar set of circumstances recurs. Therefore, vague headings such as "General Arrangements" should be avoided as it might provide necessary to read the whole paragraph to find out whether it was relevant to the new problem or not.

As important a heading as any is the very first, the title. The subject matter of the report should be given as concisely as possible in the heading. A real example of failure to observe this principle is:

“Memorandum to the Information Technology Sub-Committee regarding the suggested appointment of a Principal Administrative Officer to assist the Chief Systems Analyst.”

Hardly very concise!

It is also wise, especially in longer reports, to make full use of side headings and sub-headings to group together connected paragraphs. Not only do they assist the writer in keeping to an orderly presentation, but they assist the reader by breaking up into convenient sections what might otherwise be large tracts of unbroken text.

Numbering

The numbering of paragraphs is also important in all but the shortest of reports as it facilitates subsequent reference at any meeting or conference where the report is under discussion. A number of techniques are available.

Some reports use decimal numbering: main sections are denoted as 1, 2, 3 ..., whilst sub-heads are 1.1, 1.2, 2.1, 2.2 Particularly in longer reports, consecutive numbering is probably better than numbering separate sections, so you could have unnumbered headings and each paragraph numbered 1, 2, 3 ... 11, 12 ... etc.

Try, however, to avoid unnecessary numbering, especially in shorter reports. Excessive numbering can suggest a bureaucratic approach. In any report, for example, third tier decimals – 1.1.1, 1.1.2, 1.2.1 – begin to look ugly. Also, they can interrupt the flow of the report and distract the reader.

It is vital that a clear distinction is made between the different notations used for headings, side-headings, paragraphs and lists. It is also important to be consistent in the numbering structure employed.

Arrangement

The order in which the material for the report is presented is important. It is, of course, impossible to give any set pattern of presentation because this must be varied according to the subject matter and the object of the report. Nevertheless, the main features of a typical report are fairly standard and should be dealt with as follows.

- ***Introduction***

This should indicate clearly why the report has been prepared, e.g. on the instructions of a committee at a previous meeting. If the matter is being opened for the first time, the reason for its being brought forward must be made clear. If any explanation of the scope of the report is required, this could well be dealt with here. If the report is lengthy, the main sections into which the report is divided could be listed (perhaps with page and paragraph references – for example, Historical Background, page 2, paras. 6 – 13).

- ***History***

It may be that some recital of relevant past history is necessary to set the issue into proper perspective. This should be done as concisely as possible, while ensuring that any previous relevant decisions are included. If the history is lengthy and not essential to understanding, it could be relegated to an appendix merely referred to in the main body of the report. If another document summarises the history adequately, say a previous report, mere reference might suffice.

- *Data or facts*

All facts should be given as clearly and succinctly as possible with particular concern for relevance. It is crucial that the veracity of all facts used are checked.

If data is statistical or technical, it could be set out in an appendix, leaving in the body of the report itself only the discussion and the broad summary of, or conclusions arising from, the detailed facts, making due reference to the appropriate appendices.

- *Legal considerations*

The question of legal powers, duties and responsibilities could properly be regarded as an element of “data or facts”, but since organisations need increasingly to be aware of the potential for legal action in respect of both their actions and their decisions, it is often desirable to deal separately with the legal position. A long treatise is not called for, but if new proposals are being suggested, their legality, as far as the organisation is concerned, should be clearly stated.

- *Financial implications*

The financial costs of any proposals are always a major consideration and these should be clearly stated, e.g. if additional staff are proposed, the anticipated salary grades and the additional cost per annum should be stated. If the financial implications are far-reaching, it is desirable to consult the appropriate finance officers. Consequential financial implications also have to be taken into account, e.g. additional staff usually involves additional furniture and equipment.

- *Arguments and analysis*

Once the facts have been set in their proper perspective, the arguments and considerations for and against the proposal should be developed. It is essential that the report is balanced and objective. This is not to say that report writers should be so neutral as to appear to have no views at all, but rather that these opinions should be presented fairly, recognising that others may hold contrary opinions, and objectively.

- *Conclusion and recommendations*

The conclusion may represent the findings in the light of what has gone before or it may take the form of a summary of the principal points arising from the report. In many cases, the conclusion will be one or more recommendations, in which case each recommendation should be separately itemised. In the case of a lengthy report covering a number of matters, it may be desirable to include the recommendation on each point as it is dealt with in the report. In this event, the conclusion could usefully bring together the recommendations scattered throughout the report.

- *Implementation (timing)*

A time schedule may well form part of the conclusion, but it may also be the essence of the report. Timing should never be forgotten, and a reference to the date when work will be concluded will give an air of reality, even if it is not vital.

- *Appendices*

Appendices are very useful for setting out detailed information which, if embodied in the main part of the report, might confuse the reader and detract from the report’s readability. Besides historical background, the tabulation of previous decisions and the presentation of statistical data might, in appropriate circumstances, be placed in an appendix.

Financial reports

Financial reports are a particular, and very important, example of communication by report. They are usually produced by, or in conjunction with, members of the Finance Department who have a responsibility to provide the rest of the organisation with adequate financial information upon which to base sound judgements.

(a) Effectiveness and presentation

The guiding principles of preparing financial reports are effectively the same as for any other type of report and thus draw on the same basic guidelines as were discussed previously. However, it is worth noting that need for absolute precision and accuracy in the figures. In other reports, figures are not generally that important in themselves, but clearly when dealing with finance, they are.

Clearly the presentation of the financial information – the figures themselves – is also vitally important. There can be tendency either to provide too much information or too little. On the one hand, you want to ensure that the recipient can pick out easily what they need to know and follow the figures without being a chartered accountant. This approach leads to paring down the information to as little as possible. On the other hand, people do need to have a complete picture and understand the detailed make up of summary figures. This can lead to providing reams of detailed information. As ever, careful consideration of the reader's needs is the key to identifying what level of detail is needed. Financial reports are not just pages of figures, they are the basis of effective management and decision making. Managers and decision-makers must be able to identify what they want to know quickly and easily. It may be that the preparation of a variety of different reports on different aspects of the same issue, with different levels of detail, is more appropriate than one comprehensive, but less understandable report.

Finally, clear layout is a must in presenting financial information. Particular attention needs to be paid to columns, headings and other labels to guide the reader through the figures and aid understanding of their meaning. Explanatory text and interpretation is also often necessary for those not trained in understanding particular types of report – and by implication then, appropriate training needs to be given to, for example, managers who receive regular financial statements about, say, departmental expenditure to enable them to assimilate the information easily.

(b) Types of report

The Finance Department will, as a matter of normal financial routine, prepare summary, interim or progress statements and accounts throughout the year and final accounts at the end of the organisation's financial year. Such reports are the basis of regular financial management, enabling both operational management and decision-makers to monitor expenditure and income regularly and take action where circumstances so warrant.

Specific special reports arise from a variety of circumstances, such as:

- proposed new courses of action, particularly involving capital expenditure;
- changes in prices and other charges;
- implications of new or proposed legislative requirements – for example in respect of changes to taxation;
- special investigations, such as analyses of contracts and tenders, etc.

Certain reports will be required by the financial regulations and standing orders of the organisation, so that, for example, all reports to committees have a statement of their financial

implications or that variations on expenditure above a certain level must be reported to committee.

Financial reports also have a number of purposes. In general, the bulk of reports are for financial control purposes – ascertaining the financial position of the organisation, or a particular part of it, and enabling action to be taken if necessary to meet budgetary targets. They can also be crucial planning documents, fundamental to determining what can and cannot be done by the organisation.

Finally, whilst most routine reports emanate from the Finance Department itself, most special reports are joint reports between the Finance Department and a service or other department. Joint reports enable officers with different concerns to look collectively into all aspects of an issue and put together a clear picture of the consequences of a course of action (or of not taking a course of action) in terms of its production, technical and financial aspects. Such methods of reporting serve to aid corporate understanding – making non-Finance Departments aware of the financial implications of their work and finance personnel aware of the operational implications of their interests – as well as emphasising the importance and role of the Finance Department as the source of financial information and advice.

C. COMMITTEE PRACTICE

Committee meetings are a crucial part of life in many organisations and any discussion of effective communication must include some reference to the way business is conducted through them. This brief concluding section does this by reference to the activities associated with committees before, during and after their meetings. This discussion, though, is not limited simply to formal committee meetings, but applies generally to most types of meeting.

Preparation for Meetings

Meetings don't just happen – they have to be planned. Efficient undertaking of the necessary work prior to any meeting, be it an AGM, a trade union meeting or a work group, will invariably smooth the conduct of business at the meeting itself.

The starting point is the preparation of an agenda. The main purpose of the agenda is to advise members attending the meeting of the business to be transacted. As such, it will usually be the subject of some discussion between a number of interested parties – the committee chairperson, senior managers involved and, possibly, a committee clerk. For other types of meeting, preparation of the agenda may be the sole responsibility of the person who will chair the meeting, but advice may be sought on what items of business should be included.

An agenda should normally include the following elements:

- the time and place of the meeting;
- provision for confirmation of the minutes of any previous meeting, and for consideration of matters arising from them (where they are not included as items elsewhere on the agenda);
- a subject heading for each item of business to be transacted, together with any brief explanatory comment necessary (often reference to attached reports, correspondence, etc.);
- a final item of “any other business” to allow for discussion of any issue which has arisen since the issue of the agenda.

Following determination of the agenda, the participants of the meeting need to be formally notified by circulation of the agenda together with any necessary supporting papers. For certain types of

meetings, there are statutory requirements about the amount of notice required (say, three clear days), but in any case there should always be sufficient time for members to assimilate the information supplied.

The final element before meetings is some kind of prior consideration of the agenda by the chairperson together with key senior staff involved in the process. This will concentrate on identifying the various issues involved in each item of business, together with any desired outcome. This process is always useful for any type of meeting in considering how best to handle the discussion and to achieve their objectives.

The Conduct of Business

The proceedings of any formal meeting are governed by the constitution of the body (which state what it is allowed to do) and any standing orders applicable. The constitution may be laid down by statute for certain types of organisation, or otherwise set out in the Articles of Association or Incorporation, and this will define the organisation's powers and duties, and certain aspects of their operation. The detailed rules and regulations about how business is conducted at meetings will be embodied in standing orders.

Standing orders are essential if meetings are to be conducted properly since they cover such matters as:

- the number of members who must be present in order for the meeting and its decisions to be valid (the "quorum");
- how and when questions may be put;
- how motions and amendments may be moved;
- the length of debates;
- the methods of voting;
- control over the behaviour of members.

At the meeting itself, it is the chairperson who actually controls the meeting. His or her role can be summarised as being:

- to ensure that the meeting is properly constituted and that there is a quorum;
- to control the meeting in accordance with the standing orders and any other legal requirements that apply;
- to take the business in the order that it appears on the agenda, unless the meeting determines otherwise, by opening the discussion and guiding the debate such that all those who wish to speak may do so;
- to ascertain the sense of the meeting at the conclusion of the discussion on an item (by reaching common agreement or by voting on a specific motion) and ensure that the decision reached is properly recorded.

In all these matters, at larger meetings, the chairperson is likely to be assisted by senior managers responsible for advising about the application of standing orders and any legal matters (such as statutory provisions and common law requirements), clarifying issues about the agenda items, and for recording the proceedings accurately.

Obviously, the degree of formal regulation of, for example, local government committee meetings or company AGMs is far in excess of that applying to most other types of meeting. However, the principles discussed here apply to all meetings. There will always be some formal or informal rules

about what the meeting is competent either to discuss or to decide, and how it should go about it. Such rules may be extant and clear to all participants (or clarifiable in the course of the meeting) or they may need to be considered and determined during its course as may be the case with informal meetings of work groups. There will always be a chairperson with a role to ensure the proper conduct of the meeting in accordance with the points outlined above. And there will always be someone responsible for recording the proceedings.

Work after meetings

This breaks down into two areas – the preparation of the record of the meeting, and ensuring that decisions taken at the meeting are subsequently implemented. For formal governmental committees or company AGMs this work is generally the responsibility of a specialist committee clerk, but again someone will have the same responsibilities for this after any type of meeting.

It is generally the case that, after any meeting, a record of what transpired at the meeting is made. This may be in the form of a few hand-written notes, a memorandum, a note for filing or a report of some type, together possibly with notes for action. The appropriate form will vary with the type of meeting and the importance of what took place. (The particular requirements of preparing formal minutes for certain types of meeting are considered below.)

In essence, what is required is:

- a record of all essential information, particularly what has been decided;
- a statement of who has to take what action.

This preserves a record of salient information and can be circulated to all participants and others involved or interested. It is important to remember that the information must reach all those who need to know – either for general awareness or because action is required – rather than just those who were present. It is helpful, though, to direct the recipient's attention to the relevant items in what may often be very large reports.

It is worth noting that meetings exist to facilitate the execution of work. It is sometimes tempting to think of them as talking shops which have to be serviced, but have no relevance after the event. However, if they are to have any meaning, the discussions and decisions must be followed up and put into effect. They then form a key participative element in the decision making and operating processes of the organisation, rather than a distraction.

Minutes

The situation with regard to the record of formal meetings of government bodies and limited companies is rather different. The proceedings of such meetings are recorded by the “minutes”.

Minutes are important documents. They constitute a true and impartial record of the events at a meeting and serve the following purposes:

- They formulate the decisions taken and record the proceedings of meetings.
- They constitute primary evidence (under common law) of what took place at the meeting and, when signed, their authority is legally established. Thus, a minute may form the legal basis for determining an organisation's position in court proceedings.
- They form a record for day-to-day reference by staff concerned with the execution of the various instructions emanating from a meeting.
- They are, in some cases, the means of communication between a parent body and its committees, to which powers and duties have been delegated.

Minutes are required legally in case there is a dispute over what transpired at a meeting and practically, because every organisation needs a record of what has been decided.

Although the prime function of minutes is, then, to place on record the proceedings of a meeting, they must, in fact, be drawn up in the knowledge that they will be used for a variety of purposes.

There are two classes of minutes:

- minutes of narration – which form a record of what took place at a meeting, whether any decisions were taken or not; and
- minutes of resolution – which merely record the decisions taken at a meeting.

Minutes are a brief note, i.e. a condensed statement, of the proceedings at a meeting. As such, they are not the same as a report. Minutes are more analogous to a telegram than to a letter, more like a précis than a narrative. They are designed, basically to record decisions taken, so that all superfluous words should be eliminated. On the other hand, they need to be sufficiently detailed and complete to convey what transpired at a meeting and should contain all instructions to officials and transactions authorised.

Minute writing thus requires accurate and concise language, involving objectivity and the absence of ambiguity. Minutes impose order on the diffuseness of debate and conversation, and should express the essence of the meeting in tight and explicit statements.

The minute, as a whole and in each individual statement, should be positive, free from ambiguity and capable of standing on its own – for example, resolutions should not merely say “resolved accordingly” or “resolved as agreed”, but state precisely what the decision was, using the exact wording on which the voting took place.

Minutes are produced in a great variety of forms, although whatever format is used, the significant feature is always the resolution or recommendation (as appropriate), which contains the actual decision. Despite the variety, certain basic principles do apply to the format of minutes.

- They should begin with a main heading which clearly identifies the subject matter.
- This should be followed by the name of those present at the meeting
- The minutes should also record the name of the chairperson, or, if absent, the name of the person who took the chair.
- It is usual at the beginning of the minutes to record that the minutes of the previous meeting were signed as a correct record.
- The main body of the minutes will consist of a record of the items determined at the meeting. Each minute will be relatively short – usually consisting of a preamble and the resolution. The preamble should give a brief description of the circumstances, and possibly arguments, of the case in question, thus putting the eventual decision into context. This will be followed a clear, concise and accurate statement of the decision(s) taken, set out in the form of a resolution. To shorten the preamble, it may be permissible to refer to a report which has been before the meeting (and which would be available to any reader seeking clarification of details).
- The decision should always be set out in full, even if it merely amounts to accepting recommendations as set out in a report. For example, it is not good practice to simply state that the recommendations in “X” report be confirmed or accepted, etc.
- Unless there is a good reason for doing otherwise, the minutes should follow the agenda of the meeting, with each agenda item generating its appropriate minute.