



NATIONAL OPEN UNIVERSITY OF NIGERIA

SCHOOL OF MANAGEMENT SCIENCES

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of
Management**

BHM 104

Principles and Practice
of
Management

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UNIT 1: Nature of Management Principles

1.0 Introduction:

In the last course which is on: Introduction to management, we did discuss some principles of management. We made a remark that principles of management could not be covered in just one course of one semester. As a result we would be continuing in subsequent courses from where we stopped. In this course, (BHM 104) we shall be looking at a deeper level, some of the issues raised in our first course in addition to taking up new ones.

This first unit of this course treats principles and theories, it would be recalled that in the first course we tried to classify management as being art or science. We examined the features of science and we found out that scientific knowledge is based on systematic measurement and objectivity to the extent that anybody can repeat the same procedure and arrive at the same truth. And the application of scientific knowledge to practical realities gives rise to the art aspect of it. You may reread unit 2 of our first course. In the same manner that scientific knowledge is derived, is the way that management principles and theories are formed. But unlike pure sciences such as physics, mathematics, among others, which are commonly referred to as exact science, management science is inexact; it belongs to the social sciences. And because management knowledge is also applied in solving management and organizational problems, we classify management as an art. Consequently management is both art and science. We shall further look at the nature of management principles, theories and the application of these principles and theories. This is necessary because this course concerns the principles and practice of management.

2.0 Objectives:

By the end of this unit, you should be able to:

- Explain the nature of management principles.
- Describe the application of management principles in the process of managing.
- Explain the problems of applying management principles.

3.0 Main Content

3.1 Nature of Management Principles:

Principles of Management are derived through experiments, and the systematic grouping of related principles is called a theory. The task of a

theory is to tie together important knowledge concerning an issue. This is necessary so as to provide a framework. For example, we looked at the principles of human relations in unit 17 of our last course and we said the principles explaining the needs of the employees, how to recognize these needs and find ways of satisfying them. We also discussed the principles of communication which emphasizes its two way process. As the manager communicates with the subordinates, he expects a feed-back. Similarly, the subordinates do communicate with the manager as well and they expect feedback. Consequently communication should not be from one-way all the time if effective human relation is to be ensured. All these principles and related ones put together give the theory of motivation, and good human relation is part of motivation.

3.1.1 Requirements of Principles:

We have to emphasize the point that any system of principles or theories requires clarity of ideas. Ideas are mental images of a thing. The picture must be sharp and clear so that the various particulars that make up the image can be seen through the process of visualization. These ideas are the building blocks through which principles and theories are made. If one cannot see these mental pictures clearly to the extent that they excite the person building them, the outcome of the principles will be faulty.

Apart from having clear mental pictures another requirement is that the pictures must be meaningful to those who are going to use the principles. And these people are the management practitioners whether in the business organizations or non-business organizations. It becomes necessary for the person formulating the principles of management to ensure that while visualizing the ideas of the principle, he must see how the manager is applying the ideas and getting the desired result. The picture of what one is seeing should also be seen by others. As a result both the social scientists who formulate the principles and the end users of the principles, that is, the practitioners of management should be able to see the pictures clearly in their minds. It is important for them to do this so that the necessary confidence is gathered. And once there is doubt in the application of a principle, it is not going to produce the desired result.

3.1.2 Types of Principles:

Management principles are usually classified into two: The descriptive principles and prescriptive or nominative principles.

- **The descriptive principles:**

As the name implies a descriptive principle merely describes the relationship between variables. The descriptive principles explain and

bring out the picture so that the manager will know what to do. Without the descriptive there will be no light and the manager will be in the dark. For example, it may be observed that workers are learning their places of work with little or no reasons. Some of them getting jobs and others similar negative behaviours. The principles of industrial relations will explain these behaviours and likely to point out that these behaviours are occurring because the workers are not happy. The behaviours they are exhibiting are symptoms of discontent. By withdrawing from their places of work, they are withdrawing from the environment that they look at as the sources of discontent. The principles may go to the extent of specifying possible courses of the discontent. These could be: poor salaries and wages, poor relationship between the supervisor and the subordinates, poor safety condition, non recognition of workers, lack of motivation, among others. It is through such description and explanation that the situation will be made clear to the manager. And because the manager has now been able to see the total picture in his inner mind, he is better placed to take action which is the desired one, otherwise the manager will simply be groping in the dark. We must also know that some of these behaviours are expressed visibly for the manager to see and recognize. They can be inward too. But through the description that the principles provide, the manager will be able to see the underlying reasons behind workers behaviours.

- Prescriptive/Normative Principles:

These are the principles that are stated in such a way as to indicate what to do. They point the way out of a situation. As an example, the manager may notice that there is no increase in productivity, the workers wearing sad and swollen faces, the workers do not take pride in their work, the enthusiasm, desire and the will to work are absent and other similar behaviours. All these behaviours and others may not enable the organization to realize its objectives. The theory/principles of motivation point the way out. That is for these negative behaviours to minimize, the workers must be motivated, the manager has to take action which have been prescribed by the principles and theories. He has to apply such principles like: reorganizing and appreciating the worth of the workers through praises, bonuses, letters of commendation, pats on the back, he has to pay them adequate salaries and wages but tied to productivity not just blanket payment of remuneration, the manager has to make the job challenging and remove as much as possible the boring and repetitive aspects of job; the manager has to involve the workers in decision making by encouraging them to contribute sincerely, among other principles. It is the deliberate application of these principles that will create the necessary environment which will make the employees to give off their best. These principles are prescriptive because they have prescribed the

remedies or the medicine to the sickness.

3.2 THE APPLICATION OF MANAGEMENT PRINCIPLES:

As we learnt in unit 2 of our first course, the application of the management principles is the process of managing that gives the art nature of management. As a result the prescription principles of management body of knowledge gives the circumstance, in the process of management. But in applying the principles, the manager has been made to clearly understand the principles which have also been made available through the organized body of knowledge is the light of the reality to gain a desired practical result. Art then, which is the application of knowledge, in the know how to accomplish concrete definite result. It is one of the most creative activities of human pursuits.

3.2.1 Relationship between Art and Science

Art and Science are related. In fact, they can be seen as the two sides of the same coin. And we should note that the most productive art is always based on the understanding of the science underlying it. That is why science and art are not separated; they complement one another. The manager, irrespective of his position who attempts to manage without principles and without knowledge composed by principles and theories must trust to link, intuition, or which they did in the past. With organized knowledge, they have a better opportunity to design a workable and sound solution to a managerial problem.- However mere knowledge of principles/theories will not assure successful practice of management. This is because getting to know about the knowledge is desirable and is in the right direction. But this is only one part of it. The second part is that the knowledge that, one has learnt must be applied realistically to achieve result. If this is not done, then the accumulation of knowledge becomes debris in the head of the carrier. We have a good memory and can accumulate knowledge. But the knowledge cannot be applied and that is the sad thing.

Exercise 1.1

We discussed to a good extent the management function of organizing in our first semester work. You are required to write out the principles the functions/contains. indicate whether they are prescriptive or descriptive. Give reason for your answer.

3.3 Problems of applying Management Principles

There are recognized problems associated with the application of management principles. In other words, in the practice of management, some errors over the years have been identified.

3.3.1 Overlooking the necessity of blending:

This is one of the errors which create problems in the practice of management. The manager must not overlook the necessity of blending or compromising in order to get the desired result. **The** fact that a principle has worked in another place does not mean automatically **that the** same principle will work in the same way in another place. This is because for one thing, the places are different with different environments. Secondly, the way the principle was applied may not be made known. It is therefore necessary that before a principle is applied, it has to be blended with the local environment, that is, it has to be adopted and fitted into the new circumstance. Some compromise may be made in the process and it worth's it because this is the essence of art.

3.3.2 Applying the wrong Principle:

Before a principle is applied, the situation has to be carefully analyzed. This is necessary so as to prevent the application of a principle that is not meant for the situation. The outcome, of course, is going to be an undesirable one. Attempt should not be made to force a principle into a situation it was not designed to explain.

Exercise 1.2

Mention the two requirements of management principles. Why are they important?

4.0 Conclusion

In this unit, which is our very first one, we have discussed generally the principles of management. We looked at the nature of management principles and the major task of principles. We also said the requirements of management principles and the major forms of principles of management. These forms are mainly descriptive and prescriptive. We explained these two forms of principles with examples as to know how they can be applied. We then looked at the relationship between art and science viz-a-viz management. We saw that art and science are complementary. Finally we tried to identify the problems or errors that are associated with the practice of management.

5.0 Summary.

This unit treats as a stepping stone the nature of management principles, types of management principles as well as the problems associated with the application of the principles of management. Some of the points covered were introduced in unit 2 of our first course. We have tried to bring them up here again together with others issues relating to the principles and practice of management as background information with respect to our discussions in this course. Now that the background has been made, we shall be discussing the roles and responsibilities of

management in our second unit.

6.0 Reference.

- 6.1 Koontz, H. and O'Donnel, C. (1972): Management a system and Contingency Analysis of Managerial Functions. McGraw Hill Kogakusha Lxd, Japan.
- 6.2 Ebunu, F. C. (1998): Revision Notes on Business Management. Federal Co-operative College, Ibadan.

7.0 Tutor Marked Question:

Mention two types of management principles.

Explain the problems that are associated with the application of management principles.

ANSWER TO THE EXERCISES:

1.1

The principles contained in the management function of organizing are:

- Objective must be established which provide the focus.
- Necessary activities must be identified and related ones grouped together.
- The grouped activities must be assigned to individuals and groups.
- There must be the provision of authority commensurate with the responsibilities.
- There must be lines of authority and communication.
- There should be the presence of stable relationships.

All the principles are prescriptive because they point the way the manager has to follow in designing an organization.

1.2

The requirements are:

- Clarity of ideas. They are important because they are the building blocks which are necessary in the process of formulating principles and theories.
- The mental images (ideas) must be meaningful to both the person formulating the principles and the end-users of the principles who are the managers.

UNIT 2: Roles and Responsibilities of Management

1.0 Introduction

We are going to look at the roles of management and the responsibilities of management in this unit. Recall that the last course was devoted essentially to the functions of management, that is, those things that a manager should perform in the process of management. We explained these functions to be: forecasting, planning, organizing, co-coordinating, controlling, staffing, directing and leading. We explained that these functions could be carried out anywhere and in any organization. Again, we pointed out that these functions are not airtight. They are linked with one another. That is to say, that the functions operate as a system. And as a system, if one function is not performed well, it is going to affect the performance of the rest functions as well. Again, the functions of management are different from the routine, repetitive duties of the subordinates. The management functions call for skills such as: conceptual skill, design skill, human skill and technical skill. Among these skills, you may remember, technical skill is less emphasized, particularly at the middle and top levels of management. However, at the low level, technical skill is much emphasized.

Since managers are people that get things done through others, managers at different levels in the organization spend their time differently. At the top level, they spend more time planning and organizing, while on the low level, time is spent more on supervising, that is, directing and controlling the work being done. At the middle level, however, it is a combination of planning, organizing and supervising.

We are going to look further, at the activities of management. This is because beyond the performance of management functions, some roles of management have been identified. And there are responsibilities associated with the performance of these roles.

2.0 Objectives:

By the end of this unit, you should be able to:

- List the roles of management.
- Explain the management roles as listed.

3.0 MAIN CONTENT

3.1 ROLES OF THE MANAGER

The manager performs many roles in the process of managing. These roles arise because of his position as a manager in an organization. And the roles are many. We are going to take each of these roles one after

the other.

3.1.1 Figurehead Role:

Managers head the different positions created in the process of organizing; they head the organization as the Managing Director or General Manager as they are sometimes called. They are also found in the departments as functional managers and in units as supervisors. Because of this position as the headman of the organization or head of a department or head of a unit, he performs ceremonial duties and is responsible for all actions taken. The supervisor may have to attend to a machine operator who is injured in the course of performing his duties. The marketing/sales manager may receive an important customer whose purchase from the organization may be substantial. Such a customer may be taken out for lunch and entertained. The personnel manager may receive students from the tertiary institutions on excursion visits. These are all ceremonial duties.

3.1.2 Liaison Role

Managers do not associate only with their superiors and subordinates but also with their peers and people outside the organization. We noted in unit 17 of our last course that there is horizontal communication in organization involving communication with others of the same level in the same organization. This is sometimes referred to as peer communication. The marketing manager can communicate with the production or with the finance manager and so on. These forms of communication involve some form of liaison role of the manager. He is liaising with the other manager to seek information that will be relevant to his department. Associating with superiors and subordinates as well as outsiders or the liaising with outsiders, the information likely to be obtained will not only be for the entire organization.

3.1.3 Monitoring Role

The monitoring role is related to the liaison role of the manager. As a result, through his liaison contacts with his superiors, peers, outsiders, customers among others he collects vital information through hearsay, gossips, grapevines among other sources. But the monitoring is specific to some issue pending in the organization. So while the liaison role is more general in the search for and collection of information, the manager monitors the environment for specific information. Through the liaison and monitoring roles of the manager, each information will be made available which will guide the manager in taking decision. Remember that no manager can take a decision without information. And the higher the quality of the information, the higher the quality of

the decision. This is why some organizations sponsor their managers to join clubs like the Island Club, Lagos, Ibadan Recreation Club, etc.

Exercise 2.1

We have explained, the liaison and monitoring roles of the manager. We have also identified some channels through which these roles can be accomplished. Can you identify other channels similar to the ones we have made? Such channels should not be restricted to the outside. Within the organizations, there are channels created for the fulfillment of such roles, apart from other reasons. Identify these channels as well.

3.1.4 Dissemination Role

Through the liaison role and monitoring role of the manager, he collects information. The pieces of information are not collected for collection sake, they must be disseminated, that is, they have to be passed to the appropriate places where they will be needed for decision making. The manager uses some of the information while others are passed to the superior managers, to peer managers and to the subordinates as the case may be.

3.15 Spokesman Role

Depending on the level of the manager, he speaks and he should speak well. As the managing director he speaks for the whole organization; as a manager in a department he speaks on behalf of the department, and as the manager for a unit or section he is responsible for, he speaks for that unit. So, what the manager is saying, the importance of what he is saying and the effect of what he says depends on the level he finds himself and the nature of that information. The supervisor may suggest product modifications along the advice of the marketing manager. The Production manager may seek for better condition of service for the employees in his department and so on.

Information can also be sent to people outside the organization. Increase or reduction in the prices of goods and/or services, sales promotion either during Christmas or any festive period and so on are information that are passed to the customers who are definitely outside the organization.

3.16 Resource Allocation Role:

This is another role that the manager has to perform. He is to decide who gets what in the organization or in the department or in the unit. Exercising this role confers on the manager some form of power

popularly called economic power or resource power. We shall be discussing this form of power when we start treating authority, power and influence in our future units. But for the manager to be able to perform this role, there are some conditions. The first condition is that he possesses the authority to allocate this resource and not just the possession of the resource. In other words, the prospective recipients should see the manager as having the authority to disburse the resource. If the power lies elsewhere, even when the manager is in possession of the resource, his role has been weakened. This is because it is only when he is authorized to release the resource that he can do so. The second condition is that the prospective recipients must desire the resource and the need for the resource. If this is not the case, again the performance of this role is weakened.

Exercise 2.2

We can hardly emphasize the importance of resource allocation role. For this reason, you are to do this exercise in connection with the role. Write down those resources you think a manager possesses which are desired by the subordinates. You are to list at least four of them.

3.1.7 Entrepreneurial Role

To perform this role, the manager relies on the monitoring and liaison roles. The information he collects from these roles and the processing of the information are relevant to the performance of entrepreneurial role. In the performance of this role, the manager has to be constantly on the look out for ways to improve his organization or the department or the unit as the case may be. He has to adapt it to the changing condition around and within. This is more so in respect of the external environmental factors where the manager has little or no control. He searches for fresh ideas which he brings to the organization. Such ideas may include: fresh market to enter and sell his product and/or service, sources of funds at a cheap rate of interest, new product development and innovation among other areas. As soon as a new idea is found, the manager switches to his entrepreneurial role. He initiates studies and projects aimed at taking advantage of such new ideas.

3.1.8 Disturbance Handler Role:

Managers spend a lot of time in disturbance handling role, reacting to day to day crises involving suppliers, strikes, plant inspection among others. Conflicts do arise too between the workers. These should be expected because these workers come from different backgrounds and with conflicting interests and orientation. That is why it is sometimes said that if you have 100 employees, you should expect 100 different

forms of behaviours. It is the responsibility of the manager to reconcile these conflicting interests so that the members of the group or organization can work in harmony and in the same direction. Crises, as much as possible, should be nipped in the bud.

3.1.9 Negotiator Role:

The manager spends much time in negotiation. This occurs in several ways with different dimensions. The supervisor might argue a grievance problem with union representatives. The sales manager may be involved with a negotiation that involves a contract with an important customer. While these negotiations are between one manager and one person or more than one person as is the case with union representatives, some other negotiations will involve team work. As an example, in industrial purchase, a team of managers might be involved, comprising the purchasing manager, the marketing manager, the accountant and other stake holders on one hand and the suppliers on the other hand. The idea is to get the best bargain as well as ensuring that what is to be supplied meet the technical specification of the organization.

4.0 Conclusion

This unit treats the roles of manager and they vary. While the names of the roles are the same, the depth at which they are performed are not the same in different organizations. Managers have to perform these roles in addition to their normal management function. They range from figure head role by virtue of their positions in the organization to monitoring and liaison roles. Others are disseminator, spokesman, resource allocation, entrepreneurial, and disturbance as well as negotiator roles.

5.0 Summary

We have gone through the roles of the manager which are commonly performed in all organizations. These roles are carried out in addition to the performance of the functions of management. In our next unit, we shall be looking at the social responsibilities of management.

6.0 References:

Akanni, J. A. (1991): Management, Concepts

Ebunu, F. C. (1998): Revision Notes on Business Management. Federal Cooperative College, Ibadan.

7.0 Tutor Marked Question.

List the roles of the manager in an organization.

Describe any of these roles, stressing their importance to **the** manager and his organization.

Answers to the Exercises

2.1

These channels include:

1. Rotary clubs.
2. Lion's club.
3. Lagos Tennis Club.
4. Polo Club.
5. Ibadan Tennis Club among others.

Within the organization

1. Staff canteens
2. Staff club
3. Games venues
4. Staff clinics among others

2.2

These resources include:

1. Opportunities for training.
2. Opportunities for promotion
3. Nomination for overseas trips
4. Participation in seminars, workshops, conferences, symposia etc.
5. Disseminating crucial information
6. Serving as referees and so on.

UNIT 3: Social Responsibilities of the Manager

1.0 Introduction:

The social responsibilities of a manager will occupy our attention in this unit. In the last unit, we looked at the roles of the manager. We were able to identify these roles which the manager performs alongside the functions of management. Through this, we have been able to see the strategic importance of the manager, it is this importance that make the subordinates to look up to him for a variety of things such as job assignment, promotion, harmony in work situations, among other expectations. It is not just the subordinates that depend on the manager for a variety of things because the shareholders, the board of directors, the communities, the prospective investors, the government at whatever level, among other group, see the manager as capable of providing some measure of benefits to their demands. And the manager can only achieve these and more through the roles he plays and the performance of the management functions.

But of recent, the expectations from the manager have been widened for yet greater roles beyond what we discussed in the previous unit. People now want the manager to do certain things to a variety of people satisfying different interests. Managers are now expected to perform some responsibilities to the community, to the government, to the employees, to the shareholders and to the consumers. The pressure is increasing every day. These expectations are commonly referred to as the social responsibilities of the manager. We shall be looking at these responsibilities in this unit.

2.0 Objectives:

By the end of this unit, you should be able to:

- Mention the social responsibilities of the manager.
- Identify the target groups for these social responsibilities and
- Describe the social responsibilities of the manager.

3.0 Main Content

3.1 Social Responsibility

The social responsibilities of the manager: There are people making vocal calls with urgency too in regard to problems existing in the society. People are now talking of pollution (either in the air, land, water etc), erosion, crime rates, unemployment among other issues. They are asking the manager more than ever before, what he is doing to assist in giving answers to these problems and why is the manager not

doing more.

3.1.1 Definition:

Social responsibility can be regarded as the obligation of managers to pursue those policies, to make those decisions or to follow those lines of actions which are desirable with respect to the objectives and values of our society.

Consequently the actions of the manager which emanate from the objectives of the organization should be in harmony with the objectives and values existing in the society. They provide the standards through organizations' activities can be measured and evaluated. The social responsibilities of the manager can be seen in several fronts and we are going to consider these one after the other.

3.2 Responsibility to the Community:

Here, the manager is expected to discharge his responsibility to the community along the following lines:

3.2.1 Avoiding or community.

Water treatment plant can be put in place for this purpose. This is necessary because water is used for a variety of purposes. For farming, for bathing, cooking, washing etc. The manager has to ensure that the water which is meant for every member of the community is free of waste.

3.2.2 Provision of Scholarship:

Depending upon the resources available scholarship can be provided for the poor students in the controlling pollution of water meant for the members of the community who cannot pay for themselves. The recipients can be in the secondary or tertiary institutions.

3.2.3 Provision of funds for development:

Projects can be a part of the responsibility to the community. The projects can be the sinking of bore hole, constructing access roads and so on. Alternatively, the organization can execute the projects directly.

3.2.4 Support for games is another area:

Some organizations like 7up Plc, Coca cola Plc, Cadbury Plc and so on are already taking the initiative along the line. Sports over the use have

been seen as a unifying factor. Organizations can contribute to the unity by supporting sports.

3.2.5 Provision of goods/services

This is an important responsibility of manager which justifies the existence of the organization in the first place. The goods and services beyond being of good quality must also be at affordable prices.

3.2.6 Employment Opportunities:

Members of the community who are qualified and are interested in working for the organization can be allowed to do so. The government calls this employment to the catchment area.

3.2.7 Conforming to the local norms:

As much as possible manager should carry out his roles and functions in accordance with the norms of the society which are part of the culture. An example is the production of a product that is readily accepted by the community.

3.3 Responsibility to the employees:

The manager has another set of responsibility to the employees in the following ways:

3.3.1 Payment of good wages and salaries plus other fringe benefits:

A situation where the manager exploits the employees should not be encouraged. Living wages should be paid to the employees and regularly too. This will keep the workers on the job beyond making them to be happy.

3.3.2 Ensuring that the working environment is safe:

This can be achieved by obeying safety standards, installing fire extinguishers at strategic places, covering dangerous machines, having staff clinic and so on.

3.3.3 Taking care of welfare matters and job security:

The welfare of the staff should be of paramount importance to management. This is necessary not only to make the employees happy, but to readily identify with the organization, committed with and readily

do things that will always enhance the success of the organization. They know too that their jobs are secured and they strive for absolute loyalty and dedication.

3.3.4 Provision of training facilities:

We have noted earlier the importance of education and training. Among other reasons, the environment is always undergoing changes. Skills which were useful yesterday can become outdated today. The manager should ensure that workers are exposed to training and re-training so that they can be acquainted with current skills. This will be of value not only to the employees but to the organization as they are expected to apply their know-how in their different jobs, making them to be effective and efficient.

3.4 To the Shareholders:

The responsibilities of the manager to the shareholders who are the owners of the business are in the following specific ways:

3.4.1 Payment of dividends and insurance of bonus shares:

The shareholder should be paid dividends. This is the reward he has to take. This is necessary because he has taken a risk by investing his money through the purchase of shares in the business. Remember that the money would have been used for other purposes. But he has decided to buy shares. As a way to justify the decision, dividends declared from the profits made should be paid promptly to the owners of the business. Also, bonus shares can be given to the owners so as to increase their equity shares. This will further boost their confidence on the organization.

3.4.2 Efficient performance of the business:

The resources of the organization must be used efficiently; this minimizes waste. And this is necessary for profit making. Remember that profit and cost run at opposite direction. If you want to make profit, then there has to be a reduction in waste and cost. It is the difference between cost and revenue that brings profit. That is when the revenue is greater than cost. If contrary is the case, the result is loss, and shareholders do not want to take losses especially if they are occurring consecutively.

3.4.3 Holding Regular annual general meeting:

Annual general meetings should be held regularly and on time. This is because; it is during the annual general meetings that important decisions concerning the business are taken. Such decisions include: the election of board members, considering the audit report, declaring dividends for the shareholders, among other important decisions. If the annual general meetings are not held or not held promptly, one implication is that these decisions will either not be taken at all or taken late; both occurrences are not for the interest of the shareholders and/or the organization.

3.5 To the Government:

The responsibility of the manager to the government are:

3.5.1 Payment of taxes:

The manager should pay taxes regularly and the correct amount too to the government. This can hardly be over emphasized since government uses the money for developmental purposes. Falsification of the exact amount to be paid should as much as possible be avoided. Delay too in the payment of corporate tax for whatever reason should be avoided. It will not create room for meaningful planning and execution on the part of government.

Exercise 3.1

Go back again to the organization(s) that you have been visiting since you started taking the first course in management. Find out their responsibility to:

- Customers;
- Government;
- Shareholders or owners of the business,
- The community; and
- The employees.

3.5.2 Employing citizens of the Country:

Organizations contribute to unemployment reduction by employing the citizens of a country. This should be encouraged because an idle hand/mind is a devil's workshop. Consequently, when citizens are offered employment it does not only help to reduce unemployment but also assist in developing the country.

3.5.3 Complying with Government rules and regulations:

The necessary rules and regulations affecting the business should be complied with, such as registering the business under the Companies and Allied Matters Act 2, 1990. Managers should, at all time, be law abiding and be seen to be actually law abiding.

3.6 To the Customers:

In respect of the customers, the manager has the followings as his social responsibility to them:

3.6.1 Producing safe and quality goods:

Goods produced for the consumers/customers must be safe for human consumption. The quality should also be there so as to meet the needs of the consumers. This is because a customer is buying *a* product because he has a need. And it is only when the product or service satisfies his needs will he make a repeat purchase when the need arises in future. These products and/or services should be sold too at affordable prices.

3.6.2 Proper Education:

It is the duty of the manager to carry out proper education of the consumer on proper use of the product. This is necessary so that the product can perform the function it is supposed to perform. Misuse of the product might be harmful to the consumer. This has to be avoided.

3.6.3 Avoiding fake and misleading advertisement:

Managers should also give correct descriptions of their products and the exact work the products can perform. This is emphasized particularly in advertisement. The awareness being created should not be a misleading one.

3.6.4 Attending to customers complaints:

Customers are seen as supreme. The supremacy of the customers should always be taken into consideration in business decisions. That is why whenever the customer brings a complaint, such complaint should be properly investigated and the necessary answer supplied. Customers' satisfaction, it has to be emphasized, is vital to continued survival and profitability of the business. This must not be overlooked.

4.0 Conclusion:

We have gone through a range of the social responsibility of the manager. And the areas that fall within the range as well as the items within each area are many. These areas include: the community, the employees, shareholders, government and consumers. We did examine the items within each area; it appeared that the list is endless. This means that the expectation of the public is much, and if the manager should commit the limited resources to the satisfaction of these demands, probably the primary objective for which the business was established might not be met. This calls for compromise and blending. A little bit to the right and a little bit to the left so that the organization can maintain a straight line.

5.0 Summary:

We have discussed the social responsibility of the manager. The responsibility is seen in various areas: to the community, to the employees, to the shareholders, to the government and to the consumers. These demands should be blended with the defined objectives of the organization.

6.0 Reference:

- 6.1 Koontz, H. and O'Donnel, C. (1978): Management a System and Contingency Analysis of Management Functions. McGraw — Hill International. Kogakusha, Japan.
- 6.2 Ebunu, F. C. (1998): A Revision Note on Business Management. Federal Co-operative College, Ibadan.

7.0 Tutor Marked Question:

List the social responsibilities of the manager.

Identify •one area of conflict between the social responsibilities and profit maximization objective of a business organization.

ANSWERS TO THE EXERCISES. Answer 3.1

You are expected to carry out this exercise so that you can know the level at which companies or other organizations are responding to their social responsibilities. Find out too if in their response to the social demands, it has affected their primary objectives.

UNIT 4: How to be a Successful Manager

1.0 Introduction:

Last unit which we discussed the social responsibilities of the manager, we were able to identify the demands or areas of these responsibilities. We also treated specific items in each of the areas. These areas include: responsibilities to the community, responsibility to the employees, responsibility to the shareholders, responsibility to government and responsibility to the consumers. It appears the list is endless and we concluded that the manager has to do a lot of blending and compromising. And this is necessary so that the very fundamental objective for establishing a business organization which is to make profit is not satisfied on the altar of societal demands. In carrying some of these societal demands, the manager still has to perform his roles in addition to the management functions. It appears pressure is being brought to bear on the manager. It has to be because of his strategic importance to the organization as well as the society. There are some behaviours which are common to successful managers, that is, managers who have been able to manage the expectation from the members of the society with the objectives for which their business were formed. These are the issues that will form the subject matter of our discussion in this unit.

It is well that we give a careful consideration to the things that a manager should do in order to succeed in the practice of management. This is because management failure is not only a loss to personal pride and esteem, but also to the organization whether a profit making organization or non-profit organization. Failure is failure and the impact is much on the society too. The manager must succeed. And to succeed he must be seen to sincerely exhibit certain behavioural patterns.

2.0 Objectives

By the end of this unit, you should be able to:

List the factors that will ensure a manager's success.

Explain clearly the factors that contribute to the success of the manager.

3.0 Main Content

3.1 How to be a successful manager:

3.1.1 Nature of Managing:

The job of the manager is demanding and is a complex one. And the

complexity is in several areas. Within the organization, he is asked to assemble the factors of production or the resources of the organization available at the point in time and turn them into goods and/or services. Among these resources is the human resources which is unpredictable, and the most difficult to manage arrives from several factors. We have examined these factors in our first course that is why it is often said that of there are one hundred different types of behaviours. One is the job of the manager to round off the rough edges of these individuals, harmonize them and make them work as a team. This is managing beyond this, the manager must also have technical ability too to supervise the work of others in the combination of the resources. This too, is managing the society as part of the environment of the manager. He has to compromise. This is part of managing. Consequently while managing, the manager has to stretch himself in several fronts and tries as much as possible to satisfy these demands. This is why the manager has to do the following things in order to be successful.

3.2 TO KEEP ABREAST OF DEVELOPMENTS:

We have been stressing the fact that the environment of the manager is always in a state of change. Technology which is simply the manner of doing things is always undergoing change, social values are changing and other changes in other areas. The manager in order to ensure that his competitors do not take advantage of him must keep abreast with the change occurring everywhere. This he can do through education, training and retraining; he is kept abreast of the development especially in his chosen field. Because the manager is knowledgeable, possesses the necessary skills which he has demonstrated -previously and currently, whenever there is existing vacancy he is the likely person to be promoted. People look up to him and they admire him. He is an achiever. He commands obedience, co-operation and supports his abilities and innate intelligence which his book learning has enhanced. His superiors respect his abilities and they have confidence in him. The shareholders rely on him too.

While education, training and retraining are important, the manager needs to learn how to budget his time. Time is an important resource and is the only resource that cannot be stocked or replenished. When it is spent, it is to hang on their doors. The schedule of their time within the work works if followed faithfully. The manager must also develop the habit of reading journals, newspapers, magazines among other publications. He should train himself to be receptive of ideas and recognize improvement whenever it is seen.

EXERCISE 4.1

We have stressed the important fact that management environment is never static, but is always in a continuous change. We have also pointed out in previous units and the present one the need for managers to get attuned with these changes. Can you identify and list them, especially: the economic, social, political and physical environments.

3.3 Seeking for higher responsibilities:

A manager who contends on doing one thing repeatedly and does not want additional responsibility should go for counseling. It is not enough to wait for responsibilities; the manager must meaningfully look for responsibilities. This is not to say that a manager should encroach on the work of other managers or his subordinates unless he is invited and the level of assistance must be clearly indicated otherwise the action of the manager becomes an invitation and nuisance. But whenever there is a task to be performed the manager should indicate a ready interest. He must not run away from assignments not because of the financial reward but the urge to contribute something worthwhile to the attainment of the organizational objectives. We learn by doing, this is experience. Knowledge acquired through education and training must be brought to bear on tasks. The manager has to demonstrate his competence. And the way to do it is by working. Let us not qualify the work by putting "hard" there because that becomes a little bit on the negative side. The work of the manager is supposed to be challenging, pleasant and self-fulfilling. And while the manager is doing his job, he must own up to or take complete responsibility by his own actions or the actions of those whom he has delegated authority to perform some tasks. There should be no buck passing the buck stops at his desk.

3.4 The need to make sound and timely decisions:

A manager makes decision; that is his job and the art of making decision is a point of the manager's job. He has to show competence here because faulty decisions have implications on the survival of the organization. We have noted when we were treating the management function of planning that the steps in planning are the same as the steps in decision. Consequently while planning, some decision is being made among the alternatives established in the planning process. But the manager must make sound and timely decisions by attacking any problem that comes his way whether minor or major. To do this successfully, the manager needs judgment and insight. Sometimes, the power of intuition is called forth. Some people call it hunches or the voice of inner man. Whatever name that it is called, we need to rely on it in making some crucial decisions, so that after considering all the factors bearing on a problem

and all the ways of solving it, a workable solution can be found. The need for foresightedness cannot be over emphasized because it also enables us to anticipate and plan for all the actions and reactions that will follow a decision. It again enables us to identify the critical things and have ways of taking care of things as they come. The manager must have the character burn out of faith and confidence to take decisions. known at the right time and place.

Exercise 4.2

There are several decisions that the manager can take in the process of managing the organization. Try as much as you can to identify these decisions. You can list as many as you can.

3.5 Avoid wasting time on the work that belongs to subordinates:

A successful manager will not waste time in order to see every detail that bother the work of his subordinates that is why a manager must select the appropriate candidate for delegation. Apart from this condition, the expected result must be clearly stated right from the onset so that the subordinate knows precisely what he is expected to do, has the ability to do it and the resources are available on time.

Once work has been delegated to a subordinate, there should be enough confidence on him that he will perform. The confidence must be a genuine one so that it can breed mutual trust between the manager and the subordinate. This climate of confidence will be the case because he will like to justify the confidence that has been put on him. Even when the manager is not around the subordinate still applies himself diligently to the job. The manager, however, must have in place an appropriate control measure. This will enable him to check and monitor what the subordinate is doing by comparing it with the agreed standard, noting any negative deviation and correcting such deviation. We have discussed all these and more when we were treating controlling as management function.

3.6 Assess your own performance:

It is every time that the manager assesses the work of his subordinates. Periodically too he has to carry out a realistic assessment of his own efforts. When he is succeeding, he needs to ask himself why he is succeeding. Probably, it may be as a result of some factors which he has not initiated and has no control. For example, it may be as a result of favourable government policy and when such policy is withdrawn, he is left high and dried. Similarly, if the manager is not succeeding, he is not to be meaning his fat and look sad. He should be able to identify the

reasons why he has been less successful, take a realistic look at the factors and take a corresponding action in order to correct the situation. All these point to the fact that the manager, just like any other person, has both strengths and weaknesses. He must identify these. In his areas of strength, he should at least maintain them while looking for additional strength. Concerning his weaknesses he should do all he can to correct them or learn to live positively with the ones he cannot correct or master.

3.7 The manager should be respected rather than coked

It is important for the manager to be respected especially for his decisions and manner of carrying out his job. To do this successfully, he needs to plan thoroughly and organize the elements of his job. In his inter personal relations with his subordinates, he should be able to direct and supervise the work of others placed under him. He should also be able to provide the necessary leadership for the group to excel. He cannot afford to go for short term popularity by taking decisions that the people like. If he continues to do this, sooner or later he will be at the mercy of the subordinates and will not be able to influence them any more. Popularity is short lived. But the best decisions always stay long and this should be the concern of every serious manager.

4.0 Conclusion:

We have been able to highlight some behavioural patterns that the manager needs to put in place in order to be successful as a manager. We have stressed the fact that the manager should keep abreast of developments, seek higher responsibilities, make sound and timely decisions as well as avoid wasting time on every detail that concerns the work of others. Other things that he needs to do are to regularly assess his own performance and try to be respected rather than being liked.

5.0 Summary:

For the past three units we have discussed, we stressed the nature of management and the roles that the manager has to perform in addition to his management functions. We have also pointed out the societal expectation of the manager. For all these and more to be successfully carried out, the manager should show some behaviours that will enhance his success. These factors we have examined in this unit. But there is still other important attitude that the manager needs to possess, that is managing by objectives. We shall be looking at this in the next unit.

6.0 References:

Akanni, J. A. (1988): Management, Concepts, Techniques and cases. Hlab Publishers Limited, Ibadan.

Ebunu, F. C. (1998): A Revision Notes on Business Management. Federal Cooperative College, Ibadan.

7.0 Tutor Marked Question:

List the factors that will enhance the success of a manager. Show why the manager should take timely decisions?

Answers/Guides to the Exercises.

Answer 4.1

Economic environment changes in:

- Income distribution, no more lower, middle or upper classes in Nigeria. It is either you are poor or you are rich.
- There is depression and manufacturers are not producing to the full volume.
- There is a frequent change in price.
- Salaries and wages are not encouraging, etc.

Social environment:

- People tending to rely more on locally made goods such as textile materials.
- Second hand goods used mostly in social activities e.g. shoes, bags, cars, etc.
- People tend to be on their own, family ties gradually weakened.
- People tend to spend less on ceremonies.

Political environment

- There is democracy in the country
- Freedom of association and speech.
- Initiative can be exercised by private individuals to form companies.
- Government is selling off its shares in major industries.

Physical environment

- Erosion is threatening the Eastern part of the country.
- There is rapid desert encroachment from the north.
- There is depletion in the ozone layer affecting rainfall pattern.
- There is water pollution arising from oil spillage in the coastal areas of Nigeria.

4.2

In the area of production:

- The type of goods and/or service to produce
- The system of production
- The type or machine

- The type of workers to employ etc.

In marketing:

- Which market to see?
- How much to charge customers?
- How will the goods be distributed?
- How will customers know of the existence of the product and how to encourage them to buy?
- What will be the quality of the product?

In personnel:

- Where to get the workers,
- How to train them,
- What will be the salaries and wages?
- What will be the system of motivation?

In finance.

- What will be the sources of funds and how will the money be spent?

How to keep records, costing among others

UNIT 5: MBO

1.0 Introduction:

Our subject matter for discussion in this unit is management by objectives, it is essential that a manager should believe in it for it will be of assistance to him. In our previous units, we have discussed the roles managers have to perform alongside the functions of management. We have also pointed out that for the successful execution of the roles of management, blended with some of the societal expectations of the manager demand some factors which the manager needs not only to be aware of but to put them into constant practice. To further enhance the success of the manager there is again the need to have the attitude of management by objective.

We discussed business objectives in our first course: introduction to management. We did say that an objective simply should be regarded as an end in view. It is the target that the manager wants to accomplish through the gathering of the necessary resources and applying them toward the accomplishment of the preset objectives. We again highlighted that since an objective concerns the future, it must be specific, it must be measurable, that is, some values (figures) should be attached so that it can be verified. Other features of a good objective, you may recall are that it commands action, it has to be realistic and there must be a time bound under which the objective has to be accomplished. Management by objectives also have some of these features and more. And we are going to look at the features of MBO, the stages of MBO and the advantages as well as the disadvantages of MBO.

2.0 Objectives:

By the end of this unit, you should be able to:

- Describe the nature of management by objective (MBO).
- Explain the advantages and the disadvantages of MBO.

3.0 Main Content

3.1 Nature of management by objective:

Sometimes, there is the confusion whether to regard management by objective as an attitude of mind, it means that the manager has to have a positive attitude towards it by having strong belief and confidence on MBO. While he is managing, he carries out the practice of management through MBO and uses it as much as possible to accomplish result.

But as a technique, the manager has no choice but to use it. A technique is simply a tool to accomplish result if used correctly. You either use it and get the desired result or you do not get the result because you have not applied the technique. For example, we have identified some principles/techniques of organizing. We said that these involve establishing objectives, identifying activities to accomplish objectives, assigning the activities to individuals and groups providing the necessary authority since responsibility have been assigned, providing lines of communication and stable relationships. All these principles and techniques must be applied if there is going to be proper designing of the organization. The manager has no choice but, not only to believe in them but to apply them.

While some management writers argue that a manager does not necessarily have to apply MBO to get result and his belief on and application of MBO is optional, they further conclude that MBO is not a technique but a philosophy. It is not the scope by our present work to go into the argument. What I will suggest is that MBO should be applied as much as it is desirable in the practice of management.

3.1.1 What is MBO?

Simply put, MBO involves the setting of objectives with due consultation with the subordinates in such a way that once the objective has been set, the subordinate is left to accomplish it. However, the manager checks and control at regular agreed periods the performance of the subordinate. Consequently, MBO involves a clear departure from the practice where the manager establishes the objectives and rain it down the throat of the subordinate to implement. And the subordinate has no choice but to carry out the directive. The initiative and the positive contribution from the subordinate are completely ignored or rendered irrelevant. The manager decodes and whatever his decision is communicated as a directive to the subordinate. And the subordinate role is to implement. But with MBO, the reverse is the case. The confidence and support of the subordinate are recognized and sought. The subordinate is looked on as somebody with inmate intelligence and useful ideas that can be brought into the organization. Consequently, the manager seeks for his views and opinions and agree on what the subordinate can accomplish. And once the objective has been set by both parties, the subordinate is given the freedom to carry out the implementation.

3.2 Stages of Management by Objective:

As a process, MBO has four stages. In looking at these stages, they should not be looked upon as separate entities, this is because one stage naturally links into the other. In other words, there are some overlapping in all the stages. The phases are as the followings:

3.2.1 Establishing the Objective:

This is the first phase of MBO. In setting the objective, the entire organization has to be analyzed by both the manager and the subordinates. They have to look at the activities viz-a-viz the needs of the customer. This means whatever the activities that will be carried out must be to produce the goods/service that customers want. And the customers want the goods or service, which they believe can satisfy their needs. A need is simply an unfulfilled desire. Because the desire is yet to be fulfilled, tension is created which makes the consumer to act in such a way as to get the product that will satisfy his needs. Consequently, the customer or the consumer is buying because he has some need. In looking at the needs of the customers, the search should not be limited to immediate needs. His future needs should also be anticipated so as not to create an opportunity for competitors to take the advantage.

Also in analyzing the needs of the customers, the organization as presently constituted must be looked into. This is important so that it could be found if the organization can hope in the provision of goods that the customer wants. Through such analysis, the strengths and weaknesses of the organization can be determined. Also the opportunities and threats existing in the environment can be found. The opportunities representing new customers or new markets, while threats could be the activities of competitors which can create problems for the organization. From all these, the relevant objectives are formulated based on identified needs of the customers, the strengths of the organization and the threats from the environment.

3.2.2 Validating the Objective;

Once an objective has been formulated the next stage is to validate it, that is, how realistic is the objective. This is necessary because assumptions can be made in the process of forming an objective. And the assumptions are made based on forecasting which concerns the future. Nobody knows what is going to happen exactly in the future, it is based on probability. You may assume that you are going to have more sales because there will be increase in salaries and wages of workers. It may happen, it may not. So what the second stage of **MBO** does is to find out how realistic are the objectives. All these and more are important so that what will emerge for the subordinate to carry out is not merely a statement of objectives but a statement of commitment which

is binding. A pledge may be necessary that a set of results can be delivered. At this stage, however, is not realistic probably because the organization has not got the resources to implement it. In this case the objectives can be discontinued.

Exercise 5.1

Have you worked in a situation where you were not allowed to take part in setting objectives? The supervisor simply told you what to do on daily basis. If you have worked in such circumstance, write down your feelings. If you have not find out from somebody who had got similar experience. Write also his/her experiences.

3.2.3 Implementing the objective:

Once the objective has been found to be realistic, the next phase is to carry out the implementation. In the process of implementation, there should be built-in motivational system. A part of it is allowing the subordinate to contribute ideas towards the formulation of the objective. Others could be more training for the subordinate to enhance his efficiency, bonus, commission, promotion for good performance among others. It may also be necessary in this stage to develop a job plan which is going to perform them, the resources to use, the time to finish the activities and who is going to check the activities.

3.2.4 Control and Feedback:

Feedback is the process of getting information on the performance of the subordinate, which is then used as basis for control. We have earlier explained controlling as a management function. The same principles also apply here. That is, comparing information through feedback on subordinate performance against the set standard, noting any negative deviation and taking corrective action.

3.3 Advantages of Management by Objectives

MBO has recognized advantages which can be stated briefly as the followings:

3.3.1 Through examination of the business:

It affords the opportunity to thoroughly examine the nature of the business before getting the objective. This is important so that the right objective can be set based on the needs of the customers or threat from

the environment.

3.3.2 Developing Subordinate's talent

We learn by doing. By giving the subordinate challenging tasks to perform, the talent of the subordinate is being developed. That is why we say experience is the best teacher.

3.3.3 Commitment from Subordinates:

MBO makes the subordinates to be committed. This is because right from the beginning, the subordinate has been involved in the establishment of the objective. His ideas are these and there is the freedom given to him to use his initiative and carry out what has been agreed on. No longer are subordinates doing the work following instruction and waiting for guidance and decision from the manager. They are now individuals with clearly defined objective to accomplish.

3.3.4 Better Managing:

Better managing is the end result of MBO. This is because oriented objectives cannot be set without planning. And when planning, it is only the plans that can bring the desired result that make sense. Planning for planning sake is avoided. And when plans bring in the desired result there is good and better managing.

3.3.5 Develops Effective Control:

The process of MBO ensures effective control necessary for the attainment of organizational objectives. A clearly set objective is the best guide to knowing what to watch to avoid negative deviation.

3.4 Disadvantages/Demerits of MBO.

Management by objective has its own set of disadvantages or what are sometimes called the demerits of MBO. The principal ones among them are:

3.4.1 Failure to teach the Philosophy:

MBO will not work well in a situation where the parties involved i. e. the manager and the subordinates do not know what it is. The manager cannot tolerate the subordinate setting objective with him. He regards this as a violation of his right as a manager. He is to set the objective and the subordinate role is to implement. The subordinate on his own side feels uneasy in settling down to work out what could be a realistic

objective. He is used to taking directive and to exercise his initiative on a new circumstance might be difficult.

3.4.2 Setting Unrealistic Goal:

If the goal setters are not given clear cut guidelines, unrealistic goals will be the end product. This means either the goals are too easy to accomplish or too difficult to implement. Either way the spirit of MBO has been defeated.

3.4.3 Goals Difficult to Set

Sometimes, clear cut guidelines may be present but the nature of the business has not been properly analyzed. In this case, it becomes difficult to set good goals.

3.4.4 Danger of Inflexibility:

Sometimes some individuals are not flexible. They embark on a course of action and they will not rest until it is achieved even on the face of contrary information that necessitates supervision of action. With such person, MBO may not work.

4.0 Conclusion:

We have looked at the nature of MBO either as a philosophy (attitude of the mind) or as a technique for management to achieve result. The choice is for the manager, to enable him make a better choice, we have pointed out the advantages as well as the demerits of MBO.

5.0 Summary:

MBO can be used as a philosophy or as a technique. The choice is for the manager to make. It can also be used to evaluate the performance of the subordinate. All this enable the manager to perform his roles and functions in addition to other techniques and principles.

6.0 Reference:

Koontz, Koontz, H. and O'Donnel, C. (1978): Management a System and Contingency Analysis of Management Functions. Mcgraw — Hill International Kogaknsha, Japan.

7.0 Tutor marked Question:

Explain the process of MBO. Is MBO necessary in a business

organization? Give reasons.

ANSWERS/GUIDES TO THE EXERCISES.

5.1

The likely experiences are:

1. Lack of commitment.
2. No Opportunity to exercise initiative
3. Not considered for training.
4. Inadequate authority to take decision.
5. Feeling of frustration.
6. Waiting to withdraw from work.
7. No job satisfaction.

UNIT 6: History of Management

1.0 Introduction:

It is good that in every discipline that one is studying one should have a

good depth of that discipline. That is to say you must be firmly rooted into that discipline. For that to happen you must possess a good knowledge at any level of what you are studying. Co-operative is a form of business organization. That is why management concepts, techniques, principles and theories must be brought to bear in the administration and management of co-operative. Consequently, the amount of knowledge needed to manage other forms of businesses is the same, if not more, in the case of managing a co-operative organization. This is because co-operative resources are modest. This places the burden on the management to use the resources in such a manner that the objectives are satisfied. It is for this reason that you should be grounded in the principles and practice of management. By the time you finish your degree programme, you would have be well grounded to manage successfully.

It is for the above reason that we shall be considering the history of management so that you have further depth of management and this should be rooted in your mind. This is important so that you can further appreciate the principles and theories and the necessity to fall back on them in your practice as a manager. People talk about management in a loose way. They do not understand it and that is why they cannot apply the principles, for intellectual understanding is not enough because it is just a show of good memory. But a good memory is only useful when what has been memorized can be called forth and applied to give solution to problem. This is intelligence. Bear this in mind.

We shall be tracing the history of management from the period of antiquity, that is, the ancient time to the modern time. Important features of management came into being during the periods. We shall examine them within the scope of this course.

2.0 Objectives:

By the end of this unit you should be able to:

- Discuss the history of management from the ancient time to the modern time.
- Give reasons why people make the mistake that management started after the Second World War
- Explain the major feature accompanying each major phase of management history.

3.0 Main Content

3.1 The historical development of management:

3.1.1 The need to handle human efforts:

The development of management thought goes back to the days when

people started to accomplish goals by working together in groups. However, the urge to the development of management as a body of organized knowledge has come in the past more than half a century. This is as a result of the recognition that one missing link in the attainment of an effective organization system is the effective handling of human efforts. It has been recognized that human beings play key roles in making not just the organization to work but to work as a system. This means that an organization consists of different parts such as the production department, marketing department, finance department, personnel department among other parts. Each of the areas does not operate in isolation. It must co-operate and work in harmony with other parts. As a result, if one part is not working well, it will affect other parts. Also, the decision of one part will also affect other parts. As an example, the marketing department notices that there is greater demand for the products of an organization. This means that there is going to be increase in production. But to increase production is not the job of the marketing department. The production department may request for more workers so as to be able to cope with additional volume of work. The personnel department is called forth to assist in employing extra hands. These extra workers will have to be compensated by paying them salaries or wages. The finance department will look into this. You can see then that the simple decision of meeting the increase in demand has affected the whole departments in the organization. This is the typical nature of a system. And it is only human beings that make the organization to work like this, who must be handled in special ways to make the work better.

3.1.2 The effects of the Second World War:

In addition to the need to handle human efforts so that an organization can work properly as a system, the Second World War, and the effects it created also stressed the importance of management as organized body. This again created the mistaken idea that management started during the Second World War. The effects of the Second World War are important to management development in several ways:

The war created the need for big programmes necessary to fight the war successfully. Such programmes involved the manufacture of weapons mass destruction as well as space programmes. The atomic bomb, you might have read or heard was produced during the war. The emphasis for these programmes was on production with least cost. It is only through proper management that this could happen.

The importance of management after the war was further increased. It was noticed that many young men were sent to the war fronts. This created a shortage of manpower, which required sound management to

get the best from them. Again the technical advances which were made during the war must be properly managed. To do this required solid management knowledge. Another factor was the emergence of big and complex organizations which require though management principles and theories.

3.1.3 The emergence of stiff competition:

The stiff competition among companies and the rivalry for markets, power and prestige necessitated good management to sustain. The competition has arisen because of:

The world wide spread of knowledge concerning areas of the world which were not known before the world war. This made business organizations to utilize the new knowledge as a basis for greater market share.

There was also the spread of technical knowledge. As soon as the war was over, the technical knowledge on improved method of production started gaining application in industries and commerce.

There was the freeing of trade because barriers to stop international trade such as tariffs were reduced. Tariffs are the money paid to import or export something from or to another country.

Due to improved ways of production and distribution, there were so many goods which consumers can choose from. Buyers have wide array of goods from different organizations to buy and the organizations must compete for their patronage.

All the above factors have placed heavy burden on management. **And** the burden keeps on increasing since the Second World War.

3.2 Management in antiquity:

If management did not start during the Second World War, then when did it start. We have already stated that the history of management started **when people** started working in groups. This means that management started in the ancient time.

3.2.1 Management in early Egypt:

History tells us that civilization started in Egypt. This was as far back as 1300 B.C. Some historians have made interpretations of Egyptian **papyri (plural), the singular is papyrus which is** the form of writing

of ancient Egyptians. The interpretations showed the recognition of the importance of organization and administration in Egypt. This necessitated the use of formal rules and procedures to accomplish objectives. Such objectives included the construction of the big Egyptian pyramids which are still standing till today.

3.2.2 Management in ancient China

The analysis of ancient philosophers' parables indicate the existence of practical management in China. Confucius, for example (a Chinese sage) made parables. These parables include practical suggestions for public administrations. There are also guides in form of admonitions to choose honest, unselfish, and capable officers. All these still find relevance in modern personnel management. They have bearing on recruitment, selection and placement which are important duties concerning staffing.

3.2.3 Management in Greece:

In ancient Greece, there existed the Athenian common wealth. The common wealth consisted of councils, popular courts administrative officials and board of generals. Each of these had its set of function to perform. And to be able to carry out these duties required management planning. So also is organizing and other management functions. Socrates, a Greek philosopher gave the definition of management as a skill to be practiced which is different from technical skill and experience. This definition is remarkably close to our current understanding of management. Can you still recall our second definition of management? Can you see how close it is to Socrates definition, made several thousands of years ago?

3.2.4 Management in ancient Rome:

The details of administrative job in ancient Rome demanded considerable management techniques. There was the existence of the Roman magistrates. These magistrates had functional areas. • That is, each magistrate had its specialized cases to treat. Beside their functional areas, they had degrees of authority. This means that not all the magistrates have equal authority. There were those with lower authority and also those with higher authority. All these were shown in the type of cases being treated. All these fantastic arrangements took place in the ancient time, and we have similar system in our judicial system.

Exercise 6.1

We have looked, though briefly the administrative arrangements in ancient Rome. What do you call this in modern management function?

Can you see the relationship? Can you compare the arrangement with the judicial system in Nigeria?

The most effective formal organization in the history of western civilization has been the Roman Catholic Church which is said to be the oldest church in the world. It has a long organizational life which is due not so much to its objectives as to the effectiveness of its organization and management techniques. Examples of these techniques are the development of the hierarchy of authority, the departmentation according to territory, the specialization of authentic along definite functions, the use of staff device among others.

3.2.5 Management in the military:

Finally, the practice of management has been emphasized in the military right from the ancient time till now. In fact, important principles and practices of modern business principles and practices of modern business management may be traced to military organizations. These include the followings:

Authority relationships: This can hardly be over emphasized in the military as the junior in rank report to the senior officers for directives. And the directives must be complied with. Also levels or hierarchies have been created for the purpose of ensuring smooth authority relationships. All these have made it possible to carry out military assignments.

Techniques of leadership: The military has a variety of stages and techniques of leadership depending on the circumstance and situation. These include autocratic style which means barking out orders and the men must comply by implementing and following the orders, participating leadership techniques which involve some elements of consultation with the subordinates that is the officer consulting the men before taking the final decision, and the style which involves a combination of autocracy and participating techniques. All these styles/techniques are still being applied in present organizations.

The use of staff device: This practice is common in the military as well as in civilian business organization. It is a technique which ensures that the line commanders should be busy prosecuting the battles while concerns for uniform, caps, boots, medicine, treatment for the injured, accommodation, logistics supplies should be in the hands of specialists. Some of these specialists also offer valuable information concerning war efforts.

Exercise 6.2

We have treated line and staff relationships when we were considering the management function of organizing. Can you see the relationship in organizing the staff device of the military? List areas that staff will be needed in an organization and the type of services they can provide.

4.0 Conclusion

We have been tracing the history of management. We saw the practice of management in ancient time in the ancient states, such as Egypt, China, Rome, Greece among others. We also looked at some of the management principles and practices borrowed from the military. But before we started looking at management in antiquity, we tried to correct the impression that management started during the Second World War. We advanced possible reasons why this error was committed. We should add that more history of management is still being made beyond what took place in the ancient time and the Second World War and post war period.

5.0 Summary:

This unit is on the history of management which started as soon as human beings started working in groups. This means that management took off from the ancient time. The practice of management continued to grow until during the Second World War when it was keenly fit that an organized system of knowledge through scientific method was needed. This necessitated the urge for greater management research, the outcome of which is the body of knowledge called management as we have it today. And that knowledge is still looking at the various schools or approaches to the development of management.

6.0 Reference:

Koontz, Koontz, H. and O'Donnel, C. (1978): Management a System and Contingency Analysis of Management Functions. McGraw — Hill International, Kogaknsha, Japan.

7.0 Tutor marked Question:

Give reasons why management was emphasized during and immediately after the Second World War.

ANSWERS TO THE EXERCISES 6.1

This is called organizing.

Yes! The relationship is there in the following ways:

- Both have authority according to levels. The highest authority at the top and the lowest authority below.

- Both have functional areas.
- There are lines of communication from the top to the bottom.

In the Nigerian judiciary, we have the customary court, followed by the magistrate court next is the high court which is followed by the Federal court of appeal. The highest court being the Supreme Court. Just as there are levels in the judiciary so also the Roman magistrate court system.

6.2

Yes! Relationship does exist. In organizing, staff departments are created which advise the line managers and enhance their performance. The same with the military where staff officers advise the line commanders on tactics, logistics, procurement or arms and ammunition among other assistance.

The areas are in:

- 1 Computer department on application of computer.
- 2 Purchasing dept on purchasing issues.
- 3 Personnel department on personnel issues
- 4 Assistant to the managing director
- 5 Company secretary on legal matters.
- 6 Budgeting among others on budgeting issues.

UNIT 7: Schools of Thought on Management

1.0 Introduction:

We are still digging more depth in our quest and understanding of

management. In our last unit we were able to trace though briefly the history of management. We saw that concepts and techniques of management were applied by peoples of ancient time. We saw this demonstrated in places like the ancient Egypt, ancient China, ancient Greece and ancient Rome. Socrates, one of the ancient Greek philosophers looked at management and declared that the skill needed for management practice is different from technical skill. When compared to Sir Reynolds definition which we had in the very first unit of this course, we saw how close they are. This is because Sir Reynolds defined management as getting things done through the efforts of others. We further analyzed this definition so as to get the real meanings. You may refreshen your memory by rereading unit.

In this unit, we are going to add more to our house of knowledge. We are going to look at the various schools that contributed to the body of knowledge called management. Remember, that in our last unit, the urge to develop this body of knowledge became more pronounced during and immediately after the Second World War. And we gave reasons for this. Many schools of thought contributed to the development of management. Such schools include: The empirical/case study school, the interpersonal behaviour school, the group behaviour school the co-operative social system school, the socio-technical systems school, the decision theory school and the communication centre school. Others are the mathematical or management science school and finally the operational school. We shall look at these schools and their contributions. We will also like to see their relative advantages and limitations. We may not be able to consider all the schools in this unit. The remaining ones will be treated in unit 8.

2.0 Objectives:

By the end of this unit, you should be able to:

- List 4 approaches to or schools of thought on management. Explain clearly each approach or school of thought.
- Mention the advantage/contribution and limitation of each approach.

3.0 Main Content

3.1 The Empirical, or case study school:

This approach analyses management by a study of experience. That is what one has been able to do and did it successfully now becomes

experience. It is the belief of the members of this school of thought that such an experience will be a means of transferring knowledge to a student.

That is, the student will be made to study the experience and see what lesson(s) or techniques he may learn. Such analyses will enable the students to be we acquainted with the lessons in such a way that in future he may be able to apply the lessons learnt in similar circumstance. Typical of this school are those who teach management policy or what is sometimes referred to as strategic management by the study and analyses of cases.

3.1.1 The argument of the school:

The argument of this school is based on the assumption that through the study of managers? Successes and mistakes in individual case, and if their attempts at solving some specific problems were successful, students and practitioners of management will be able to somehow understand and learn to apply effective techniques in comparable situations. The emphasis here is that those who believe in this approach look at the distilled thoughts of managers in terms if what they have been able to do rightly or wrongly, the circumstances surrounding each case, how they were able to analyze the case and eventually took the decision based of course on the material facts surrounding each case. Thereafter, the outcome would then be looked into to find out whether it contributed to organizational success, or the opposite was the case.

3.1.2 Advantage

The major advantage of this approach to management is in its practical nature. Management is a profession which has to be practiced. Any method that will make this to be realized and effective should be encouraged. The case study approach because of its practical utility has the attraction of being useful in the study and practice of management.

3.1.3 Limitation:

The drawback in the case study or empirical approach is that unlike law, management is not a science that is based on precedent, and future situations looking exactly like the past ones may not Occur.

Another limitation is that a technique that was found to be right in the past may be far from an exact for a somewhat similar situation in the future. Even though it is sometimes said that history repeats itself, management is not history.

Exercise 7.1

Can you think of a reason why it is said that management unlike law is not a science that is based on what happened before? If this is the case will it be wrong to manage an organization based on previous decision?

3.2 The school of interpersonal behaviour:

This school is of the conviction that management is getting things done with and through the efforts of people. As a result of this, the study of management should be centered on interpersonal relations. And this is necessary because when people meet, certain behaviours must be shown reflecting the different backgrounds of the individuals involved. Some of the behaviours are necessary for the attainment of organizational goals; others do not contribute positively to realizing the objectives of the organization. Management should look at both forms of behaviour and encourage the positive ones while efforts should be put in place to curtail the negative ones so that they will not affect adversely the organization. This school of management can sometimes be called "human relations", or "leadership" or "behavioural sciences" school. They possess existing theories, methods and techniques of the relevant social sciences on the study of intra and inter-personal behaviours. These behaviours range from the various ways an individual behaves to the cultural influences that shape and affect the behaviours of others.

3.2.1 The major forms:

The major forms of inter personal behaviour approach is that it concentrates on the human aspect of management and the principle that when people work together to realize some groups objective, they should understand themselves. People should know why the individual is behaving the way he does. This means that the focus is on the individual and his or her motivations as a human being. Human relation is seen as an art which the manager has to practice.

This school also focuses attention on the manager as a leader. As a leader, he guides, influences, and teaches those he manages. Here management is being regarded as leadership.

3.2.2 Advantage

The approach has been able to point out the need to recognize individuals in an organization and properly motivate them. Without them, nothing happens in an organization.

The approach also recognizes the importance of leadership to good management. A person who cannot demonstrate leadership quality

should not be placed in charge of others as a manager.

3.2.3 The limitation of the school of interpersonal behaviour:

Even though inter-personal behaviour is important to management, it can hardly be said that it covers the entire field of management. There are still other important areas which this school of thought has not covered.

3.3 The Group Behaviour School:

The group behaviour approach is closely related to the inter-personal behaviour approach. Sometimes, the two approaches are confused. This school of thought on management has those who look on management as first and foremost a study of group behaviours. It does not matter whether it is a small group with their ways of doing things or large groups like departments in organizations.

3.3.1 Contribution:

The group behaviour approach has made many worthy contributions to management. One of the areas of contribution is the recognition of the organized enterprise as a social organism and not just buildings, plants and machines. And the social organism, which is an organization, is in turn made up of many other smaller social organisms existing as departments, units or sections. The big social organism and the smaller social organisms existing in the big one are all subject to the attitudes, habits, pressures and conflicts of the cultural environment of the people. This is important because no business organization or any organization can exist or do business outside the culture of the people. We have discussed this point when we were looking at the environmental factors that affect management.

Another area of contribution is in recognition of the informal groups which exist in the former. We also discussed this point in our first course. We emphasized the influence of informal groups, seeing the importance of furnishing or providing incentives to get members of the group to contribute efforts towards group objectives. All these and more underscore the importance of sociological understanding to the meaning of management practice which this approach is emphasizing.

3.3.2 Limitation:

It must be pointed out, however, that basic sociology, that is, the analysis of social and group behaviours in social systems is not all that there is in management. This is because management is still much more

than sociology.

Exercise 7.2

Take an organization of your choice. Such an organization can be a school, church, mosque, ministry or business organization. The organization is referred to, according to the group behaviour school as a social organism. This school of thought also says that there are smaller social organisms existing within the big organism. Enumerate these smaller organisms. What roles do they play to realize the overall objectives of the big social organism?

3.4 The Co-operative Social Systems Schools:

The two schools of thought which we recently discussed (the interpersonal behaviour and group behaviour) have approaches to the study and practice of management. And these approaches increasingly focused on human relationships as co-operative social system.

3.4.1 The major focus:

The major focus of the co-operative social system lies in the limitation of human beings and by implication an organization. Since an organization is a social system consisting of human beings, it is also limited. And because human beings and organizations are limited, there is the need to co-operate. What one person cannot achieve, through co-operative effort, much more can be achieved. The co-operative spirit is not only out the formal organization but also within it. Consequently, management as a process is based on co-operation. What the production department does, finance department may not be able to do it. Similarly, what marketing department can accomplish, personnel department may not be able to attempt it and so on. Within the respective department too, co-operation should be emphasized because of, again, the limitations of the employees. All efforts must be brought together and limited, each action complementing and supporting the other.

3.4.2 Limitation:

There is no doubt that the co-operative social system approach does have real value to management. But the fact remains that we do not have managers in all kinds of co-operative, which hijacked students, demonstration and unleashing terrors to the public cannot be said to have a manager. If we may take another example, the motorists driving along the Abuja — Lokoja high way may decide to co-operate and share a part of the highway because another part of it is bad. No manager is appointed and paid to do this, yet there is co-operation. We can therefore

conclude that this school of thought is broader than management. Also in practice, it tends to overlook many management concepts, principles and techniques that are important to practicing managers.

Exercise 7.3

I want you to think further for some minutes. Write out some incidents where people cooperated among themselves without a manager.

4.0 Conclusion:

We have been treating schools of management thought and we have been able to discuss four of them. These four are: the empirical or case study school, the interpersonal behaviour school, the group behaviour school and the co-operative social system school. We gave explanations to these groups including the emphasis being made by each group. We also saw the limitation for each group viz-a-viz the study and practice of management.

5.0 Summary:

We considered four schools of thought or approaches to management. These were the empirical/case study approach, the interpersonal behaviour approach, the group behaviour approach and the co-operative social system approach. There are still other five approaches we shall consider to bring to an end this phase of our discussions. These other approaches will be considered in the next unit.

6.0 References:

Koontz, Koontz, H. and O'Donnel, C. (1978): Management a System and Contingency Analysis of Management Functions. McGraw — Hill International, Kogaknsha, Japan.

7.1 Tutor-marked question:

List four schools of thought concerning management. Show the areas of contribution of these schools and their limitations as well.

Answer to the exercises.

7.1

Management is not like law which is based on precedent. To manage is to carry out some functions and roles in an environment. And

management environment is always undergoing changes. The manager should always adapt positively to these changes.

It will not be totally wrong to manage an organization based on previous decision because this is where experience comes in. But the present circumstance should be carefully looked into so as to determine whether previous experience can fit into the present situation. Remember that there are always changes in the environment of the manager.

7.2

There are other small organisms' existing within the big social organism. Take as an example a manufacturing sound organism. The smaller organisms are:

- Production department which transforms raw materials into finished products.
- Marketing department that carries market and marketing researches, product planning etc.
- Finance department that does cost accounting, keep records etc.
- Personnel department that carries out recruitment, interview, promotion etc.

UNIT 8: Schools of Thought on Management II

1.0 Introduction:

We are still considering our discussions on the different schools of thought that contributed to the body of knowledge called management. In our last unit, we treated four schools of thought, namely: the empirical or case study school which looked at the practice of management based on experience, the inter personal behaviour school that considered management in terms of motivation, the group behaviour approach that stressed the need to look at organization as a social

organism with smaller organisms within and all the members behaving according to their cultural background. The last school or approach we touched on was the co-operative social system approach which sees management in terms of limitations of human beings which necessitate the need for co-operation in sharing resources and the efforts of one complementing the efforts and activities of the other. From what we have discussed so far, you can see that management is a field that borrows from other fields. And no one discipline is qualified to call itself, management.

There are still five other approaches or schools of thought that have contributed knowledge to the field of management and it is well we give consideration to these fields as well. Consequently in this unit, we shall be discussing the theory school, the communication centre school, the mathematical or management science school and the operational school.

2.0 Objectives:

By the end of this unit, you should be able to:

- List additional five approaches to/schools of thought on management.
- Describe the schools of thought as listed.

3.0 Main Content

3.1 The socio-technical system school.

The major emphasis of this school is that to solve social problems, it is not enough to look only at the co-operative social system which has arisen because of the limitation of human beings but to also look at the technical system and how it affects and is affected by the co-operative social system. The technical system consists of methods of work and machines. While the co-operative social system will influence the type of method to use to get the job done and also the machines that will be necessary, the social system itself is influenced by the methods, by work and machine as well. In other words personal attitudes, habits, belief system etc. and group behaviours are influenced by the technical system in which people work. The approach views an organization from two areas: the technical system on one side and the social system at the other end and the two must interact.

While managing, the individuals in the group and their cultural background should be noted. And equally important is the way the work is being done and the type of machines or equipments they are using because they affect them as well.

3.1.1 Limitation:

The socio-technical system is an important area for inquiry and research underlying the practice of managing. But again, it is certainly not all that there is to the field of management.

3.16 The decision theory school:

This approach concentrates on rational decision. We have discussed previously, when treating the management function of planning, that a manager is always making decisions. In fact we concluded that the steps in the planning process are also the steps in decision making. In rational decision making the manager has to make the selection from among possible alternatives of a course of action. As a result, making a decision involves conscious choice of action. And to choose means that there are alternatives to choose from otherwise choice is not possible. The decision theories, that is, those that study the art of decision making may study the decision itself They try to evaluate decisions with the purpose of finding out whether they are right one or not. They may also study the individual or organized group making the decision to find out whether the mental ability is there and the effect of the environment under which a decision is made. The theorists, as a further area of interest may study the decision process. The decision process consists of steps that need to be followed through in order to make a rational decision. In looking at these areas of interests, what the theorists do are: to look at the economic rationale of the decision such as to increase sales output; to make more profit among others; to regard principles of decision making as useful for analyzing the psychological and sociological factors surrounding the decision maker and his environment that is, the mental state and the behaviour of the decision maker as well as the culture of where he comes from because it influences him as well.

3.2.1 Usefulness of the approach:

There is usefulness of business organizations which exist to make profits among other objectives. But profit can only be made when there are sales which are the same thing as revenue. The sales are made because the consumers have decided to buy, that is, exchanging their money with the organization's products and/or services. In other words, the consumers make conscious choice or what is sometimes referred to as rational choice in choosing from among products of an organization. There are factors that are responsible for the consumers/customers choices such as economic factor, family factor,

advertisement and cultural factors. All these factors are usually analyzed by the decision theorists and they help in sales management, which is important because without sales no business organization can ever remain in business.

The decision theory school is therefore regarded as an outgrowth of the theory of consumers choices in the market and most members of this school are economic theorists. These theorists, we must point out, make the content of the theory on decision through the construction of model and through mathematics.

Exercise 8.1

I want you to reflect on your purchase decisions for the past one year. You are going to stretch your power of memory a little bit by recollecting major purchases you made and some minor ones. On a sheet of paper write out the major purchases, on another sheet, write down the minor purchases. For each of the items, write the factors that influenced the purchased. These factors may include: the product class, the money available because others are using the product among other reasons. Also indicate the length of time taken to make the purchase decision. It could be from a few minutes to days.

3.3 The communication – centre school

In this school of thought, the manager is looked on as the communication centre, this means that activities concerning the nature and practice of management are all centered on the need to have an effective communication system where the manager is at the centre of that system; the knowledge and skills of managing are within the flow of information. Without the inflow of information, freely in an organization, management will be handicapped. The manager receives the information. He has to process the information in order to find out how necessary and relevant it is to managing. After the processing, the ones he requires to use immediately are utilized. The other ones that he may not use now are stored. When require in the future, the stored information are quickly taken from the storage for the purpose of being used. Using the information also demands dissemination to other individuals and groups that may need it to do their job. This approach therefore emphasizes the role of communication in managing as well as the central importance of decisions making, in the practice of management.

Exercise 8.2

You have studied management functions in your first course. Write

these functions down study them carefully. Is there any one of them that can be performed in the absence of communication? Show how.

3.4 The Mathematical or management science school:

We have to understand that mathematics can be applied in any of the schools of management we have preciously studied. But this approach is seen by those management theorists who see management as a system of mathematical models and processes. The most popular theorists along this line are operations researchers or operations scientists who called themselves management.

Scientists the belief of these theorists is that if management and the practice of it is a logical process, it can be expressed in mathematical symbols and relationships. The major focus of the school is the model. It is through the model, that the device that problem involving the attention of the manager can be expressed in its basic relationships and in terms of selected goals. It focuses on the need for logical process in giving solution to the problem such as the definition of the problems, using symbols for unknown data, and though logical methodology developed over the years of scientific application a power tool for solving or simplifying complex problems has emerged.

3.4.1 Limitation:

Though mathematics is usefulness in solving management problem, it is hard to see mathematics as a separate school to management theory anymore than it can be considered as a separate school in physics, chemistry or engineering. Since these other disciplines have mathematics as component of their theories and not separate, why it that in management in should not be regarded as just a part of it as well.

3.5 The operational school:

This school of thought brings together all the approaches to management that we have considered, to those elements of each which relate to actual managing. That is, those elements which can be useful to management practitioners in understanding their job and performing more efficiently and effectively.

3.5.1 The Focus

The major focus of this school is that it recognizes that there is a central core of knowledge about managing which exists only in management.

This core of knowledge includes such areas as line relationship, staff relationship, forms of department, span of management, managerial appraisal, and various managerial techniques in controlling. All these and more involve concepts, techniques and principles as well as the underlying science which can only be found because managers are involved. In other words if managers are not there, then these principles become irrelevant. This approach also recognizes the many elements which are denied from other fields. These include the application of motivation and leadership principles, techniques of decision making, principles of group behaviour among others.

The operational approach sees management as a body of knowledge that can be applied at all levels of managing and in all types of enterprises. Also the approach recognizes that the actual problems that managers face and the environment in which they manage may vary between organizations and levels. Theory is looked on as a way of organizing knowledge and experience so that practice can be improved on through research, testing the techniques and principles out of practice and the teaching of fundamentals.

4.0 Conclusions:

This unit has further demonstrated the fact that there is no one discipline of human knowledge that makes up management. This means a discipline of disciplines. This is because it borrows extensively from other disciplines. In our last unit, we treated four of those disciplines. In our present unit we have considered additional five and these are: the socio-technical school, the decision theory school, the communication centre school, the mathematical or management science school and the operational school. The last school comprises of elements of the other schools.

5.0 Summary:

This unit is our last unit in our discussions in respect of the major schools that have contributed significantly to the body of knowledge called management and its practice. Right from our first unit of the earlier course, we have stressed the fact that management is and organized knowledge derived through systematic measurement an objectivity. Units 7 and 8 have discussed these approaches to/ schools of management and the practice of it. Starting from our next units, we shall be looking at the works of specific notable individuals that laboured towards the making of management.

6.0 Reference:

Koontz, Koontz, H. and O'Donnel, C. (1978): Management a System

and Contingency Analysis of Management Functions. McGraw — Hill International. Kogalcnsha, Japan.

7.0 Tutor marked question:

Why is operational approach to management regarded as multi-dimensional?

Answers/Guides to the Exercises. 8.1

The factors that generally affect one's purchase decision include:

- The group that one belongs to;
- Opinion leader who uses the product;
- Culture;
- Promotional activities e.g. advertisement;
- Economic factor such as availability of money;
- The situation the purchaser finds himself ;
- Family influence;
- Attitudes;
- Personality of the buyer among others.

The student are to see the factors that the decision theorists take into consideration when advising management on how to increase sales.

8.2

There is none because communication is central to successful performance of these functions. In fact, nothing can be done in the absence of communication.

UNIT 9: Contributors to Management Themes

1.0 Introduction:

We discussed various schools of thought or what are sometimes referred to as approaches to management in the last two units, that is, units 7 and 8. These approaches to management are from nine major fronts: the empirical/case study approach, the interpersonal behaviour approach, the group behaviour approach, the socio-technical system approach. Others are the communication science approach, the mathematical/operation science approach, the decision theory approach and the operations approach. We concluded that the last approach which is the last one combines the elements of the other nine to the practice of management.

But individuals and groups contributed ideas that led to the development

of principles and theories of management which are classified in the above approaches or schools of management. And it is important that we look into the works of these individuals in the next few units.

We are starting our discussion on the contributions to the development of management principles and theories with the work of Frederick Winslow Taylor who is regarded as one of the classified writers on management, and a major contributor to scientific management. He is a classical writer because he was of the few individuals who experimented on management, tested the principles and put their ideas in written form for others. And he was a scientific management writer and practitioner because of the scientific method he adopted in arriving at the principles of management.

2.0 Objectives

By the end of this unit, you should be able to:

- Give a short but clear history of the life of Frederick Taylor.
- Describe Taylor's approach to the development of management principles.
- List Taylor's principles of management
- Explain the criticisms against Taylor.

3.0 Main Content.

3.1 Frederick Winslow Taylor:

Frederick Taylor gave up going to school (college) on account of poor eye sight. He started out as an apprentice pattern maker and machinist in 1875. He joined the Midvale Steel Works and rose to become the chief engineer after earning a degree in engineering through evening study. He invented high speed cutting steel tools and spent most of his later life as a consulting engineer. Taylor is generally regarded as the father of scientific management. His experiences as an apprentice, a common labourer, a foreman, a master mechanic, and then a chief engineer of a steel company gave him ample opportunity to know at first hand the problems and attitudes of workers and to see the great opportunities for improving the quality of management.

3.2 Taylor's Approach:

3.2.1 The need to improve efficiency:

Frederick Taylor's principal concern through-out most of his life was that of increasing efficiency in production. Efficiency, you may recall is to use lesser resources belonging to the organization to achieve greater

result. But the wish of Taylor was not just to reduce costs so as to raise profits but also to make possible increased pay for workers through their higher productivity. From his interactions with the workers and in the course of doing his job, he saw in the machine shops and in factory shops the degree of soldiering on the job, that is, too much unnecessary movement which took much of the time and attention of the workers. Other things he noticed were that the workers were producing less instead of producing more because of the fear that they might work themselves out of the job if they should produce more. The fear arose because they thought that management might regard the increase in productivity to mean that too many hands were involved and the work was easy. But Taylor knew that higher productivity was possible from his experience and without unreasonable efforts on the part of workers.

Taylor decided that the problem of productivity was a matter of ignorance which arose because management and workers did not know what constituted "a fair day's pay for a fair day's work" moreover, he believed that both management and workers were concerned with too much on how they could divide the surplus that arose from productivity and not with increasing the surplus so that both workers and management could get more compensation.

Taylor saw productivity as the answer to both higher wages and higher products. He was convinced that it was only through the application of scientific methods, instead of custom and rule of thumbs that would yield this high increase in productivity, without the expenditure of more human energy or effort. This is the message of Taylor, and this is the basis for his scientific approach to management.

Exercise 9.1

From the short background history of Taylor in addition to his concern for the constant friction between management and workers, he recommended an approach to management which he called the scientific management. You are required to summarize the basis for this scientific management approach and relate it to the relevant schools of management which we have earlier discussed in our previous units i.e. units 7 and 8. Can you notice the relationship? You may wish to reread units 7 and 8 again in addition to the contents of our present unit.

3.3 Taylor's recommendation on attitude to management:

His major emphasis on scientific management is that there should be a change in attitude of management and workers toward work, toward productivity and toward profit. Unless the attitude is changed there cannot be any meaningful effect of scientific management in an

organization including members of the organization. As a result Taylor stressed that both sides should take their eyes off the division of surplus as all the most important matter. Instead, they should together turn their attention toward increasing the size of the profit until it becomes so large that it now becomes unnecessary to quarrel over how it should be divided. He looked at this to be the most crucial matter if the size of the profit/surplus was large, you could not bother much on what the other person was getting. It is when the size of surplus is small, you start worrying over what the other person is receiving because of the fear that he will take so much that little or nothing will come your way. As a way out, Taylor believed that both management and workers should come to the realization that when they stop quarreling among themselves and co-operate along the same direction of increasing productivity and lowering cost, the size of the surplus created by their joint efforts will be truly much.

3.3.1 The Principles:

To achieve increase in productivity with lower costs, Taylor recommended his principles which he believed to be true and they underlie his scientific approach to management these principles are the following:

- Replacing rule of thumb with science. This means that the practice of management should not be based on guess work and previous practices. Neither should it be based solely on hunches since it is not everybody that receives hunches and acts on them. Management should be based on science, that is, organized knowledge which has been tested and found to be true. With the knowledge which can be spread through education, training and re-training, it becomes possible to draw from the accumulated knowledge, apply the principles and get the desired result.
- Obtaining harmony in group action, rather than discord: Taylor was of the firm conviction that not much could be achieved in an environment of quarrelling, bickering, suspicion and unnecessary arguments. This creates a situation where resources are wasted and the bad blood generated will not permit co-operation and group efforts.
- Achieving co-operation of human beings instead of chaotic individualism; This is related to the point which has just been earlier made. Individual co-operation provided the basis for group harmony. This must be initiated by both the management and the workers. It is not one party that can make it possible both workers and management should aim at achieving the co-operation among

the individuals. This is important because organizations work as social systems. We emphasized this point in our last unit. If one part is not doing well, it will affect other parts. Consequently, area of misunderstanding should be avoided among individuals and this will create the way for group harmony.

- Working for maximum output instead of restricted output; this principle is resting on the pillars of the two that have just been made. It is only when there is harmony in the group which has been made possible through individual co-operation that there will be increase in productivity. The principle is important because increase in productivity will lower cost which in turn will make for more profit/surplus. With the increase in the size of the profit, it becomes possible for both management and workers to share from it.
- Developing workers to the fullest extent: Taylor believed that education and training should not only be for management but that workers should be developed to the fullest extent possible. The essence of this is of two ways, with good and consistent education and training; attitudes will be changed positively to work, to other members of the organization and to the organization as a whole. With positive attitudes, a lot can be changed. Second, education and training will also contribute to increasing the schools of management and workers which they will use for the overall interest of the organization.

3.3.2 Taylor's principles and modern management:

The basic principles of Taylor as we have highlighted above are not far from the basic benefits of modern management. In a well runs organization, the management is based on scientific knowledge through the application of modern management concepts, principles and theories to get the desired result. There is job satisfaction in such organization; the contributions of employees are valued and adequately rewarded. Co-operation and group harmony can be noticed, and the training for all classes of employees being regularly carried out.

Exercise 9.2

You are familiar with public organizations in Nigeria such as schools, hospitals, ministries and parastatals e.g. NEPA, water co-operation among others. Can you see the need to apply Taylor's? Principles in the management of such institutions. Give reasons.

3.4 Criticisms of Taylor's work:

Taylor's work did not go unlimited even though some of the criticisms cannot be correct if one should read in between the lines. The major criticisms are:

3.4.1 Mechanistic nature of Taylor's principles:

It is true that some of the techniques of Taylor which he developed in order to put his principles into practice had mechanistic aspects. For example, to determine what a fair day's work was or to help in finding one best way of doing any given work and so on required that a careful study of time and motion was needed. The application of this technique which was widely done was mechanistic. Another area of criticisms was the issue of working out pay plan which was tied to out-put. This means that in order to increase surplus/profit, workers were paid according to their productivity. The more a worker produced the more money he was paid. All these techniques were put in place to make Taylor's principles to work, on giving people their best opportunity to be productive and on rewarding workers for individual productivity.

3.4.2 Taylor's techniques could be used to increase productivity without corresponding reward:

This is not far from being correct. The principles can be used by management to make workers to produce more without corresponding increase in pay or adequate training or managerial help. But in fairness to Taylor, he did not have this in mind. Throughout Taylor's work runs a human feeling. He believed that people should be carefully selected and trained and they should be given the work that they can do best. He also believed that the interest of the workers, managers and owners of the best should be in harmony. He was of the conviction that workers should be helped to do their job by designing the work system to achieve this; this he stressed should be the responsibility of management.

4.0 Conclusion:

This unit treats the work of Frederick Taylor who is generally regarded as the father of scientific management. His experiences as a pattern maker, machinist, gang boss and a chief engineer provided him the opportunity to closely observe workers, conduct series of experiments and come out with principles of management which have relevance till today. The major emphasis of Taylor's work was to increase productivity. If productivity is increased, it will lower the cost of production and more profit will be made. Workers should participate in profit sharing through adequate remuneration, training and general

development of the work environment.

5.0 Summary:

We have discussed the work of MOOT . He was a scientific manager and a successful consultant. He developed tools and instruments as well as other devices that would make workers to increase productivity. To him increase in productivity was the answer to constant misunderstanding between workers and managers. If productivity was increased, there would be more surplus to be shared between workers and their managers. He encouraged the training of workers and emphasizing group harmony and individual co-operation.

6.0 References:

Koontz, Koontz, H. and O'Donnel, C. (1978): Management a System and Contingency Analysis of Management Functions. Mcgraw — Hill International. Kogaknsha, Japan.

7.0 Tutor marked question:

Why is Taylor regarded as the father of scientific management?

Answers to the exercise:

9.1

The basis of the scientific approach is that the nature of work:

- Should be analyzed so as to find the best way to do it; and
- To reduce areas that make workers to be tired so as to increase productivity. Taylor's work fits into the schools of management science and the socio-technical system.

9.2

There is a great need because:

- There are many areas of wastage in the management of these organizations.
- The employees are not adequately compensated.
- The number of workers is too much.
- The duties should be scientifically analyzed so as to find the best methods to do them with minimum efforts.
- Trained managers should run them and not politicians or through social connection.

UNIT 10: Contributors to management theories. Henry Fayol

1.0 Introduction:

We looked at the work of Frederick Winslow Taylor in the last week, as one of the classical writers on management, because he was among the early writers to experiment and put their ideas and experiences concerning the nature and practice of management on paper. Taylor was regarded as the father of scientific management. He analyzed carefully the work of the manager as well as the duties of the workers. He identified those elements of work of the employees that caused tiredness and invented machines and tools that could reduce tiredness. He reduced the time an average worker would take to do a job so as to increase productivity. He saw increase in productivity as central to management problems because it lowers cost of production and because cost is lowered, profit/surplus would be high. This would make it possible for both management and employees to have more money to share. He recommended other principles of management such as individual co-

operation instead of chaotic behaviour, group harmony rather than discord, training for both the manager and the workers to enhance performance among other principles.

In this unit, we shall be looking at the work of Henry Fayol, another classical writer. Fayol is commonly regarded as the father of modern operations management. The principles which he formulated through careful research are still outstanding. They occupy prominent place in the practice of management. This unit and the next one, that is, units 10 and 11 will be devoted to the work of Fayol.

2.0 Objectives:

By the end of this unit, you should be able to:

- Give a short account of the life history of Henry Fayol.
- List the industrial activities as identified by Fayol.
- Explain the industrial activities as identified by Fayol

3.0 Main Content

3.1 History of Henry Fayol:

Henry Fayol is regarded to be the father of modern operational management. He was born in 1841, graduated as a mining engineer in 1860 and became a mining engineer with a coal mining company where he later became its managing director. Fayol's acute observations of the principles of management with its clear and practical approach to the job of the manager and its perception that management principles can be applied in all organizations and at all levels show a clear insight into the basic problems of modern management. In putting down the principles of management which we will be considering in our next unit, Fayol thought deeply on what he was able to do successfully during his career as a coal miner as well as when he became eventually a managing director. We must note that Fayol did not attempt to develop a logical theory of management but his observation concerning the process of management, fit amazingly well into the theories of management that are currently being used.

3.2 Fayol's contributions:

3.2.1 Industrial Activities:

Fayol found out that all industrial activities could be divided into six major groups: production, commercial, financial, security, accounting and management. Let us explain these activities for proper understanding:

- **Production:**

Fayol also referred to it as technical. It involves getting the necessary inputs such as the raw materials, semi-finished goods, oil, other lubricants and so on which are then processed in the factory shop for the purpose of turning them into finished goods for sale. Quality inspection is necessary in the production so as to ensure that what is eventually turned out as a finished product meets with the original technical details/specification. That is concerning the output with the original plan. This is important so that it will certify that the product meets the needs of the customers otherwise, they will not buy and that will be a loss to the organization. Production too is also concerned with laying the factory and determining what type of production process to follow.

Exercise 10.1

Take any five finished products. There are thousands of them around. Your bic, biro, exercise book, textbook, shoes, dresses and so on. Just pick any five for the purpose of this exercise. Try to find out the raw materials that were used to make each of the products. For some manufactured products like soft drinks, creams, medicines etc., the raw materials used are always indicated. Try to see the engineers in the factories, the technicians and other persons turning these raw materials into finished products. You may go further by visiting the production department of a manufacturing organization and observe them at work.

Commercial:

Fayol described the activities under commercial to be buying and selling or what he simply called exchange process. It is an important industrial activity because what has been produced by the production/technical department must be converted into cash. It is only when goods are sold and turned into cash that the organization can get revenue or money.

Remember that a lot of money has been spent on building the factory, buying the plants and machineries, equipment, tools, employing workers and paying them their salaries, telephone bills and so on. All these and more cost money. And the only way that the organization can continue to meet these expenses and more is by making sales. But to make continuous sales the product must be seen to be good by the consumers/customers through the ability of the product to satisfy their needs. The commercial section sees to this and works hand in hand with the production department.

Other activities involved in this department include: creating awareness

for the product through advertisement, ensuring that sales persons are employed to sell the product and make revenue, publicity, distributing the product through appropriate channel or a combination of the channels, fixing appropriate price for the product among other commercial activities.

Financial:

The financial activities involve looking for money and how the money will be spent so that the objective of the business can be met. In looking for money to finance business operation, the source or sometimes the sources must be clearly identified. These may include the commercial banks, specialized banks, part of the profit made which has to be ploughed back into the business, selling of shares to interested buyers who are regarded as investors among other sources. The terms of getting the money must be carefully looked at and when the money will be made available for business activities. Just as we go to the market to buy money, the financial department ensures that the money is available.

The finance having been bought and secured must be used for the purpose for which it is purchased. Funds should never be diverted at the slightest opportunity that is why before the money is received the projects for which the money will be expended on would have been identified. Satisfactory arrangements would have been made concerning how the money will be repaid especially if it is borrowed from the money market.

Record keeping concerning all financial transactions are kept by the financial department. These records are regularly analyzed so that management can take decision.

The financial activities also demand that there will be appropriate costing of the product in conjunction with the commercial department.

Exercise 10.2

I know that you have been visiting some business organizations in your attempts to do some of the exercises we have been having. You are to visit any of these organizations once again. This time around, try to get the accountant or any senior person that works in the accounting department. Try to find out the sources of their funds in the last two years and to what ends they put the money received into.

Security:

Security here according to Fayol does not mean only the security of assets such as buildings, plants, machineries, equipment, tools, fixtures

and fitting etc. but also human security. Fayol is of the view that organization resources and assets are valuable things which have been purchased could have been used too for alternative things. Consequently, the resources and assets must be properly kept so as to avoid their being stolen, spoilt, or outright wastage. They are kept at convenience places so that workers and management would spend minimum time to get them for their daily work. Can you still remember what Frederick Taylor called the behaviour of workers who spend time locating and taking the resources they want to do their job? He called this "soldiering". Remember, this day, we regard time as an important resource. And the nature of this resource is that when you spend it, it can never be recorded.

Security also involves according to Fayol human beings. And this security is of two types. Ensuring that the job of the worker is secured and every employee making a career in the very first organization, he started with when workers leave their places of work for other organizations, for jobs, it is a reflection of bad management. According to Fayol, security also entails industrial safety. Dangerous machines must be covered so as not to expose workers to them. Also safety standards should and must be maintained. All these involve some measure of security.

Accounting:

Accounting takes off from financial, and in practice, works hand in hand. While financial department is to look for funds, procure it and ensures its maximum usage to achieve organizational objectives, accounting goes beyond it. It ensures that financial transaction are properly recorded and documented according to accounting principles and standards. Accounting, therefore, ensures the recording systematically of all transactions in an organization. These records must be properly kept too, and together with other financial records, provide the ground for management to take decision.

Management:

This is the last industrial activity and it consists of elements of management. These elements, he named as: planning, organizing, controlling, commanding and co-coordinating. He analyzed these elements which make up the process of management. The outcome of his analysis gave rise to the fourteen principles of management. We shall be discussing these principles in unit 11. What gave Fayol the urge to analyse the elements of management was his declaration that among these industrial activities: production/technical, commercial, financial, security, accounting and managerial, the first five were well known. But little was known concerning management. That was why he spent most of his time on the analysis of the managerial functions.

Exercise 10.3

We have previously discussed the functions of management in our first course. Write these functions down and compare them with Henry Fayol's element of management. Could you notice any similarity? Which set is more comprehensive? Give reasons.

4.0 Conclusion

We have treated a part of Henry Fayol's work in this unit. As a coal mining engineer, he rose by hard work to become the managing director of his organization. Throughout his career and after his retirement, he keenly observed the process of management. First, he looked at industrial activities and identified six main groups of activities. These groups he named as: production/technical, commercial, finance, security, accounting and managerial. He said that among these groups of industrial activities, the first five were well known and little was known in respect of managerial activity. This informed his decision to devote a considerable length of time to the study and analysis of the managerial activity.

5.0 Summary:

We have seen a part of Fayol's work. This chunk of his work concerns the industrial activities which Fayol identified. Since not much was known on the managerial activity, Fayol declared his interest to look at this area. The outcomes of his efforts were his recommendations on managerial qualities and training as well as the fourteen principles of management.

6.0 References:

Koontz, Koontz, H. and O'Donnel, C. (1978): Management a System and Contingency Analysis of Management Functions. McGraw — Hill International. Kogaknsha, Japan.

7.0 Tutor marked question:

List the industrial activities as identified by Henry Fayol. Explain any two of them.

Answers/Guides to the Exercises.

10.1

You are to do this exercise as directed. The reason is to excite you to one of the industrial activities as highlighted by Fayol. It is also to draw your attention that in this activity, management is usually involved. If

you are able to visit an organization where production is going on, the better. Try to find out the production process and the role of management in the department.

10.2

Identify these sources and how the money were spent. You may want to know the effects either positive or negative in getting the funds outside the organization. Write the ones your friends have identified.

10.3

Previously discussed functions of management:

- Forecasting
- Planning
- Organizing
- Directing & leading
- Staffing
- Co-coordinating
- Controlling.

Fayol's elements of management

- Organization
- Planning
- Command
- Control
- Co-ordination

For proper understanding, the management functions are spread in our consideration of their compared to Fayol's elements of management. Also, since Fayol identified these elements of management, more researches have been made on them bringing out some factors which Fayol did not consider.

UNIT 11: Contributors to Management Theories. Henry Fayol

1.0 Introduction:

In the previous unit of this course which is unit 10, we looked at a part of the work of Henry Fayol, a French industrialist. Even though Fayol did not develop a logical theory on management, his keen observation of management as a process and his experiences which he put as a process and his experiences which he put down as principles to use in the practice of management is truly remarkable. We discussed the industrial activities which he identified to be product/technical, commercial, financial, security, accounting, and the last of all, managerial. He was of the opinion that since the first time of these industrial activities were well known and little or nothing was known concerning management, it would worth the effort to investigate the unknown one. His investigation and observation led to the identification of managerial qualities and the general principles of management which will be the subject matter of our discussion in this unit.

2.0 Objectives:

By the end of this unit, you should be able to:

- List general managerial qualities as recommended by Henry Fayol.
- Mention the fourteen principles of management as given by Fayol.
- Explain the fourteen principles of management earlier mentioned.

3.0 Main Content:

3.1 General Managerial Qualities:

Fayol, looking at the process of management was of the conviction that for management to be practiced successfully, the manager should possess or develop the following qualities:

3.1.1 Physical Quality:

Under the physical quality, Fayol stressed the importance of the manager being healthy, full of vision and vigour. This is because the work of managing is demanding and the manager possessing ill-health is unlikely to successfully perform the management functions. To be healthy requires constant attention and any sickness should be investigated, isolated and dealt with.

3.1.2 Mental Quality:

The zeal to work does not depend solely on physical fitness of the manager. Mentally, the manager should not be found wanting. He must possess positive thoughts and never be unduly disturbed on the occurrence of events. He should have the ability to understand and learn and the courage to judge fairly well. He also needs to have mental vigour and the ability to adapt to any condition and circumstance because the environment in which he manages is always in a continuous state of change.

3.1.3 Moral Quality:

The manager has to be morally upright and apply his energy toward such end. He must be fair and firm and willing to accept responsibility and in fact seek higher responsibility; the success of yesterday should not be taken for today, not to talk of extending it to tomorrow. Within the moral quality, Fayol further recommended that the manager should have initiative, a self starter who does not require promptings, as he gets

things done. He must be loyal and dedicated, fully tact and dignity.

3.1.4 Educational Quality:

Fayol is of the conviction that the manager should be exposed to constant education and training necessary for good performance. That is why a manager should have: technical education and training which is peculiar to his functions; experience which is desirable and this should arise from the work proper that the manager is performing. He further emphasized that while the most important ability for a worker is technical, the relative importance for managerial ability increases as one goes up along the scalar chain of command, that is, as the manager starts getting further promotion and is climbing up, the managerial ability becomes the most important skill for top level managers. He submitted that just as the worker acquires technical ability, so also managerial ability should be acquired.

Exercise 11.1

You would have come in contact with a manager in an organization. The nature of the contact is not important now. I want you to reflect on the behaviours of that manager. Are they in line with the qualities of a manager that Fayol has recommended? Do you think it is possible to possess all these qualities for somebody to be called a manager? Or we can regard the qualities as standards upon which we constantly evaluate our behaviours so as to find out whether we are on the right track or not?

3.2 General Principles of Management:

Earlier in this unit and in the previous one, we noted that Fayol gave a reason why he studied and analysed the process of management. The reason being that not much was known concerning management. And one of the results of Fayol's work was the birth of the fourteen principles of management. Fayol stressed that these principles are flexible, that is, they can be applied to different organizations and at different levels. Also, the principles are applicable regardless of the changing or special conditions. We are going to discuss these principles of management which Fayol said were based on his experiences.

3.2.1 Division of Work:

This is specialization; it means that the production process should not be taken up entirely by one person from the beginning to the end. Instead, that process should be broken into stages consisting of activities. Each stage should be taken by an individual or a group of individuals. This arrangement is necessary for efficiency in the use of resources including labour. This principle can be applied to both the work of the manager as

well as the work of the technical men. There is the need for specialization even though it varies from one level to the other. At a lower level, the amount of specialization is more compared to a high level.

3.2.2 Authority and Responsibility:

Fayol sees authority and responsibility to be related. The two must always go hand in hand. You cannot give somebody an authority without responsibility, neither should responsibility be given without the commensurate authority, and authority as a combination of official backing that is, deriving from the manager's position and personal, that is, blended with the moral worth of the manager, experience, past service, expertise and physical quality. This means that the type of power/authority that a manager has is not only restricted to what has been provided in a position by the designer of the organization. There are still other sources of power such as charismatic power, expert power and so on which the manager uses in influencing others. We shall be discussing these other sources of people when we start treating authority and methods of influence in latter units.

3.2.3 Discipline:

Discipline, from the thinking of Fayol, means respect for agreements which are directed at achieving obedience. To be disciplined is to respect the contract that one has signed as soon as he receives a letter of employment and he signs the letter. He must abide by the terms of the agreement, is to apply his energy to those ends that tally with the objectives of the organization. His behaviours should not be such as to go contrary to the attainment of organizational objectives. Fayol also recommends that for discipline to take roots in an organization and at all levels, they must be good superiors that will coach, influence and direct the subordinates along the desired line.

3.2.4 Unity of command:

This implies that employees should receive orders from one superior source only. The moment subordinates start getting directives from different superior sources, confusion will arise because they do not know who to obey. You can imagine employees in the production department receiving directives and counter directives from the production manager, marketing manager, the accountant and others. Duplication of efforts and waste will be the end results.

3.2.5 Unity of Direction:

This principle means that employees should receive orders from one superior source only. It arises from unity of command and the confusion which will arise in the absence of unity of command. Employees in personnel department should get directives from their manager, the same thing with employees in the marketing department, who should receive directives from their marketing manager and so on. Each group of activities (arising from the division of labour principle) with the same objective must have one head and one plan. There must be for each department one functional manager who has a common plan and objective for the entire department which must in turn complement and support the overall organizational objective.

3.2.6 Subordination of Individual's Interest to General interest:

No two individuals will have the same interests. That is why in an organization which has many individuals with conflicting interest, each individual should play down on his interest and emphasize the group or organizational interest. Fayol also suggests that if an individual finds it difficult to comply with the organizational interest, the manager should quickly intervene and effect reconciliation.

3.2.7 Remuneration:

Remuneration means the salaries and wages and other forms of compensation that are paid to the employees. Fayol has emphasized that this should be fair and methods of payment should be fair. **All** this is necessary to both the employers and the employees.

3.2.8 Centralization:

Centralization here refers to centralization of power/authority. Fayol has not recommended absolute centralization of authority neither did he recommend absolute delegation of authority. But he was of the opinion that the extents to which authority is centralized or dispersed (delegation) depends on the circumstance which must be determined so as to yield the best result. In a crisis situation, for example, there can be centralization of authority but in normal situation where subordinates know what to do; there could be delegation of authority.

3.2.9 Scalar Chain:

This is a chain of superiors present in an organization from the highest (i.e. top level management) to the lowest rank. In communication and exercise of authority, the scalar chain principle should be observed.

However, Fayol advised that if a lower officer has something useful to communicate with the superior officer, the levels between the two can be avoided so that the information will not be late, or lost, or modified.

3.2.10 Order:

Fayol says there are two forms of order: material order and social order. The material order has to deal with organizational resources excluding human beings, while the social order deals with human beings. Fayol says that there should be a place for everything and everything for a place. This is the principle of organization in the arrangement of things and people.

3.2.11 Equity:

Fayol has the strong belief that loyalty and devotion should be got from employees of an organization. But this can only be possible when management in their behaviours combine kindness and justice when dealing with subordinates.

3.2.12 Stability of Tenure:

This means that employees should make their careers in the organizations that they first started to work. There should be no change of job from one organization to the other. In fact Fayol says that unnecessary changing of job's by moving from one organization to the next is reflective of bad management.

3.2.13 Initiative:

This means to exercise one's intelligence by thinking of a plan and executing the plan. Fayol is of the opinion that it is one of the keenest satisfactions for an intelligent person to experience and should not be limited to the managers alone. He further suggests the payment of bonus to any one that exercises initiative.

3.2.14 Espirite de corps:

This is the principle that says there is strength in unity. It emphasizes team work and team spirit and the importance of communication in obtaining it.

Fayol concluded that the principles are not exhaustive in any way but

had tried only to describe those he had the most occasion to use, and the principles are applied in the elements of management which are: planning, organizing, commanding, coordinating and controlling, these elements of management are performed not only in business organizations but also to political, religion, philanthropic, military and other undertakings.

4.0 Conclusion:

We have in this unit, discussed the remaining portion of Henry Fayol's contribution to management. We looked at the managerial qualities and training which he suggested. We also described the fourteen principles of management which he has handled down. He advised that these principles, together with the elements of management, can be applied and performed in both business and non business organizations.

5.0 Summary:

Having completed the work of Henry Fayol by looking at his general managerial qualities which he has recommended, as well as the fourteen principles of management he has prescribed, we shall be discussing other contributors to management theories. We shall be looking at the works of psychologists and sociologist. They have a place too in management.

6.0 References:

- 6.1 Koontz, Koontz, H. and O'Donnel, C. (1978): Management a System andContingency Analysis of Management Functions. McGraw — Hill International. Kogaknsha, Japan
- 6.2 Ebunu, F.C. (1998): Revision notes on Business Management. Federal Cooperative College, Ibadan.
- 7.0 Tutor marked question:
 - 7.1 List the fourteen principles of management by Henry Fayol. Explain any two of these principles.
 - 7.2 Give reasons why the qualities of a good manager are necessary in the practice of management.

Answers/Guides to the Exercises

These qualities that Fayol has recommended are ideas. No one manager has all of them. But as ideals, a manager uses them to measure his own qualities. Where he excels he should continue to maintain those positive

qualities while trying to improve on the ones he is not good at.

UNIT 12: Contributors to management theories, Hugo Munsterberg, Max Weber & Elton Mayo

1.0 Introduction:

We are still going to look at more contributors to management theories. These individuals are many; we are only picking some of them. The purpose of our present efforts and discussions is not just to recognize the effects of people who laboured to contribute ideas towards the making and formation of the body of knowledge called management but to bring upon your mind that the practice of management should be based on the concepts, techniques and principles developed by these individuals and groups. Without this knowledge and the practice of it, to manage becomes trial by error, guess work, or on luck or simply witch craft.

So far we have discussed Frederick Taylor and Henry Fayol and their contributions to management. While Taylor is seen as the father of scientific management due to his scientific approach to management issues, Fayol developed very clear practical approach to management as a process. That is why he is seen as the father of operational management.

In this unit, we shall be looking at the contributions of an industrial

psychologist called, Hugo Munsterberg and two other individuals from the human relations school of thought, namely, Max Weber and Elton Mayo. Their contributions have added much to the study and practice of management. We must remind ourselves that various groups or schools of thought have contributed to the body of knowledge which we are now calling management. Also that these schools of thought are usually brought together when practicing management. You have to draw from their contribution depending on the issue that commands your attention. That is why the school of thought or the operations approach makes this point clear.

2.0 Objectives:

By the end of this unit, you should be able to:

- Explain the contributions of Hugo Munsterberg to management development.
- Explain the contributions of Max Weber to management development.
- Describe the work of Elton Mayo and his associates to management development.

3.0 Main Content

3.1 Hugo Musterberg:

3.1.1 His background:

He was trained as a psychologist and a medical doctor. He spent most of his career at Harvard University where he entered at the age of 29 in 1892. He later turned his interest to the application of psychology to industry. He was of the opinion that management should not only be concerned with the application of scientific principles and methods which Taylor and his followers were emphasizing but also the concern of the behaviours of workers in the industry and how these behaviours should be channeled toward accomplishing the objectives of the organization.

3.1.2 His contributions:

Hugo found out that workers can only do their best if before work is ever given to them, their mental qualities must be first determined. It is only when this is done that the appropriate duties could be drawn up that fit their mental qualities. Somebody with unsound mind should not be entrusted with sensitive jobs. Similarly, an individual who is not

prepared to do a job even when he has a sound mind should not be fired or cajoled to do a job. Preparedness to do a job involves not only education and training but the willingness, enthusiasm and commitment to get the job done. The positive will to accomplish something good and useful; the desire to excel should be there otherwise the work itself become boring, uninspiring and unchallenging.

Munsterberg also advised that management should find out the type of psychological conditions that should be present before the greatest and the most satisfying work can be obtained from workers. Psychology is simply the behaviour of a person and his mental process. What are the type and quality of thoughts going on in his mind and how does he show it through his interactions with others especially in work situations. Munsterberg was of the firm conviction that the duties themselves and the environment in which such duties are performed should be such as to bring positive thoughts and feelings from the workers. And it is the responsibility of management to ensure this. Work load, arrangement of work, the type of supervision, the quality of remuneration, incentives, bonuses and so on should be such as to motivate the workers and bring out the best from them.

Mutuality of Interest:

Arising from the psychological conditions that should exist for maximum performance. Munsterberg singled out one important factor, that is. the relationship existing between the manager and the worker. He recommended that in order to have warm and friendly relationship, management should do for the workers the following reducing their hours of work so that they will find sufficient time to rest before resuming work on the next day; increase the wages of workers. This is important so that workers can be able to take care of not only themselves but also their dependants; raise the level of life of workers, emphasizing the quality of medical attention being given, industrial safety, recreational facilities, among others.

Exercise 12.1

Think of the Nigerian environment carefully. Do you see any relevance of Munsterberg's recommendations to the Nigerian workers? Give some reasons.

3.2 Max Weber:

Max Weber, a sociologist, that is somebody that studied sociology, contributed to the sociological approach to management.

3.2.1 His Contributions:

The approach that Weber used was to carry out analysis of the church, government, the military and business organization. He found out that in designing these organizations there are some definite principles which should be applied.

- **Principles of hierarchy:**

This is the level of positions in organization which Fayol referred to as scalar chain of command. All levels can never be equal. Some should be higher than the other. The Board of Directors, for example, should occupy the highest level, followed by the position of the Managing Director. Next to the Managing Director should be the functional managers such as the: Production Manager, Marketing Manager/Accounting. Each of these managers too have their subordinates whose positions are equally arranged in descending order of importance. We discussed all these and more when we were treating the management function of organizing in our first course.

- **Principles of authority:**

To exercise authority in an organization is to exercise influence, to guide and to lead. This is what every manager should do. A manager exercises authority because he wants to influence, guide and lead those reporting to him in order that the objectives can be accomplished. Without authority a manager cannot take action. But the type of authority being exercised depends on the level the manager finds himself At the top level, the manager occupying that position exercises more authority than the function managers while the functional managers have more authority than the supervisors and so on. Each position, therefore, is a position of authority and the degree of authority is at the same level with the position in the organization. All these, Weber emphasized, must be clearly indicated in the structure of the organization.

- **Principle of bureaucracy:**

Bureaucracy, from the point of view of Weber means clear rules, definition of tasks and the maintenance of discipline. A manager wants to influence a subordinate to do something by laying down a rule something must be done by the subordinate. For this to happen, there are two necessary conditions:

- (a) The subordinate would have seen the manager as having the right to make the rules and regulations; and
- (b) The manager must have the means to enforce the rules and regulations.

Exercise 12.2

We have discussed Henry Fayol's principles of management in our earlier unit (unit 11). Write the principles of Max Weber and match them with relevant principles of Fayol. You will not fail to be impressed with the remarkable degree of similarity.

3.3 Elton Mayo:

Elton Mayo and his friends took a research work which is popularly called Hawthorne studies. The studies were done at Western Electric Company in U.S.A. between 1927 and 1932. But before this period, from 1924-1927, the National Research Council made a research in co-operation with the Western Electric Company. The essence of the research was to find out the effect of illumination (light) and other conditions on workers and productivity. That if the intensity of light is increased, what will be the effect on the workers and their volume of production. Similarly, if the intensity of light is lowered, what will be the corresponding effect on the workers and their level of productivity?

- The finding:
The National Research Council found out when illumination was either increased or decreased for a group, productivity improved. This means that illumination whether of high intensity or low intensity still made the group to increase productivity. The researchers were about to declare to the whole exercise a failure when Elton Mayo thought about it and saw in it something that was unusual. He continued together with his friends the experiment.
- They found out that improvement in productivity was due to social factors. These factors are: morale, satisfactory relationships between members of a group, that is, the feeling of sense of belonging arising from working together and companionship, effective management that understood human behaviour and the need for motivation, counseling, leading and communicating.
- From the above, the Hawthorne studies had shown that man is a social being and business operations are not just a matter of having machines and methods but also linking this up with the solid system. There is the need for greater and deeper understanding of the social and behavioural aspects of management.

Exercise 12.3

Again, look at the various approaches to management or the schools of thought of management that we have discussed. Among these schools, where do we put the work of Mayo and his friends relevant to the practice of management in Nigeria? Give reasons for your answer.

4.0 Conclusion:

We have considered contributions to management theories from three sources in this unit: we discussed the work of Munsterberg, the industrial psychologist who suggested the need to determine the mental quality of an individual or group before giving him work to do, the condition under which work can be satisfactorily carried out and how a business can influence workers. We then moved ahead to discuss Max Weber and his principles of hierarchy, power and bureaucracy. Finally we touched on Elton Mayo and his associates in respect of their Hawthorne studies which emphasized the need for effective social system on the foundation of good motivation, counseling, leading and communicating.

5.0 Summary

So far we have discussed some important contributors to management. These include: Frederick Taylor, Henry Fayol, Hugo Munsterberg, Max Weber and Elton Mayo. We are going to suspend our discussion on further contributors for the time being. We shall take again the discussion sometime in the future along with other interesting issues when we shall be treating management. We are revisiting delegation of authority in our next unit, there are some features of it which at the present stage of our work, we have to treat them.

6.0 References:

Weihrich, H. and Koontz, H. (1994): Management a Global Perspective. 10th Edition. McGraw Hill International, U.S.A.

7.0 Tutor marked question:

Give reasons why the findings of Elton Mayo and his associates are important to management practice in Nigeria.

Answers/Guides to the Exercises.

12.1

Munsterberg principles are relevant to the practice of management in several ways:

- Some organization particularly government ministries give jobs, something very sensitive assignments to individuals without taking into consideration their mental readiness. Tribes, connection and so on are the major factors commonly used.
- Beyond the mental quality, other psychological factors such as the quality of thoughts which be either positive or negative of an individual or group are ignored. Attitude is normally directed toward oneself, the job and the others in the organization. Somebody having positive attitude directs the same force to himself, the job and others and the quality of work is always better than the one with negative thoughts all the time. This factor is seldom used when allocating jobs in many organizations.
- Also the relationship between the manager and subordinates is supposed to be less formal, less master — servant relationship. Motivating the subordinates ought to be more emphasized: promotions regularly, challenges, good salaries which can be tied to productivity, participation in decision making and so on.
- Answers/guides to the exercises contd.

Max Weber's Principles	Correspondence with Fayol's principles
1. Principle of authority	1. Authority & responsibility. 2. Centralization 3. Unity of command
2. Principle of hierarchy	Scalar chain
3. Principle of bureaucracy	1. Division of work 2. Unity of command 3. Unity of direction 4. Order

12.3

- (a) Elton Mayo's work can be put in order: The group behaviour school.
- (b) Mayo's work has relevance:
- Individuals of identical interest in terms of education, training, experience should be put together
 - Employees should be adequately motivated.
 - A system of communication should be ensured without barriers.
 - The relationship between supervisor and subordinates should be warm, nominal and cordial.
 - There is the need for counselling from management to workers on best attitudes to work, levels of interactions and other areas.

UNIT 13: Delegation of authority I.

1.0 Introduction:

You may recall when we were discussing the management function of organizing, we discussed delegation of authority. There are some aspects of this principle of management which will command our attention this time around, while reemphasizing some of the features of it for the purpose of linkage and continuity. We suspended our discussions on the contributors to the development of management theories. We will look at the works of these individuals in a future course; this will enable us to have more time to look further at those principles which we will be using almost on daily basis while in the process of managing an organization. One of such principles is the delegation of authority.

The principle of delegation of authority is important because without it, I do not see how an organization can exist. A form of business does exist without delegation. But that is a one-man business. The owner is the managing director, board of directors and the operating executives. He is all in all and the success or failure rests upon him, of course the rate at which such business collapses is high; as it is easy to go into it so also it is easy to crash out of it. But the moment an assistant is employed and some measure of duties assigned to him, delegation is taking place because you cannot give somebody responsibility without the corresponding authority. Can you still remember this as a principle of

management by Henry Fayol? Which other contributor of management theories emphasized on authority in an organization? You can see the importance of delegation of authority in management.

2.0 Objectives:

By the end of this unit, you should be able to:

- Explain the nature of delegation of authority
- List the principles of delegation of authority
- Describe the principles of delegation of authority

3.0 Main Content

3.1 Nature of delegation of authority:

In general, delegation of authority is used to mean the granting of rights and approval to others to act within a limited area. The granting of the right is usually from a superior source to a lower person or group of persons. The authority will enable that person or individual to accomplish the tasks assigned for there can be no authority without responsibility. The principle of delegation also demand that the superior source still retains the final authority because he cannot delegate every authority that he possesses. If he delegates all the authority that he has, then he is no longer a member of the organization. While the Board of Directors delegates authority and responsibility to the Managing Director, the latter only functions within limited areas. He is still answerable to the Board of Directors who can fire him if he is found wanting in the performance of his duties. In the same vein the functional managers, that is, the heads of the departments of marketing, personnel, finance and production receive an authority from the managing director to enable them function within their respective departments. They are still answerable to the managing director, who still retains his original authority over the functional managers and the rest organizational members. All what we are explaining also means that you cannot delegate the authority you do not possess in the first instance? It is out of this authority that you give out a part of it to your subordinates while retaining the rest.

3.1.1 Delegation of authority as a process:

The delegation of authority is therefore a process, And the entire process of delegation starts with the determination of expected results from the subordinate, the assignment of tasks in the light of the power that has been granted to the subordinates and the demand for responsibility for the accomplishment of the tasks,

The process of delegation in practice cannot be split, This is because a person cannot accomplish a goal without authority to achieve it, it is meaningless. Also the delegation of authority without knowing for what end result is to invite confusion. Moreover, since responsibility cannot be delegated, as delegate has no practical alternative but to demand responsibility from subordinates for completing the task,

Exercise 13.1

You are to go back again to one of your familiar organizations, which you **have** been visiting. Find out the number of departments existing in the organization. **Also** find out how the authority granted to each of the heads of departments **is being used** to accomplish the activities of each department. You may write down what these activities are:

3.2 Principles of delegation:

Delegation of authority is not done in a rough manner; it is guided **by recognized** principles which the manager uses in the process. Violation of **these principles in** any form will create problems of confusion and uncertainty. To avoid **these, it is** well we look into each of these principles.

3.2.1 Functional definition principle:

When we were discussing organizing as a management function, we started by saying that the first step is the proper identification of the objectives of the organization which is then followed **by working out** the activities necessary for the attainment of the objectives and the assignment of these activities to individuals and groups with the necessary authority. As a result, to develop departmentation, activities must be grouped to facilitate the accomplishment of objectives, The manager of each department must have authority to co-ordinate its activities with the whole organization because an organization, you may remember, work as a system. The functional departments therefore stresses the point that the more a position or department has clear explanations regard its activities, the results it has to deliver, the necessary authority provided and the relationship with other positions or departments well understood, the more likely that the individual or individuals occupying such position or department can contribute to the attainment of goals the importance of patience, intelligence, and clarity of plans and objectives.

3.2.2 Expected result principle:

This simply means that the assignment must first of all be well

explained and the subordinate must well understand what he must do to get result. Thereafter, the necessary authority is granted in the light of the expected result. That is to say, grant authority to make possible the accomplishment of assignments.

3.2.3 Scalar principle:

This principle refers to the chain of direct authority relationships from superior to subordinate throughout the organization. This means that it starts from the board of directors to the managing director and then to the functional managers, their subordinates and so on. The more clear the line of authority from the top manager in an organization to every subordinate position the more effective will be decision making and communication within the organization. This is possible because subordinates know who will delegate authority to them. They also know whom to refer matters that are above their authority.

3.2.4 Authority level principle:

This principle states that managers at each level should make whatever decisions they can. But such decisions must be based on the delegated authority. They should never take decisions that are above their authority. If a manager is authorized to spend 4500, 000.00 in a month, and there are expenses that will run up to 41, 000,000 which is two times the amount he has the authority to spend, clearly the issue is above him. He must refer it to his superior.

3.2.5 Unity of command principle:

The principle says that the more a subordinate reports completely to a single superior, the less the problem of conflict in instructions. If employees in the marketing department are only answerable to the marketing manager and not to receive instructions on marketing activities from finance manager or production manager or any other manager, then there will be minimum conflict in terms of who gives instructions and who obeys them. Also there will be greater feeling of personal responsibility for results. Each manager knows that since he is the only one giving instructions concerning the work in his department he should be the one too to be held responsible. No back passing.

Exercise 13.2

Think of an organization, may be an imaginary one, where the authority level principle as well as the unity of command principle are not put into

practice, what will be the outcome in job performance and decision making in such organization? Among those that contributed to management theories that we have discussed, mention the names of two individuals that have also emphasized these principles. And finally, what schools of management thought do they belong?

3.2.6 Principle of parity of authority and responsibility:

Let us again emphasize that authority is the right to carry out assignments, while responsibility is the obligation that the task must be done. What follows logically from here is that the authority should corresponded or be at par with the responsibility.

If this is the case, responsibility for action cannot be greater than that implied by the authority delegated nor should it be less. This point is important because sometimes, some managers often try to hold subordinates responsible for duties for which they do not have the requisite authority to perform. This is unfair, again, sufficient authority is delegated but the superior officer (or the delegate) is not held responsible for its proper use. This is a reflection of poor managerial control and direction. The superior officer must still check and control the subordinate. This is, delegating all his authority to the subordinate. There is again another aspect of parity of authority and responsibility principle. It points out that managers are sometimes said to be given authority to do that for which they cannot be held responsible. A ready made example is the case of the sales manager who has been given authority to sell but he cannot be held responsible for making people to buy. But I am of the opinion that the sales manager still has the authority to make use of organizational material and human resources to obtain sales, wherever possible. And the responsibility does exist.

4.0 Conclusion:

We have re-examined the principle of delegation, we explained its nature. Every manager or indeed every position in the organization must have some measure of authority delegated to it. And the superior officer carrying out the delegation should not delegate all his authority. He must still retain a portion to check and control the efforts of the subordinate. If course, the superior officer cannot delegate the power/authority that he does not possess. Again, while carrying out delegation, the necessary and sufficient principles must be applied. This is necessary so as to get the best and desired result.

5.0 Summary:

We have discussed again the principle of delegation of authority. We

can hardly emphasize this principle because in it lies the existence of formal organization. We have looked at the nature of delegation of authority as well as the principles behind the delegation of authority. There are still some areas which we will take up again in our next unit. And those areas concern the degree of delegation in an organization and the problems of delegation

6.0 References:

Wehrich, H. and Koontz, H. (1994): Management a Global Perspective. 10th Edition. McGraw Hill International, U.S.A.

7.0 Tutor marked question:

Explain the nature of delegation. Also list the principles of delegation.

Answers/Guides to the Exercises:

13.1

- You are to carry out this assignment with the objective that authority must be accompanied with responsibility and vice-versa. See how the duties being performed in each department is facilitated by the delegated authority.

13.2

The outcome will be:

- There will be confusion as subordinates keep getting directives from different managers.
- Subordinates may not know whom to report to for job assignment and clarification of work.
- There will be barriers in communication which may result in taking wrong decisions.
- There will be wastages arising from improper decisions.
- The organization may make loss at the end of the financial year.

These individuals are Henry Fayol and Max Weber.

Henry Fayol belongs to both scientific management and operational management schools of thought. In the case of Max Weber, he belongs to the group behaviour school of thought.

UNIT 14: Delegation of Authority II.

1.0 Introduction:

We have seen the nature of delegation of authority in our previous unit. It has to come from a superior source to a subordinate to enable him take decision over a prescribed area. And the superior source cannot delegate an authority which he does not possess neither can he delegate authority in totality because this will mean that he is no longer a member of the organization. We also saw that delegation of authority has principles concerning its applications and it is in the process of delegation that the structure of an organization which consists of a network of roles comes into existence.

We are going to take other important points concerning delegation of authority so that our understanding of it can be more thorough. This is important because just as we noted in our last unit, improper application of the principle of delegation will create problems of confusion, uncertainty among others, all of which will not be to the interest of the organization.

In this unit we are going to look at the factors that govern the degree of delegation in an organization. Thereafter we shall look at the problems that are associated with delegation and how the problems can be resolved.

2.0 Objectives:

By the end of this unit, you should be able to:

- List the factors that determine the level or delegation of authority.
- Explain the factors as listed.
- Describe the problems of delegation of authority.
- Give solutions to the identified problems.

3.0 Main Content

3.1 Factors determining the degree of delegation of authority:

Most failures in effective delegation occur not because managers do not understand the principle but because of the unwillingness and not being able to apply it. And they like to make all the decisions. Some managers, however, will like to delegate authority. Let me point out that even those managers who want to make all decisions, eventually, will find out circumstance to delegate. Again, the mood of the manager may affect the extent to which he can delegate, there are other factors, some of which are entirely outside the control of the manager. We shall be considering these factors one after the other.

3.1.1 Costliness of the decision:

The consideration of cost is a factor that affects the extent of delegation in an organization. If the decision, as a general rule, is going to be more costly, that decision has to be taken by a superior officer/source. No organization will like to lose money. We have emphasized this point before. The more costly a decision or activity, the lesser will be the surplus or profit. This is because surplus and cost travel in opposite directions. Let us also emphasize again that cost may not be recorded alone in Naira and kobo. There are still other ways of recording cost which are sometimes referred to as intangible costs. They include: reputation, competitive position of an organization in the market, employees morale among others.

Exercise 14.1

We have described business structure in our first course. You are going to rely on your knowledge of business structure. Write out those decisions you feel that the first layer of a business organization, which is that of the Board of Directors, can take which the other layers cannot take.

3.1.2 Uniformity of policy:

Another factor that favours the extent to which delegation is carried out in an organization is to create uniformity of policy. We have stressed

previously that policy provides a guide to action by indicating what is to be done and the manner and ways in which it can be done. Those managers that value consistency and will not like deviation will follow centralization of authority, their argument being that when policy is standardized, that is, not subject to variation or change by junior managers, there are internal advantages which may include the following: standard accounting format for the entire organization as well as the department, statistics, the financial records including the final accounts. All these and more will make it possible to have proper analysis of the information being conveyed. Through such process it will be easier to compare the performance of one department against the other department since all the departments are using the same format and principles. Common bases will have been provided. Corrections can quickly be affected in areas where definitions have been noticed. This may not be easily possible in the absence of uniformity of policy.

3.1.3 Economic size:

The size of the organization is another critical factor to consider in the process of delegation. Organization that are large and have their activities spread all over the country will require that more decisions are made. And the more decisions are made, the more the places where such decisions will be taken. Such decisions will include products/services that will be produced to suit local markets, competitive practices necessary to withstand competitions in the local areas, the employment of local inhabitants, ecological problems such as pollution, erosion, desert encroachment and so on and the possible ways of solving them.

Exercise 14.2

Take a look at the industrial scene in Nigeria including commerce. Write four manufacturing organizations and four service organizations that have their activities spread all over Nigeria.

3.1.4 History of the Organization:

The issue of whether authority should be delegated depends too on the way that the business started and the progress that it has made over the years. And there are different histories that businesses have. For example, there are some business organizations that started as a one-man business. That is, it was one person that thought of the idea to form a business. He saved money for it or borrow it or he could have got the money from friends, relations, spouse and so on. With the capital, he launched the business. The decision is entirely made by him alone. Of course, the success and failure accompanying the business rests squarely on his shoulders. By dint of hard work, luck and other factors, the business grew in size to such an extent that it now becomes a public

limited company (PLC). Such an organization due to its history tends to have centralized authority that has been a part of its culture which have been formed over the years. To change it is difficult just as to change the culture of a people poses difficulty. On the other hand, there are some organizations that did not start as a one man business. They took off through the coming together of two different organizations becoming one. Such an organization, at least, at first, will tend to retain their decentralized nature.

Exercise 14.3

Again ask from friends, acquaintances or registrars of companies or from banks. Give the names of two organizations that started as one man business but now have branches **all** over Nigeria. Also give the names of two other companies that are now existing but each of these companies was formed by the coming together of other companies.

3.1.5 Management attitude:

One character of top executives and their attitudes also have an important influence on the extent to which authority is decentralized. Sometimes, some managers are despotic, that is, they do not tolerate or brook any interferences on their authority and the information which they guard and hoard jealously. Apart from the desire to always keep the authority with them for status and power, they simply cannot give up activities and authorities they have enjoyed before they reached the top or before the business expanded.

Another angle to management character and attitude is that some managers find decentralization as a means to make big business work. They therefore regard decentralization as a way of expressing the inner feeling and desire of people to create, to be free and to have status.

3.1.6 Desire for independence:

It is a characteristic of people and individuals to desire a degree of freedom. They want to avoid being frustrated by delays in getting decisions because somebody over there must give approval or because of long line of communication in reaching a higher officer at the top or simply by back passing. To avoid all these, they desire an independence.

3.1.7 Availability of managers:

If managers of sufficient qualification and quality are not available to take the right decisions down the organization line, will limit the extent of decentralization will be limited. But when the right managers are available, their presence will encourage superior officers to spread authority down the organization line for decision making.

3.2 Problems of delegation of authority:

We have just discussed the extent to which there can be delegation in an organization. But there are also problems of delegation of authority. The prominent ones are:

3.2.1 The urge to perform all activities:

Some managers have the urge to perform all activities. They would not like to give training to their subordinates. They feel training for the junior ones is not necessary. But their hidden fear is that training will prepare their subordinates for higher responsibilities which they are not prepared to give them.

3.2.3 Delegation is again restricted by:

The unwillingness of some managers to accept risks. The fear being that subordinates may make a wrong decision and that will go against the interest of the organization.

3.2.4 There is also the argument in some quarters that some managers fail to delegate because of the fear that subordinates may take better decision than them.

3.2.5 Some subordinates on their part are reluctant to take higher responsibilities because of fear of failure, confusion, loss of prestige and power, feeling of inadequacy and other negative sentiments.

3.3 Solution:

The above identification problems can be solved or at least reduced through sensible applications of the principles of delegation which we have earlier discussed in 3.2.1 to 3.2.6 of unit 13 they include: functional definition principle expected result principle, scalar principle and authority level principle. Others are unity of command as well as party of authority and responsibility principles.

4.0 Conclusion:

In this unit we have been able to look at some other aspects of delegation of authority. We examined the factors that determined the degree of delegation, the problems can be resolved. This is where the principles of delegation which we studied in unit 13 are important. They a long way in setting problems of delegation in an organization.

5.0 Summary:

This unit completes our discussion on delegation of authority, which we started in the last unit. We have discussed the degree to which delegation of authority can be possible in an organization. We also treated problems of delegation and how they can be solved. In our next unit, we shall be looking at the concept of power, influence and authority in organization.

6.0 References:

Koontz, H. and O'Donnell, H. (1976): Management a System and Contingency Analysis of Managerial Functions. 6th Edition. McGraw Hills International Kagasinsha, Japan.

7.0 Tutor-marked questions:

List four intangible costs that limit delegation of authority.
Explain two problems and their solutions of delegation of authority.

Answers/Guides to the Exercise:

The areas of decision making include:

- Appointment of the Managing Director
- Dismissal of the Managing Director if found wanting.
- Deciding on the organizational policy
- Deciding on organizational objectives.
- Declaring divided, though subject to the annual general meeting.
- Deciding on the financing of the organization
- Deciding on projects to execute etc.

14.2

- (a) These are: Nigerian Bottling Company Plc.
- (b) Nigeria Breweries Plc.
- (c) UAC of Nigeria Plc.
- (d) Levers (Brothers) Nigeria Plc.

Service Organisation:

- (a) Nigeria Insurance Deposit Cooperation (NIDC)
- (b) First Bank of Nigeria Plc.
- (c) Union Bank of Nigeria Plc.
- (d) United Bank for Africa Plc.

UNIT 15: Authority I: Nature of Authority and Types of Power

1.0 Introduction:

We are gradually moving to the last phase of the units of this course starting with this very unit. And the knowledge you have gathered so far will enable you to practice management successfully. We have always stressed the fact that in management, getting the knowledge just for mere acquisition is not enough. We have deliberately sought to put the knowledge we have acquired into practice; the principles must be tested through the practice of management and you will be rewarded for doing that.

One area that will take at least two units to discuss and which we are starting now is authority. Schools of management thought have stressed the importance of authority in management and prominent contributors to management as a body of knowledge, have emphasized and re-emphasized the relevance of authority to the practice of management. Fayol took it as a principle which must be complemented with the commensurate responsibility. Max Weber stressed it as central to the activities and operations of some establishments such as the military and the church to mention but two.

We shall be brief at the nature of authority and the underlying force behind authority which is power. Consequently, we will look at the various types of power available to a manager and the ways he uses them to get things done.

2.0 Objectives:

By the end of this unit, you should be able to:

- Explain the terms power, influence and authority.

- Show the linkage between power, influence and authority.
- Describe the various sources of power available to a manager.

3.0 Main Content.

3.1 Explanation on power, influence and authority:

All interactions in an organization that the various ways managers lead their subordinates and how subordinates respond to them, the ways managers relate to themselves and their superiors as well as the manner employees generally relate to one another cannot be possible without power, influence and authority. They make up the very fine texture of organization and all interactions.

3.1.1 Power:

Power is the ability to affect the behaviour and attitudes of others. The desire of an individual to change his behaviour and attitudes through the suggestions and promptings of another person. One way that this can be possible is through the possession and control of valued and scarce resources.

3.1.2 Influence:

This is the conscious and unconscious exercise of power that you carry out and you know what you are doing; power can too be used without being aware that you are affecting another person either positively or negatively. It is also a form of influence.

3.1.3 Authority:

Authority is the power resulting from one's position within the organization. To exercise authority, power and influence are involved. And the type of power is the one that is backed by the organization. The organization has created a position with definite role. Such role must be performed and authority enables you to perform that role, that is, you are responsible for the performance of that role and nobody else. Remember, we have always been saying that authority and responsibility must always

- go hand in hand. We emphasized it as a principle of Henry Fayol, Max Weber also highlighted it as one element to consider in designing an organization and we were treating delegation we also stressed it among other areas where the principle has been stressed.

The key element running through these concepts is power. To

understand organizations you must understand the nature of power and influence as well because they provide the means by which the people in the organization are linked together and from here they are joined to the purpose or mission statement of the organization. This means they are led and directed by the management toward the realization of the objectives which are derived from the mission statement.

Exercise 15.1

Take any department of your choice in an organization and show:

- How the head of the department exercises power to get things done.

There are different forms of power available to a manager. The manager is expected to use any of these powers or a combination of them in his attempt to link the subordinates to the mission statement. And we are going to look at these sources of power.

3.2 Types of Power:

They are of various sources and can be used either on single basis or as a combination of them. It also depends on the power and what the manager himself wants to achieve.

3.2.1 Physical power:

This is the power of superior force. The bully or the big man who pushes people around has it. The tyrant or the army commander has it. And the provisions of the law can only be complied with through enforcement. The power to enforce the provision of the law eventually will lead to the use of physical power as well. But we must point out that in order to be effective as a basis of influence, physical power is not to be used at every instance. It's very existence, or the belief that it does exist is enough. Again, physical power is less respectable than all other sources of power. Consequently, it is the power of last resort when the other sources of power appear ineffective.

Exercises 15.2

We have pointed out in our first course which is: introduction to management, while considering the reasons for studying management, that the behaviour of man is unpredictable. No one knows what is going on in the mind of an average person since it works as a black box. As a result, the manager has to resort to physical power as a last resort to make employees comply with his directives. Reflect on this, and write down the examples of the exercise of physical power while managing.

3.2.2 Resource power:

Possession of valued resource provides a useful basis for influencing others. But for resource power to be effective there are necessary conditions, which are:

- The manager must have control of the resources and those whom he wants to influence must see him as controlling the resources. If this is not the case, the power base is weakened.
- Those resources must be valued and desired by the potential recipient(s). If the manager can control the resource but the subordinates do not value the resources, again the power base is threatened as it is of little effect. As a result, the two conditions must be sufficiently met. Let us quickly point out one fact before going to another power source, and that is, resource do not have to be material resources alone. They can also be in forms of grants or status, key to executive room, admission to a select group and so on.

3.2.3 Position power:

This type of power is also called legal or legitimate power. It is the power that comes as a result of the role or the position in the organization. The occupancy of a role entitles one to all the rights of that role in that organization. The manager has the right to order his subordinate to get things done. The inspector or superior has the right to inspect the works of other workers under him and so on. The position power can also be called authority since it resides in the position created by the organization within the organization. It is not in the individual because once the individual leaves the position; the authority disappears from him as well.

Another point we have to consider concerning this source of power is that the value of position power as a source of power depends on the importance placed on it by the guarantor of the position. And the guarantor of a position is the one who created and is maintaining the position because of the role the position is playing. The guarantor, consequently, is the top level manager. If a position is playing less role not much importance will be attached to it. That is why the position power has to be underwritten by either physical power or resource power. If the occupant of a particular position either does not receive the backing from the organization or the organization is not seen as controlling any desired resources or physical power, then the occupant attempts to influence others will fail because his power source is not valid. Note that the occupant himself does not need to have the resource power, but the organization that put him there must have it. And when the organization withdraws the resource from the occupant, the position power becomes minimal or not legitimate or both. Position power gives to the occupant potential control over some invincible assets such as

information, the right to organize work, the flow of communication, the right to take decision and so on.

3.2.4 Expert power:

This is the power put on someone because he is known for his expertise. In an organization or community, where people value merit, they do not get offended when they are influenced by those whom they regard as experts. Further, expert power does not require the consent of others whom you want to influence. For example, the computer specialist, if seen as an expert will find his suggestions easily implemented without arguments. Only if his expertise is questioned will he fall back on other sources of power to implement his wishes. Again, expert power is compared to others' expertise that is why, anyone else around who knows more than anyone else around. The expert will lose all his power to another arrival, if that one has even a small degree of further expertise.

3.2.5 Personal power:

This is sometimes called charismatic power. The power resides in the individual. Its affect can be more when supported by position power and/or by expert power. For example, the president of a country loses some of his charisma when he leaves office and the sports star fades when he is dropped from the team. Charisma is fanned by success and self confidence and can evaporate in defeat. Further, personal power only comes from those who are exposed to it. The charisma of film star comes from those who watch films, the football star from football fans, the wrestler from those interested in wrestling and so on. Let us emphasize another point. All the powers we have discussed can be used rightly or wrongly. If used in the agreed manner in the agreed place the power is said to have been used legitimately, that is rightly used. But if used against accepted practice or used outside the place it is supposed to be used, it is seen to be disruptive, illegitimate or wrongly used. It is the negative use of power which has to be avoided. It stops positive things from happening, to delay their happening or even disturb them. Negative power operates during periods of low morale, imitation, stress or frustration at the failure of other sources of power to influence.

4.0 Conclusion:

In this unit, we have looked at the terms power, influence and authority. The element that runs through these three ideas is power which the manager uses to direct and lead the members of the organization toward the attainment of organizational goals and objectives. We also saw that there are different forms of power, position power, expert power and

personal power. The manager uses these or a combination of them to get result.

5.0 Summary:

We have discussed the linkage existing among power, influence and authority and how they can be directed towards the attainment of organizational goals and objectives. We also saw that power is of various types and the manager should be intelligent enough to know which ones or the combination of the ones that will enable him to attain the objectives of the organization. This leads us to the next unit where one will be discussing methods of influence and the application of influence in the practice of management.

6.0 References:

Handy, C. B. (1980): Understanding Organizations. Pengum Books Ltd, Middle-sere, England.

Ebunu, F. C. (1998): Revision Notes on Business Management, Federal Cooperative College, Ibadan.

7.0 Tutor marked questions

- a. List the sources of power available to a manager.
- b. Show specific ways the manager can use resource power to influence subordinates behaviour.

Answer/Guides to Exercise.

15.1

The various ways the manager can use power are:

- Giving the subordinates the necessary directives that will make them work.
- Setting grievances.
- Inspecting the work of subordinates.
- Suggesting areas that need improvement
- Recommending deserving subordinates for training and for promotion.
- Authorizing subordinates to make use of organization's resource.
- Coaching subjects for better performance
- Reprimanding subordinates that are not performing

15.2

The examples are:

- Bullying/shouting at the subordinate(s)
- Physically assaulting the subordinate e.g. an officer enforcing soldiers to fight in the battlefield.

- Giving queries.
- Not recommending the subordinates for training or promotion.
- Shutting the door to the office against the subordinate.
- Not allowing subordinates to make use of organization's resources and so on.
-

UNIT 16: Authority Methods of Influence and Application

1.0 Introduction:

We are going to consider the second part of our discussion in authority, which we started in the last unit. We looked at the concept of power, influence and authority and we were of the opinion that the common thread running through them is power. We also said that the manager could use the three concepts to direct and lead his subordinates to organizational purpose and objectives. Thereafter, we looked at the various sources of power available to managers, which are physical power, resource power, position power, expert power and personal power. The manager can use any of these powers or a combination of them to get result.

The second part of our discussion has to deal on methods of influence is an organization through the various sources of power available to the manager. We shall also look at the various ways subordinates respond to influence as well as how managers respond too to the influence mechanism. Finally, we will attempt to discuss the various applications of influence in the practice of management.

2.0 Objectives:

By the end of this unit, you should be able to:

- Mention the methods of influence in an organization.
- Explain the influence strategies in an organization.
- Show how subordinates respond to influence strategies.
- Explain the various ways of applying influence mechanisms in organization.

3.0 Main Content

3.1 Methods of influence:

There are methods of influence which the managers can use in the practice of management. To use any of these methods or a combination of them depends on the situation, the type of task that must be performed, the position of the manager in the group that is whether he is well liked or not. These methods are:

3.1.1 Force:

This is the crudest of the methods. It is derived from the physical power or occasionally the resource power. Physical bullying, hold ups, armed raids are examples. There are whole systems such as concentration camps; prisons among others are based on force as a method of influence. Other forms of force include: the supervisor who threatens physical force, the boss who loses his temper, the strike leader or trade union leader who hints of violence during protests, among others, are all relying on force. We must stress the point again that the longer term effect of force is sufficiently damaging to make it a tactic of last resort.

3.1.2 Rules and procedures:

A vast amount of influence in the society and organizations is done through rules and procedures. A manager wants to influence a subordinate to do something by laying down a rule that something must be done by the subordinate. But for this to happen there are two conditions:

- It must be seen in the manager that he has the right to make the rules and procedure; and
- The manager must have the means and will to enforce them, through appropriate power base. Without these two conditions, the manager's attempt to influence his subordinates will fail. Rules and procedures are based largely on position power backed by resource power.

3.1.3 Exchange:

This is sometimes referred to as bargaining, negotiating, cajoling or bribing in some situations. For example, Mr. A agrees with **Mr. B** to give him something in return of a desired behaviour. Sweets to the child, tips to the gateman, promotion to the clerk are typical examples. Other examples are: inclusive in a group, approval, status symbols. Exchange methods can follow from any power source depending on what is offered. However, resource and position are the most frequent basis.

There is an important condition that makes this method to work and that is, that for A to offer something that B desires, and the payment has to be worth the effort that B has made.

Exchange methods are often self-canceling. Once the reward for certain desired behaviour has been paid, that transaction has been completed.

3.1.4 Persuasion:

This method relies on logic, the power of argument and the evidence of facts. It is the method that is preferred by most people and is usually the method of first result. In practice, however, it is complemented by other methods such as rules and procedures. And the foundation for this method of influence is built on other two sources of power which are expert and personal power.

3.1.5 Magnetism:

The invisible but felt pull of a stronger force, magnetism, is the application of personal power, that is, it depends largely on personal power with occasional support from expert power. It is the favourite method of salesman, political leader, faith leaders and so on. The foundation for magnetism is laid on trust and respect.

Exercise 16.1

Go through the methods of influence we have just discussed. For each person listed below write the methods he/she uses most often in the attempts to influence others: any commander, the teacher in a primary school, the provost of a tertiary institution, the pastor of a church, the supervisor in a factory, the personnel manager, the professor in a university, the banking officer and the prison warden.

3.2 Response to influence authority:

We have just discussed the methods of influence a manager uses to direct and lead the subordinates towards the accomplishment of enterprise objectives. The subordinates can always reject, ignore or rebel against the methods. But if a subordinate accepts any of the methods, then he has been influenced. He responds to influence in different psychological ways which are mainly: compliances; identification and internalization.

3.2.1 Compliance:

Here the recipient agrees to their influence attempt because it is worth his while to do so. Force, rules and procedures and some exchange methods will usually result in compliance. The implication of compliance is that the individual is doing what he is doing because he has to do it. And it is the initiator that is the manager that has

responsibility of ensuring that he does what he is doing.

3.2.2 Identification:

The recipient adopts the idea or proposal because he admires the initiator of the influence who is the manager. And once the strength of admiration starts going, the subordinate's degree of adoption of the idea starts going down as well. This means that the influence is not as effective as it ought to be.

3.2.3 Internalization:

Under internalization, the recipient now adopts the idea or proposal not only because he admires and respects the manager but because he has now come to a stage where he looks at the idea as his very own. That is, he internalizes the idea so that it becomes one of his possessions.

We are going to recognize one important fact. And that is the outcome of influence cannot be predicted without some understanding of what will be the response of the manager to the influence mechanisms. We have seen the likely responses of the subordinates. Let us now see how the manager will react to these responses so that he will predict the outcome of his actions while influencing the subordinates.

3.3 Management Reactions To Influence Mechanisms:

3.3.1 Compliance:

Since the manager has the necessary power source, he makes sure that his attempts to influence his subordinates are successful. Of course, it will be successful because his subordinate acknowledges the source of his power, but it will be accepted with grudges. The grudges arise because the act of acceptance is seen as a denial of his choice. He accepted to be influenced because he has no choice. He has to comply; the manager who uses his position to enforce his preference will be obeyed, but probably with reluctance.

3.3.2 Identification:

This is the most pleasurable to the person exerting influence. It is always nice to be identified with and to exert mechanism. We have to note however, that such mechanism has to be maintained, because it can easily disappear. Also, identification makes the subordinates to be dependent on the source of the mechanism, who is the manager. Under this situations, the source of the magnetism indispensable. The subordinates cannot act without him. This subordinate, he obeys and

does not initiate.

3.3.3 Internalization:

This is the firm of commitment most desired by the organization. It is the commitment that is self sustaining. It does not require the presence and magnetism of the manager. But it is the hardest to obtain and it also takes the longest time. It means that the subordinate adopts the idea to be influenced, to change attitude and adopts the new behaviour as his own. He has been completely influenced.

Exercise 16.2

You have seen the three major ways subordinates respond to influence mechanisms. You have also seen the ways managers react to these mechanisms. On your own part, taking yourself as a subordinate reporting to a manager how will you reach to his authority? Give reasons for your reactions. On the other hand, if you are a manager, which of the mechanisms will you prefer? Also give reasons.

3.4 Application of influence:

Influence (authority) has applications in several ways. The application, we must note, is not only in business organizations. The application can also be done in the military, ministries, non profit making organizations and so on. Influence can be applied in the following areas.

3.4.1 Socialization:

This is the process by which an organization seeks to make the employee more responsive to the type of influence (authority) of the organization. Socialization can take several forms:

- **Schooling:**

This involves formal instruction in the history and tradition, in the language and the technology, the existing practices and the structure of the organization often times, schooling is called induction/orientation programme or training.

- **Apprenticeship:**

Under this form of socialization, the individual is assigned to another individual or small group of individuals to learn their skills, the values and to acquire, if possible, their expertise. Craft industries, consultancy organizations are examples.

- **Co-option:**

Here individuals are made members of the inner groups in the

organization. Since the individuals desire to be members of the group they adapt their behaviours and attitudes to resemble those of the desired group.

- **Motivation:**

Under this method, the subordinate is harassed, deprived of his identity and forced into conformity by force. Those who get through will learn to feel close identity with the ways the organization does its things and will seek and enforce them. The military institution is a ready example.

Exercise 16.3

Re-read the ways (mechanism) the subordinate responds to authority. Also look at the various ways of socialization, that is, the ways the organization wants to make the employees to comply with influence. You are required to match each response of the employees with each way of socialization.

4.0 Conclusion:

We have examined various methods of influence in an organization. The principal ones are: force, rules and procedure, exchange, persuasion and magnetism. We also saw how the subordinates react to these influence mechanisms, which are: compliance identification and internalization. The manager also looks at these forms of responses as a guide to their exercise of authority.

5.0 Summary:

This unit completes our discussion on authority which we started in unit 15, we saw the various ways an organization uses to influence subordinates and how subordinates react to all these. We have seen too the application of influence in management. We shall be discussing our last topic for this course in our next unit and that will be on communication.

6.0 References:

Handly, C. B. (1976): Understanding Organizations. Pengum Books Ltd, Middlesex, England.

7.0 Tutor marked question:

Describe the various ways subordinates respond to influence mechanisms in an organization.

Answers/Guides to the Exercise

16.1

Army Commander: Force, magnetism, rules and procedure.

Teacher in primary school: Force, exchange, persuasion, rules and procedure. The Provost: Persuasion, exchange, rules and procedure.

The Pastor: Magnetism, persuasion.

Personnel Manager: Rules and procedure, exchange, persuasion. The Professor: Persuasion, rules and procedure.

Banking Officer: Rules, and procedure.

Prison Warden: Force, rules and procedure

16.2

The essence of this exercise is to test the ways you react to constituted authority. Be frank with yourself, after all, nobody is above board. We are all struggling to perfect our weaknesses. Write your feelings down and closely examine them. This will enable you to know whether to change or continue along the line.

16.3

Compliance goes with schooling and motivation.

Identification goes with apprenticeship and co-option.

For internalization to occur, the subordinates may have a hand in working out the norms, values and practices. This is the essence of participation in managing which we have discussed.

UNIT 17: Communication

1.0 INTRODUCTION

This is the last unit of this course. We have looked at various principles of management which when applied will make the practice of management fulfilling and rewarding. We can hardly emphasize the need to put into conscious practice, the principles and theories that we have learnt. There are still other areas we shall visit in future when we start our course on Management Theory. There will be some areas we may re-visit which we have discussed either in our present course or the previous one. Management functions, you may recall, work as a system. They are not airtight. One function linking and affecting the others.

Our present discussion is on communication and it is well we have it as the last one. This is because there is hardly anything we do that does not involve communication. All management principles, theories and practices can never be possible in the absence of communication. We shall be looking at the nature of communication, communication process, reasons for communication, types of communication and barriers to communication.

2.0 OBJECTIVES

By the end of this unit, you should be able to:

- Explain the nature of communication.
- Describe the communication process.
- Give reasons for communication
- Mention types of communication
- Identify barriers to communication
- Suggest ways of reducing communication barriers.

3.0 MAIN CONTENT

3.1 Nature of Communication

The management function of directing and leading is impossible without

communication between persons. The manager in his relationships with his subordinate shows his influence (authority) only by conveying ideas, feelings, and decisions to his followers. The subordinate in turn have to communicate with the leader or manager in order for him to be able to appreciate their responses to his actions as well as their personal feelings and problems.

3.1.1 Definition

Communication is the transfer of ideas, feelings, intentions, etc. from a source through channel(s) to the receiver. It includes face to face discussions, memos, telephone calls, reports, letters and any other form by which information is passed along or exchanged. We must realise that every organizational member is involved in communication process of receiving information, placing value on the information received and distribution of information received. Effective communication means that the message has similar meaning to both sender and receiver. For this to happen, the sender must use words and other signs and signals that have the same meaning between him and the receiver. Let us summarise what we have said so far in a diagram.

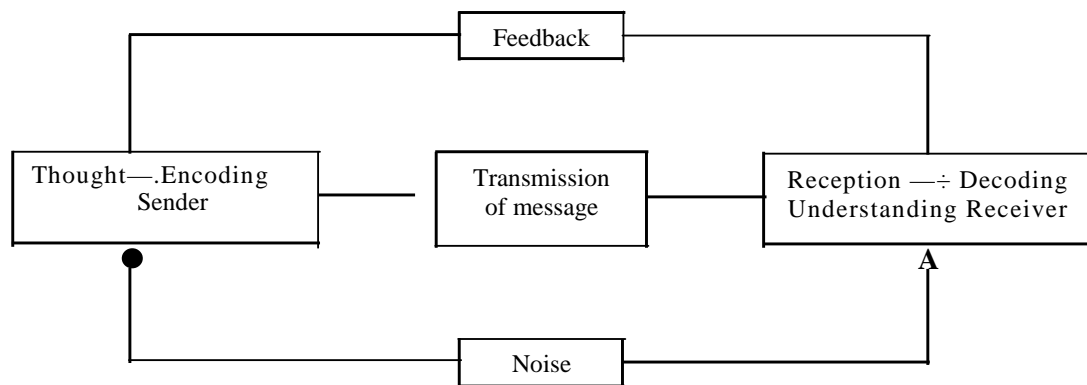


Fig. 17.1 showing communication process

3.2 Communication Process

Communication, as a process, has components which are linked together; they do not operate separately.

3.2.1 Sender

This is the individual or organization that has a thought or an idea which is then put together (encoded) in a way that can be understood by both

himself and the receiver. The message may be oral or written and it may be transmitted over a channel that links the sender with the receiver. Such channels include memo, computer system, telephone, telegramme, radio, television, newsletter, among others. Two or more channels may be used.

3.2.2 Receiver

The receiver of the message has to be ready for the message so that it can be broken down (decoded) into thought form so that he can understand it and act on it.

3.2.3 Noise

Noise is anything, whether in the sender, the transmission or the receiver that hinders communication. It can take several forms such as:

- Noisy environment e.g. shouting, crying and so on.
- Using unfamiliar words/symbols can make encoding not to be clear.
- Transmission may be affected by static noise in the channel, such as the one that may be experienced in a radio during rainfall or passing under high tension electric wire.
- Inaccurate reception may be caused by lack of attention on the part of the receiver.
- Decoding may be faulty because of wrong meaning attached to words and other symbols by the receiver.

Exercise 17.1

Communication as we have pointed out is an on-going process. Anything we are doing we are communicating. I want you to stop your reading for some minutes. Cast your mind over the last two days. Can you see situations where you acted as senders of messages? Can you identify the channels used? Who were the receivers of the messages? Were there obstacles to the flow of communication? Take another few minutes and notice cases where you acted as the receiver of messages. Also identify the types of message, the channels and the senders. Recollect if there were noises. What was the type of feedback given? Did you understand the messages clearly?

3.2.4 Feedback

Feedback is essential in checking the effectiveness of communication. Feedback shows whether a message has been effectively encoded, transmitted, decoded, and understood. Again, feedback indicates whether individual or organizational change has taken place as a result of communication.

3.3 Reasons for Communication

There are reasons why we carry out communication; some of the reasons are:

3.3.1 Reducing Uncertainty

When people are faced with unusual and unexpected events, they frequently seek out additional information. The information serves to reduce anxiety and uncertainty about the situation on the ground. The more important, uncertain and unexpected the event is, the more people tend to communicate with others.

3.3.2 Problem Solving

Problem solving and decision making involves communication. Managers have to make decision to remedy problems when they occur. The solution to problems involve at least two major stages that require communication. First, there is the information seeking stage where data are gathered which help to define the problem and give alternative possible solutions. The second stage involves the evaluation of alternatives which entails gathering information about likely consequences of each alternative. Once, the information is processed, a decision can be made. Can you relate all this to steps in planning and decision making process? We treated this in our first course, under the management function of planning.

3.3.3 Control of Situation

People communicate simply because it is expected of them due to their position or because they want to influence what is going on. They wish to contribute to and have a part in the ongoing activity. The degree to which it is expected that people will have control affects the frequency of communication.

3.3.4 Feedback

Communication is also started by the need to respond to someone else's communication. When we are asked a question, or information is sought by others, which we have or are expected to have, the tendency is that we usually reply.

3.4 The Communication Flow

Communication flows in an organization in several ways:

3.4.1 Downward Communication

This is the flow of communication from people at higher levels to those at lower levels in the organization hierarchy or levels of position. The kind of media used here include: speeches, meetings, the telephone, loudspeakers, memos, letters, handbooks, policy statements, etc.

3.4.2 Upward Communication

Here, communication travels from subordinates to superiors and continues up the organisation hierarchy. This type of communication is often hindered by managers in the communication chain, who filter the message and do not transmit all the information. Beside the chain of command, the principal means of communication are: suggestion systems, appeal and grievance procedure, complaint system, counselling sessions, MBO, grapevine, group meetings, interviews and so on. Effective upward communication can only occur in an environment where subordinates are free to communicate.

3.4.3 Cross Wise Communication

This is the horizontal flow of information between people on the same level or similar levels, and diagonal flow between persons at different levels. The environment of the organization provides many occasions for oral communication which range from informal meetings during lunch to the more formal conferences and committees. This type of communication also occurs in project teams, between the staff and line personnel among others.

Exercise 17.2

Before you became a student of NOUN, you gathered information concerning the course, the university, and the prospects after completing your programme. Identify clearly the sources of your information. At what stage were you the sender of information? And at what other situation were you the receiver of messages?

3.5 Types of Communication

There are various types of communication with distinctive advantages and disadvantages.

3.5.1 Written Communication Advantages

- Provides records and references which can be retrieved in the future, analysed and formed the basis for decision making.
- The message in written communication can be carefully prepared and sent to a large audience.
- Written communication promotes uniform policy and procedure.

Disadvantages

- It may create mountain of papers. Apart from the cost involved in purchasing them, there is also the issue of storage.
- Inexperienced writers may express messages in poor form which will create different meanings in the minds of the receivers.
- Written communication may not provide immediate feedback.

3.5.2 Oral Communication

This can take place in face to face meeting of two people, or when a message addresses a large audience. It can be formal or informal, planned or accidental. Advantages

- It can provide speedy interchange of ideas with immediate feedback; people can ask questions and clarify points.
- Effects of face to face communication can be noted so which may necessitate the sender to go on with the message or to modify the message.
- Meeting with the superior which has been made possible through face to face communication give the subordinate a feeling of importance. Disadvantage
- It does not save time.

3.5.3 Non-Verbal Communication

This type of communication gives strength to oral and written communication. It is expressed in various ways such as facial expression and body gestures. Non verbal communication may contradict verbal communication, giving rise to the saying that action speaks louder than words. For example, a manager who says he has an open door policy but the secretary screens everyone that wants to see him.

3.6 Communication Barriers

These can take various ways too:

- ### **3.6.1**
- Badly expressed messages which include: poorly chosen words, empty words and phrases, careless omission, lack of coherence, lack of clarity and so on.

3.6.2 Faulty translation

Since managers receive and transmit messages from superiors, peers, and subordinates and in turn translate information meant for subordinates, peers, and superiors into language suitable to each, it is often not enough to pass on a communication word for word but must be put into appropriate way that can be meaningful to the receiver. This calls for skills which most senders of message do not have.

3.6.3 Loss of Transmission

When messages are transmitted from one level to the other and from there upwards may have a decreasing accuracy. That is why in large organization relying on oral transmission can be dangerous, from one level to another.

3.6.4 In attention

This rather has to deal with failure to read bulletins, notices, minutes, circulars and reports.

3.7 Minimising Barriers

The barriers to communication can be minimised through the following ways:

3.7.1 Principle of Clarity:

This is achieved by ensuring that a message is expressed in a language and transmitted in a way that is understood by the receiver.

3.7.2 Principle of Integrity:

This emphasises the purpose of managerial communication which is to support understanding by individuals as they achieve and maintain the co-operation necessary to achieve the goals and objectives of the organization. Consequently, the appropriate channel should be followed when sending information by superiors, otherwise subordinates whose positions are bypassed may feel slighted.

3.7.3 Using the Informal Group

The leaders of informal groups could have access to information which they can convincingly transmit to their members.

4.0 Conclusion

This unit has afforded us the opportunity to treat communication in greater detail compared to the way we discussed it under the managerial function of directing and leading. We have, here discussed the nature of communication and the reasons why we communicate, part of which is to reduce uncertainty, solve problem, continue a situation and to have feedback. We have, here, discussed the nature of communication and the reasons why we communicate, part of which is to reduce uncertainty, solve problem, control a situation and to have feedback. We discussed too the flow of communication which is downward or upward or cross wise and diagonal. Thereafter, we looked at the types of communication such as written, oral and nonverbal communication stressing each one's advantages and disadvantages. Finally, we treated barriers to communication and some ways of reducing the barriers.

5.0 Summary

This unit is the last unit of this course. And we have discussed the nature of communication, reasons for communication, the flow of communication, types of communication and barriers to effective communication as well as how to minimise the barriers.

6.0 References

- 6.1 Litterer, J.A (1967): The analysis of organisation. John Wiley & Sons Inc; London
- 6.2 Handy, C.B. (1976): Understanding organizations. Penguin Books Ltd, Niddlesere England.
- 6.3 Weitrich, H. and Koontz, H. (1993) Management. A Global perspective. 10th edition. McGraw Hill, Inc. NJ, USA.

7.0 Tutor Marked Questions

- a) Why is communication important in an organization?
- b) List four channels of communication in an organization.

Answers/Guides to the Exercises.

17.1 This exercise is further indicating that communication occurs in every minute of our life. At one moment, we are sending information. In another instance, we are recipient of information. And one different channels or a combination of channels when communicating.

17.2 The sources of information could be:

- From friends
- From relations
- From parents

- From newspapers
- From television
- From radios
- From teachers
- From superior officers in organization. Any other?

Use your knowledge of process of communication to determine when you were a sender or receiver.