PSM 801:



NATIONAL OPEN UNIVERSITY OF NIGERIA

SCHOOL OF MANAGEMENT SCIENCES

COURSE CODE: P.S.M 801

COURSE TITLE: MANAGEMENT IN ORGANISATION

PSM 801:

COURSE GUIDE

P.S.M 801 MANAGEMENT IN ORGANISATION

Course Developer/Writer Mrs. Lami Musa Yaro

National Open University of Nigeria

Course Editor

National Open University of Nigeria

Programme Leader

National Open University of Nigeria

Course Coordinator

National Open University of Nigeria

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P.S.M 801: MANAGEMENT IN ORGANISATION

Introduction

PSM 801management in organizations is a – semester - levels 3 credit course. It is a required course for students in the – MBA programme it may also be taken by anyone interested in management in organizations.

The course provides and introduces you to the fundamental concept of management in organizations. After studying you should be able to identify the fundamental function management performs in organizations and the tools used in making them realistic in regards to the laid down goals and objectives.

What you will learn in this course

The course contents include introduction to organization behaviour, organizational structure. Concept of management, principle of management and theories, management function such as planning, directing, coordinating organizing and staffing. What managers do include total quality management, management by objectives. Programme budgeting are also highlighted.

This course guide tells you briefly what the course is all about, the course materials you will be using and how to work your way through the materials. It also guide you on your tutorial classes which are linked to the course.

Course Aims

The aim of the course is to acquaint you with all the necessary information about how to successfully manage an organization.

Course Objectives

In order to achieve the aim set out above, the course has specific objectives. The objectives of the course are its learning outcomes. They are thing you should know or be able to do by the time you complete the course.

- Know what constitute an organization and be able to define it.
- Know what management is all about.
- Understanding the basic management principles.
- Know the different management theories and how they evolve
- Know the historical background of management
- Know the different management functions and principles underlining each.
- Know the basic tools used by managers and understand the principle behind your usage.
- Know how to apply the general management principles to Nigerian environment.
- Understand what causes failure in organizational management and how to handle them.

In addition, each of the units making up the course has specific objectives by which you can measures your own progress. These are always set out at the beginning of the unit. You are expected to read them carefully before moving on to the rest of the unit. You are also expected to refer to them after you have studied the unit to ascertain your understanding of what you studied.

Working Through This Course

In order to complete this course, you are expected to read the entire study unit as well as other available materials, which may be commended by the National Open University of Nigeria

(NOUN). At the end of each unit, there is a list of further readings and other materials. While it is not absolutely necessary for you to read them in order to complete the course successfully. It will be your advantage to do so. They are recommended for learners how wish to have a deeper understanding of the subject matter.

Each unit contains some assessment exercise/questions by which you can assess your own progress. At various points in the course, you are required to submit assignments for assessment purposes. These are called Tutor Marked Assignment (TMAs). At the end of the course, there will be a final examination.

You are expected to spend about one week on each units. However you may find out that you may have to spend more ore less time on particular units because of their volume or level of difficulty or your own level of preparedness. So do not be discouraged if you have to spend more time on any particular unit.

Course Materials

- Course Guide
- Study Units
- Textbooks
- Assignment Guide

Study Units

The course is made up of 22 units which should be studied carefully;

Module I: Introduction to Organisation
Unit I Organisational Structures
Unit II Organisational Behaviour
Unit III Organisational Culture
Unit IV Organisational Goal

Unit V The Business and Its Environment

Module II: Introduction to Management Theories

Unit I Scientific Management Theory
Unit II General Administrative Theories

Unit III Quantitative Approach
Unit IV The Hawthorne Experiment

Unit V The Modern Theory

Module III: Introduction to Functions of Management
Unit I Planning, Forecasting and Decision Making

Unit II Organizing
Unit III Motivation
Unit IV Control
Unit V Staffing
Unit VI Co-ordination
Unit VII Leadership

Module IV: Management Techniques

Unit I Management by Objectives

Unit II Projects Management Techniques
Unit III Total Quality Management (TQM).
Unit IV Programme Budgeting System

Unit VI Criteria for Locating Bad Management Practice in Nigerian Organizations.

Each study unit is made up of the introduction, objectives, in an content including exercise for self assessment conclusion/summary, tutor marked assignment questions and references for further reading; will take at least two hours to study.

Assessment

The assessment for this course will be in two parts.

- a. Continuous assessment using the tutor marked assignments questions (TMA Q)
- b. Written examination of three (3) hours duration.

Tutor Marked Assignment

The university will direct further on the number of (TMA Q) you are to answer, when to do them and when to turn them into your facilitator for grading. However, you are expected to utilize the information gathered from the study material and the texts under reference, in doing the assignments. Continuous assessment counts for 40% of the total course mark.

Final Examination and Grading

This will be scheduled for three 3 hours and will attract the remaining 60% of the course grade. You are to expect that all the areas of this course will be tested during the examination.

Summary

Managers require knowing the appropriate steps to take in running an organization be it profit or non profit oriented or formal/informal organisation settings. On the successful completion of this course you would have been equipped with the knowledge and techniques necessary to run/manage a business as well as take decisions in that on the long run will be in the interest of the organisation.

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The course is made up of 22 units which should be studied carefully;

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Unit II	Organisational Behaviour
Unit III	Organisational Culture
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1.0 INTRODUCTION TO ORGANISATION

An organisation is a social arrangement which pursues collective goals, controls its own performance and has a boundary separating it from its environment. The word organisation is derived from the Greek word 'organ which it self is derived from organization.

There are a variety of legal types of organisations including: Corporations, Government/Non governmental organisations, International organisations, Armed forces, Charities, Non-profit Corporations, Partnerships, and Cooperatives even Universities. There is also a hybrid organisation which operates in both the public and private sector, simultaneously fulfilling public duties and developing commercial market activities.

An organisation is a group of people who work together to achieve common goals. There are different kinds of organizations, namely: business, university, hospital, church, army, theatre group, government agency and many more. Some organizations seek profit; some do not. But they all seek to attain goals of some kind.

We know that organized life is essential to our survival. In the absence of organisation there would be chaos, anarchy, little if any productivity, and human suffering on a massive scale. We also know that organized life requires direction, or management. Without leadership an organisation ceases to be united, co-operative activity, and social goals cannot be achieved.

Management can be defined as the process of achieving an organizations goals through the coordinated performance of five specific functions, namely, planning, organizing, staffing, directing and controlling. The organisation is a group of people. The goal can be anything the organisation seeks to do. Some goals are large, such as building a factory or installing an electric generator in a university. Other goals are comparatively small, such as to win in a football match or sell a used bicycle. But regardless of a goal's size, the above functions must be performed by many organisation in order to attain the goal.

The people whose main job is to perform the five functions mentioned above in order to achieve goals are managers. However, job titles for managers depend on the organisation. Managers in business organizations are usually given the title "manager" often this title is prefaced by an adjective that suggests what is being managed. Thus, there are sales managers, bank managers, marketing managers etc. Often in non-business organizations the manager is given another title that fits more closely with the customs of the organisation. Thus, a religious organisation may be managed by a bishop, a military organisation by a colonel, and a medical organisation by an administrator.

1.1 LEARNING OBJECTIVES

After Studying this unit student should be able to;

- 1. Define an organisation
- 2. Understand different types of organisation
- 3. To understand organisation as science/art.
- 4. Be able to understand an organisation as social science: sociology and political point of view.
- 5. Understand the concept of organisational studies.

1.2 SCIENTIFIC MANAGEMENT AND ARTISTIC MANAGEMENT

Scientific Management can be defined as the use of codified and verified knowledge in the planned management of any organized activity. Scientific management often involves such tools as motion-and-time-studies (studies to determine whether a particular act can be performed more quickly and efficiently) and research to ensure that personnel are being used effectively.

Scientific management tends to be analytical, statistical, rational and quantifiable. Example of scientific management are:

- i. Determining the precise number of man-hours needed for a given production operation, and
- ii. Using a demonstrated, reliable psychological test to aid in selecting new employees.

Artistic management, on the other hand, can be defined as the conscientious use of skill and creative imagination in planning and executing the goals of the organisation. Artistic management tends to be subjective, non-statistical, emotional, common-sensical and behavioural. Some examples of artistic management are:

i. Deciding which employees to release when top management orders a cut in personnel, and

ii. Handling a sensitive situation between a female manager and a jealous male subordinate.

Usually, both artistic and scientific elements are involved in the management process. Progress management today uses the scientific method when possible. But in those situations in which scientific measurement cannot be used, managers must resort to the artistic approach.

1.2.1 ORGANISATION AS A SOCIAL SCIENCE

As a social science organization are the object of analysis for a number of disciplines such as Sociology, Economics, Political Science, psychology, Management and organizational communication. The broader analysis of organization is commonly referred to as Organizational structure, Organizational behaviour or organizational analysis some of which are subsequently analyzed.

1.2.2 ORGANISATION IN SOCIOLOGY

In the social and political sciences in general an organization may be more closely understood as the planned, coordinated and purposeful action of human beings, working through collective action to reach a common goal or construct a tangible product. Sociology distinguishes the term organization into planned formal and unplanned informal (i.e. spontaneously formed) organizations. Sociology analyzes organization in the first line from an institutional perspective.

1.3 AUTHORITY AND RESPONSIBILITY

Authority is the right to give commands, make decisions, take actions and enforce obedience. The authority of a society is vested in managers of that society. Whether we think of a labour union, a business, a church, a university or a hospital, we observe that those in charge-the manager-have authority. But although managers have great authority, it is never absolute. It is always limited by various environmental constraints, such as laws and customs.

Responsibility, on the other hand, is the requirement imposed on an individual to answer to others for his or her performance, conduct or obligations. In any type of enterprise, management is responsible for results. In the final analysis, the purpose of any organisation – whether a large corporation, a university, or a barber shop is to achieve result or a goal. Management supplies the intellectual force necessary to attain the intended result.

1.3.1 CAN RESPONSIBILITY BE DELEGATED

Responsibility cannot be delegated. A manager can authorize someone to do a task, but the manager is still responsible for the performance of the task and results. Responsibility for the outcome of an action cannot be delegated to a subordinate. The subordinate can be held accountable, but not responsible for the result. The senior manager in any organisation is ultimately responsible for all actions. The fear of responsibility deters many people from careers in management because they may not want to accept the consequences of making mistakes.

1.3.2 MANAGEMENT HIERARCHY

Management hierarchy is a ranking of members of an organisation according to authority, usually status. All but the smallest firms have a clear management hierarchy within which their members are ranked. At the bottom of the hierarchy are the people who do the actual work of the

organisation. These are the workers in a factory, the clerks in government agency, the private in the army. They do not supervise other workers. We refer to people at this level as individual contributors.

Above the individual contributor stands management, whether management consists of a single proprietor or a many-layers pyramid, one trait sets managers apart. They spend at least part of their time supervising others. The distinction is not that managers make no individual contributions. They do, from time to time.

Within management there are three levels. Supervisory or first line managers direct individual contributors only; they do not supervise other managers, for example, a foreman supervising workers in a manufacturing plant or an office manager supervising clerks, and secretaries in the public service.

Middle managers span a broad of authority. Unlike supervisory managers; they spend at least some of their time directing the work of other managers. The major job of middle management is to make sure essential tasks are done. The higher levels of middle management also help make plans and set goals for their own department, and sometimes, for the organisation as a whole.

Top managers are responsible for defining goals, translating them into strategies, and shaping the organization's values. Top managers direct the work of middle managers. Typical titles of top managers are "president", "chief executive officer" or "senior vice-president". Depending on the size of the organisation, of course, the same people who make plans at the tope level may also take part in carrying out the plans and directing workers. Top managers are responsible to the board of directors (in a corporation), voters or elected officials (in government), or trustees or members (in non-profit firms).

The essence of management as mentioned earlier is getting things done through people. But this concept falls short of describing the work of actual managers in one respect. Although they are skilled at getting other people to do things, effective managers make individual contributions as well. They act in a word, as player-manager.

In small firms, the role of the player-manager can hardly be avoided. For example, a small company cannot hire specialists for every job. The owner-manager of a small grocery store with a half-dozen employees can be expected to clean his store and balance his books.

A second type of player – manager is the entrepreneur who builds firm on the basis of skill. Many such people continue to act as individual contributors even after their companies have grown quite large.

One reason why managers do certain tasks, themselves is that they want to stay close to the market-place. These managers have found that by making key sales in person they are able to make better marketing plans and also through sales reports that their subordinates send up to them evaluate the plans already in use.

1.4 ORGANIZATION IN MANAGEMENT

Management is interested in organisation mainly from an instrumental point of view for a company organisation is a means to an end to achieve its goals which are to create value for its stakeholders (stockholders, employees, customers, suppliers, community etc)

1.4.1 Organizational Studies

Sometimes known as organizational science, encompass the systematic study and careful application of knowledge about how people act within an organization. Organizational studies encompass the study of organization from multiple view points, methods and levels of analysis. These multiple view points can be divided into three perspectives: Modern, Symbolic, and Postmodern or between the study of 'micro' organizational behaviors which refers to individual and group dynamics in an organizational setting and 'macro' strategic management and organizational theory which studies whole organizations and industries, how they adapt, and the strategic structures and contingencies that guide them.

Like all modern social sciences, organizational studies seek to control, predict, and explain. There are controversies over the ethics of controlling workers behaviour as well as the manner in which workers are treated (see Taylor's scientific Management approach compared to the Human Relations Movement of 1940s).

Organisational studies sometime is considered a sister field for, or overaeching designation that includes, the following disciplines: industrial and organizational psychology, organizational behaviour, human resources and management. However, there is no universally accepted classification system for such subfields.

Overview

Organisational studies encompass the study of organizations from multiple viewpoints, methods and levels of analysis. For instance, one textbook divides these multiple viewpoints into three perspectives: modern, symbolic and postmodern. Another traditional distinction, present especially in America academia, is between the study of "micro" organizational behaviour – which refers to individual and group dynamics in an organizational setting – and "macro" strategic management and organizational theory which studies whole organizations and industries, how they adapt, and the strategies, structures and contingencies that guide them. To this distinction, some scholars have added an interest in "meso" scale structures – power, culture and the networks of individuals and units in organizations – and "field" level analysis which study how whole populations of organizations interact.

Whenever people interact in organizations, many factors come into play. Modern organizational studies attempt to understand and model these factors. Like all modernist social sciences, organizational studies seek to control, predict and explain. There is some controversy over the ethics of controlling workers' behaviour, as well as the manner in which workers are treated (see Taylor's scientific management approach compared to the human relations movement of the 1940s). As such, organizational behaviour or OB (and its cousin, Industrial Psychology) have at times been accused of being the scientific tool of the powerful. Those accusations notwithstanding, OB can play a major role in organizational development, enhancing

organizational performance, as well as individual and group performance/satisfaction/commitment.

One of the main goals of organizational theorists is, according to Simms (1994) "to revitalize organizational theory and develop a better conceptualization of organizational life. An organizational theorist should carefully consider levels assumptions being made in theory, and is concerned to help managers and administrators.

History

The Greek philosopher Plato wrote about the essence of leadership. Aristotle addressed the topic of persuasive communication. The writings of 16th century Italian philosopher Niccolo Machiavelli laid the foundation for contemporary work on organizational power and politics. In 1776, Adam Smith advocated a new form of organizational structure based on the division of labour. One hundred years later, German sociologist Max Weber wrote about rational organizations and initiated discussion of charismatic leadership. Soon after, Frederick Winslow Taylor introduced the systematic use of goal setting and rewards to motivate employees. In the 1920s, Australian – born Harvard professor Elton Mayo and his colleagues conducted productivity studies at Western Electric's Hawthorne plant in the United States.

Though it traces its root back to Max Weber and earlier, organizational studies is generally considered to have begun as an academic discipline with the advent of scientific management in the 1980s, with Taylorism representing the peak of this movement. Proponents of scientific management held that rationalizing the organization with precise sets of instructions and timemotion studies would lead to increased productivity. Studies of different compensation systems were carried out.

After the First World War, the focus of organizational studies shifted to analysis of how human factors and psychology affected organizations, a transformation propelled by the identification of the Hawthorne Effect. This Human Relations Movement focused on teams, motivation and the actualization of the goals of individuals within organizations.

Prominent early scholars included Chester Barnard, Henri Fayol, Frederic Herzberg, Abraham Maslow, David McClelland and Victor Vroom.

The Second World War further shifted the field, as the invention of large – scale logistics and operations research led to a renewed interest in rationalist approaches to the study of organizations. Interest grew in theory and methods native to the sciences, including systems theory, the study of organizations with a complexity theory perspective and complexity strategy. Influential work was done by Herbert Alexander Simon and James G. March and the so-called "Carnegie School" of organizational behaviour.

In the 1960s, the field was strongly influenced by social psychology and the emphasis in academic study was on quantitative research. An explosion of theorizing, much of it at Stanford University and Carnegic Mellon, produced Bounded Rationality, Informal Organization, Contingency Theory, Resource Dependence, Institutional Theory, and Organizational Ecology Theories, among many others.

Starting in the 1980s, cultural explanations of organizations and change became an important part of study. Qualitative methods of study became more acceptable, informed by anthropology, psychology and sociology. A leader scholar was Karl Weick.

Elton Mayo

Elton Mayo, an Australian national, headed the Hawthorne Studies at Harvard. In his classic writing in 1931, Human Problems of an Industrial Civilization, he advised managers to deal with emotional needs of employees at work.

Mary Parker Follett

Mary Parker Follett was a pioneer management consultant in the industrial world. As a writer, she provided analysis on workers as having complex combinations of attitude, beliefs and needs. She told managers to motivate employees on their job performance, a "pull" rather than a "push" strategy.

Douglas McGregor

Douglas McGregor proposed two theories/assumptions, which are very nearly the opposite of each other, about human nature based on his experience as a management consultant. His first theory was "Theory X", which is pessimistic and negative; and according to McGregor it is how managers traditionally perceive their workers. Then, in order to help managers replace that theory/assumption, he gave "Theory Y" which takes a more modern and positive approach. He believed that managers could achieve more if they start perceiving their employees as self-energized, committed, responsible and creative beings. By means of his Theory Y, he in fact challenged the traditional theorist to adopt a development approach to their employees. He also wrote a book, *The Human Side of Enterprise*, in 1960; this book has become a foundation for the modern view of employees at work.

Current State of the Field

Organizational behaviour is currently a growing field. Organizational studies departments generally from part of business schools, although many universities also have industrial psychology and industrial economics programs.

The field is highly influential in the business world with practitioners like Peter Drucker and Peter Senge, who turned the academic research into business practices. Organizational behaviour is becoming more important in the global economy as people with diverse backgrounds and cultural values have to work together effectively and efficiently. (it is also under increasing criticism as a field for its ethnocentric and pro-capitalist assumptions.

During the last 20years organizational behaviour study and practice has developed and expanded through creating integrations with other domains;

- Anthropology became an interesting prism to understanding firms as communities, by introducing concepts like organizational culture, 'organizational rituals' and 'symbolic acts' enabling new ways to understand organizations as communities.
- Leadership Understanding: the crucial role of leadership at various level of an organization in the process of change management.

• Ethics and their importance as pillars of any vision and one of the most important driving forces in an organization.

1.4.2 Methods Used in Organizational Studies

A variety of methods are used in organizational studies. They include quantitative methods found I other social sciences such as multiple regression, non-parametric statistics, time series analysis, meta-analysis and ANOVA. In addition, computer simulation in organizational studies has a long history in organizational studies. Qualitative methods are also used, such as ethnography, which involves direct participant observation, single and multiple case analysis, grounded theory approaches, and other historical methods.

1.5 SYSTEMS FRAMEWORK

The systems framework is also fundamental to organizational theory as organizations are complex dynamic goal-oriented processes. One of the early thinkers in the filed as Alexander Bogdanov, who developed his Technology, a theory widely considered a precursor of Bertalanffy's General Systems Theory, aiming to model and design human organizations. Kurt Lewin was particularly influential in developing the systems perspective within organizational theory and coined the term "systems of ideology", from his frustration with behavioural psychologies that became an obstacle to sustainable work in psychology. The complexity theory perspective on organizations is another systems view of organizations.

The systems approach to organizations relies heavily upon achieving negative entropy through openness and feedback. A systematic view on organizations is trans-disciplinary and integrative. In other words, it transcends the perspectives of individual disciplines, integrating them on the basis of a common "code", or more exactly, on the basis of the formal apparatus provided by systems theory. The systems approach gives primacy to the interrelationships, not to the elements of the system. It is from these dynamic interrelationships that new properties of the system emerge. In recent years, *system thinking* has been developed to provide techniques for studying systems in holistic ways to supplement traditional reductionist methods. In this more recent tradition, systems theory in organizational studies is considered by some as a humanistic extension of the natural sciences.

1.6 SUMMARY

An organisation is define as a social arrangement which pursues collective goals, control its own performance and has a boundary separating it from its environment. Example of organisation include cooperation, governments and non governmental organizations, international organizations armed forces profit and non profit etc.

As a social science organizations are analyzed from the point of view of a number of a discipline such as sociology, economic, political science etc. organizational studies encompass the systematic study and careful application of knowledge about how people act within an organisation.

It is obvious that we can achieve on a concerted basis those goods and services which we cannot provide alone. In practical terms, therefore, it is usually said that no man is an island unto himself. Men have therefore, sometimes voluntarily and at other times by sheer coercion, formed

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themselves into groups or organizations in order to rise above the difficulties imposed by their physical limitations.

The foregoing illustration point up the initial issue that, an organization emerges where and when two or more people gather together to pursue and achieve goal which one man cannot achieve. This perception therefore presupposes that we cannot have a one-man organization. Put differently an individual cannot constitute an organization.

1.7 CONCLUSION

It could be discerned from the foregoing that several images come to mind when talking of an organization, e.g. institutions such as commercial, industrial, academic etc; association; union, military etc. These organizations are everywhere, so much so that they impact upon our everyday life. The modern world could thus be said to be an organized society in the same way as we commonly put it today that communication/technological explosion has reduced the world to a global village.

We could therefore said that an organization is purposefully constructed; deliberately designed to achieve certain purposes; and a very important ingredient in this direction are the human beings or people who constitute the organization.

1.8 TUTOR MARKED ASSIGNMENT

- 1. Define an organisation?
- 2. Analyse the concept organisation from sociology point of view.
- 3. Explain organisation as a social science.
- 4a. What is organisational studies?
- b. Explain organizational studies as a social science.
- 5. Explain the concept authority and responsibility.
- b. Can authority be delegated?

1.9 REFERENCES

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UNIT I: ORGANISATIONAL STRUCTURES

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1.0 INTRODUCTION TO ORGANISATIONAL STRUCTURES

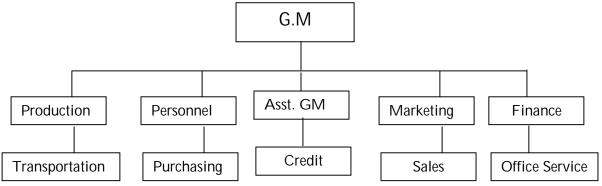
Organisational structure consists of activities such as task allocation, coordination and supervision which are directed towards the achievement of organisational aims. It can also be considered as the viewing glass or perspective through which individual see their organisation and its environment.

An organisation can be structured in different ways depending on their objectives. The structure of an organisation will determine the modes in which it operates and performs. As pointed out by Mohr (1982), the early theorists of organisational structure, Taylor, Fayol and Weber 'saw the performance of structure for effectiveness and efficiency and assumed instant the slightest question that whatever structure was needed, people could fashion accordingly. In the 21st century, organisational theorist such as Limgriff and Sambrook (2010) are once again proposing that organisational structure development is very much dependent on the expression of the

strategies and behaviour of the management and the workers as constrained by the power distribution between them and influenced by their environment and the outcome.

Organisational clients tie positions together through a network of authority and accountability relationship. They also describe formal communication flows. The familiar boxes and lines of chats describe the pattern of formal organisational relationship. These clients tell who reports to whom, what activities are performed and the relative position of different activities and sub activities in the organisation. Organisational structure results from deliberate design and the design of organisations results from at least five conditions which are important to the life of the organisation:-

- I. The complexity of tasks to be carried out: recourse to the concept of organisation reveals that it involves goals which cannot be achieved individually.
- II. The complexity of tasks of organisation result in the need to divide the task into small unit for individuals to perform the complexity of organisational task therefore resulted in division of labour.
- III. The factor of differences in the ability of individuals who come into organisation the fact that these differences exist creates the need to give people that portion of the task which can perform bearing in mind the skill and the quality character which they posses. About this, Hicks and Guket (1982) posit that the range of talents and abilities possessed by individuals vary widely because of differences in training and background. Formal organisations can therefore take advantage of these differences by placing individuals in those positions where these talents can be most useful to the accomplishment of the organisation's overall goals.
- IV. Economy and efficiency in the use of resources are the bases for organisational design: hence, jobs are shared so that each unit in the system gets that which it should perform. Organisational design, to this extent can be send to a system of budgeting for resources in order to ensure economy.
- V. The drive for success: the implicit thing in organisational design is the breaking down into smaller bits the jobs to be allocated to small units. The drive for success compels organisation to direct or channel the efforts of these small unit in the direction of the goals to be achieved. This co-ordination becomes an important factor in organisational design. At every point in time there is a person co-ordinating the activities of others so that in spite of the divisions they all can still move in the direction the organisation wants. Taking the foregoing into consideration, an organisational structure when is sometimes refer to as organisation takes the following form:



1.1 LEARNING OBJECTIVES

By the end of this unit student should be able to know

- 1. What an organisation structure is all about.
- 2. List and explain the characteristics of an organisational behaviour
- 3. How to compare and contrast
 - a) Pre-Bureaucratic Structures
 - b) Bureaucratic Structures
 - c) Post Bureaucratic Structures
- 4. Be able to explain, functional, division and matric team networking virtual, hierarchy structure.
- 5. The importance of departmental, structure and explain different types of departmental structure.
- 6. And explain authority and its types

1.2 HISTROY OF ORGANISATIONAL STRUCTURE

Organisational structures developed from the ancient times of hunters and collectors in tribal organizations through highly royal and clerical power structures to industrial structures and today's post – industrial structures.

As pointed out by Mohr (1982, pp. 102-103), the early theorists of organizational structure, Taylor Fayol, and Weber 'saw the importance of structure for effectiveness and efficiency and assumed without the slightest question that whenever structure was needed, people could fashion accordingly.

Organizational structure was considered a matter of choice... in the 1930s, the rebellion began that came to known as human relations theory, there was still not a denial of the idea of structures as an artifact, but rather an advocacy of the creation of a different sort of structure, one in which the needs, knowledge, and opinions of employees might be given grater recognition". However, a different view arose in the 1960s, suggesting that the organizational structure is "an externally caused phenomenon, an outcome rather than an artifact. In the 21st century, organizational theorists such as Lim, Griffiths, and Sambrook (2010) are once again proposing that organizational structures development is very much dependent on the expression of the strategies and behavior of the management and the workers as constrained by the power distribution between them, and influenced by their environment and the outcome.

1.3 CHARACTERISTICS OF AN ORGANISATIONAL STRUCTURE

Structures are the linkages in organisations hence the following characteristics: -

- I. Organisational structure relates positions and jobs to one another.
- II. It represents centralisation and decentralisation of authority. In other words it represents the distribution of authority within a system
- III. It also reflects a channel of communication, a channel of responsibility and accountability. In organisations communication is not a one way affair. It moves up and down within a structure. Orders, rules and commands all make from top to bottom while information moves up the ladder, looking at the organisational chart; we knew who is answerable to whom. The designation on the organisational chart tells us the responsibility of each person.

IV. It is a means of achieving coordination and co-operation within the organisation. *Note* that the narrower the span of control the taller the structure, while the wider the span of control the fatter the structure and a flat structure reflects decentralization of authority.

1.4 TYPES OF ORGANISATIONAL STRUCTURE

1.4.1 Pre-bureaucratic Structures

Pre – bureaucratic (entrepreneurial) structure lack standardization of tasks. This structure is most common in smaller organizations and is best used to solve simple tasks. The structure is totally centralized. The strategic leader makes all key decisions and most communication is done by one on one conversations. It is particularly useful for new (entrepreneurial) business as it enable the founder to control growth and development.

They are usually based on traditional domination of charismatic domination in the sense of Max Weber's tripartite classification of authority.

1.4.2 Bureaucratic Structures

Weber (1948, p.214) gives the analogy that "the fully developed bureaucratic mechanism compares with other organizations exactly as does the machine compare with the non-mechanical modes of production. Precision, speed, un-ambiguity,... strict subordination, reduction of friction and of material and personal costs- these are raised to the optimum point in the strictly bureaucratic administration. Bureaucratic structures have a certain degree of standardization. They are better suited for more complex or larger scale organizations. They usually adopt a tall structure. Then tension between bureaucratic structure and non-bureaucratic is echoed in Burns and Stalker distinction between mechanistic and organic structures. It is not the entire thing about bureaucratic structure. It is very much complex and useful for hierarchical structures organisation, mostly in tall organizations.

The Weberian characteristics of bureaucracy are;

- a. Clear defined roles and responsibilities
- b. A hierarchical structure
- c. Respect for merit.

1.4.3 Post Bureaucratic

The term post bureaucratic is used in two senses in the organizational literature: one generic and one much more specific. In the generic sense the term post bureaucratic is often used to describe a range of ideas developed since the 1980s that specifically contrast themselves with Weber's ideal type of bureaucracy. This may include total quality management, culture management and matrix management, amongst others. None of these however has left behind the core tenets of Bureaucracy. Hierarchies still exist, authority is still Weber's rational, legal type, and the organization is still rule bound. Heckscher, arguing along these lines, describes them as cleaned up bureaucracies, rather than a fundamental shift away from bureaucracy. Gideon Kunda, in his classic study of culture management at 'Tech" argued that 'the essence of bureaucratic control – the formalization, codification and enforcement of rules and regulations – does not change in principle... it shifts focus form organizational structure to the organization's culture.

Another smaller group of theorists have developed the theory of the post-bureaucratic organisation. Provide a detailed discussion which attempts to describe an organisation that is fundamentally not bureaucratic. Charles Heckscher has developed an ideal type, the post-bureaucratic organisation, in which decisions are based on dialogue and consensus rather than authority and command, the organisation is a network rather than a hierarchy, open at the boundaries (in direct contrast to culture management; there is an emphasis on meta-decision making rules rather than decision making rules. This sort of horizontal decision making by consensus model is often used in housing cooperatives, other cooperatives and when running a non-profit or community organization. It is used in order to encourage participation and help to empower people who normally experience oppression in groups.

Still other theorist are developing a resurgence of interest in complexity theory and organizations, and have focused on how simple structures can be used to engender organizational adaptations. For instance, Miner et al (2000) studied how simple structures could be used to generate improviser learning. Other scholars such as Jan Rivkin and Sigglekow, and Nelson Ripening revive an older interest in how structure and strategy relate in dynamic environments.

1.4.4 Functional Structure

Employees within the functional divisions of an organization tend to perform a specialized set of tasks, for instance the engineering department would be staffed only with software engineers. This leads to operational efficiencies within that group. However it could also lead to lack of communication between the functional groups within an organization, making the organization slow and inflexible as a whole, a functional organization is best suited as a producer of standardized goods and services at large volume and low cost. Coordination and specialization of tasks are centralized in a functional structure, which makes producing a limited amount of products or services efficient and predictable. Moreover, efficiencies can further be realized as functional organization integrates their activities vertically so that products are sold and distributed quickly and at low cost. For instance, a small business could start making the components it requires for production of its products instead of procuring it from an external organization. Not only beneficial for organization but also for employees faiths.

1.4.5 Divisional Structure

Also called a "product structure" the divisional grouped each organizational function into a division. Each division within a divisional structure contains all the necessary resources and functions within it. Divisions can be categorized from different points of view. One is distinctions on a geographical basis (a US division and an EU division, for example) or on product/service basis (different products for different customers: households or companies). In another example, an automobile company with a divisional structure might have one division for SUVs, another division for subcompact cars, and another division for sedans.

Each division may have its own sales, engineering and marketing departments.

1.4.6 Matrix Structure

The matrix structure groups employees by both function and product. This structure can combine the best of both separate structures. A matrix organization frequently uses teams of employees to accomplish work, in order to take advantage of the strengths, as well as make up for the weaknesses, of functional and decentralized forms. An example would be a company that

produces two products, "product a" and "product b". Using the matrix structure, this company would organize functions within the company as follows: "product a" sales department, "product a" customer service department "product a" accounting, "product b" sales department, "product b" customer service department, "product b" accounting department. Matrix structure is amongst the purest of organizational structures.

- Weak/Functional Matrix: A project manager with only limited authority is assigned to oversee the cross-functional aspects of the project. The functional managers maintain control over their resources and project areas.
- **Balanced/Functional Matrix:** A project manager is assigned to oversee the project. Power is shared equally between the project manager and the functional managers. It brings the best aspect of functional and projectized organisations. However, this is the most difficult system to maintain as the sharing power is delicate proposition.
- **Strong/Project Matrix:** A project manager is primarily responsible for the project, functional managers provide technical expertise and assign resources as needed.

Among these matrixes, there is no best format; implementation success always depends on organization's purpose and function.

1.4.7 Team

One of the newest organisational structures developed in the 20th century is team. In small businesses the team structure can define the entire organization, team can be both horizontal and vertical.

While an organisation constituted as a set of people who synergize individual competencies to achieve newer dimensions the quality of organizational structure revolves around the competencies to achieve newer dimensions the quality of organizational structure revolves around the competencies of teams in totality. Larger bureaucratic organisations can benefit from the flexibility of teams. Xerox, Motorola are all among the companies that actively use teams to perform tasks.

1.4.8 Networking

Another modern structure in network. While business giants risk becoming too chimey to proact (Act and react efficiently) the network organisation contract out any business function, that can be done better or more cheaply. In essence mangers in network structures spend most on of their time coordinating and controlling external relatives.

1.4.9 Virtual

A special form of boundary less organisation is virtual. Hedberg, Dahlgren, Hassan and Olu (1999) consider the virtual organisations as not physically existing as such but enabled by software to exist. The virtual organisation exists with network alliances, using the internet. This means while the care of the organisation can be small but still the company can operate globally be a market leader in its niche. According to Anderson, because of the unlimited shelf space of the web, the cost of reaching nice goods is falling dramatically. Although none selling numbers there are so many niche products that collectively make significant profit.

1.4.10 Hierarchy – Community Phenotype model of Organisation Structure

In the 21st century, even though most, if not all, organisations are not of a pure hierarchical structure, many managers are still blind-sided to the existence of the flat community structure within their organisations came to work. For most of the employees, the firm confers on them that sense of belonging and identify, the firm has become their village, their community. The business form of the 21st century is not just a hierarchy which ensures maximum efficiency and profit. It is also the community where people belong to and grow together where their effective and innovative needs are met.

Finally organisational design depends on work to be done if we have the resources, it is possible to give each function a department, but where we do not have the resources, then the question of merger of function to a department causes in thus we talk of homogeneity or heterogeneity of functions.

Looking at the organisational structure are is face with the question to what is the relevance of the chart to the purposes of the organisation. An important concept that emerges there from is that of line and staff functions. Line functions are those function that directly emerge from the organisational goals. Hence we say that line officials are those officials who are performing the function for which the organisation was established. On the other hand staff functions are supportive in nature and hence are sometimes regarded as lower in level. Staff officials are therefore those officials that perform supportive functions. These functions are sometimes described as subsidiary or subordinate function. In every organisation, there are line and staff functions. For instance, in the ministry of works, the line officials there are the engineers, architects surveyors, technician etc whereas the staff officials are the administrative officers, stores officers, medical officers etc.

We must acknowledge that there is no one best way of desiring an organisational structure. There is no ideal structure, all structure have its weaknesses.

1.5 DEPARTMENTTALIZATION AS AN IMPORTANT ASPECT OF ORGANISATIONAL DESIGN

Although all formal organisations are structured in terms of activities, communications, authority, power, responsibility and accountability, they take on many different configuration or forms. Departmentalisation itself is the grouping of jobs in such a way that they can be effectively supervised by one person. Criteria for departmentalization articulated here under:

1.5.1 Departmentalisation by function

The function of the establishment is identified and used to group or departmentalize function or work programme. The work programmes are those things that must be done to accomplish organisational goals. Employees within the functional divisions of an organisation tend to perform a specialized set of tasks, for instance the Engineering department would be staffed only with software engineers. This leads to operational efficiencies within that group. However, it could lead to a lack of communication between the functional groups within an organization making the organisation slow and flexible.

As a whole a departmentalisation by function is best suited as a producer of standardised goods and services at large volume and low cost. Coordination and specialisation of tasks are centralised in a functional structure, which makes producing a limited amount of product or services efficient and predictable. Moreover, efficiencies can further be realised as functional organisations integrate their activities vertically so that products are sold and distributed quickly and at low cost. For instance, a small business could start making the components it requires for production of its products instead of procuring it from an external organisation. It is not only beneficial for organisation but also for employee's faith.

1.5.2 Departmentalisation by product

Also known as divisional structure, groups each organisational function into a division. This is more associated with manufacturing concerns or industrial organisations which through growth shift from top level design to one of product groups. Here, each product or product line is managed by an executive who report to the chief executive of the organisation or another top level executive. Accountability for the success of division or department rests with the product division manager.

Unlike the narrow expertise and experiences in functional departmentalisation managers and workers develop a broader set of experiences and expertise related to an entire product line. Likewise product departmentalisation makes it easier for top managers to assess work unit performances. For example, because of their clear separation, it is a relatively straight forward process for GE's top managers to evaluate the performance of even 12 different product division. Decision making should be faster because there were fewer conflicts compared to functional departmentalisation.

The primary disadvantage of product departmentalization is duplication, each division may have human resource, finance and sales department; duplication like this result in higher cost. The second disadvantage is that it can be difficult to achieve coordination across the different product departments, standardising policy and procedures in product departments are as different as the lightning (light bulbs and lighting products for homes, offices and factories and capital services e.g. corporate debt and equity financing, commercial real estate, insurance and personal credit and financing divisions.

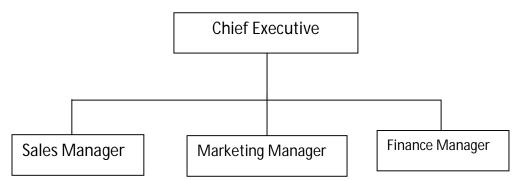
1.5.3 Departmentalization by Territory

This is usually associated with organisations that enjoy geographical spread. It is used more by commercial rather than industrial undertakings. For instance, we could have north-western, North eastern, North- central, South-Western, South-eastern and South-south zones etc. Here there is usually a field office manned by area or zonal managers. At the headquarters, we have zonal – coordinators or general managers, each of them will have a field office in that zone or territory. The National Youth Service Corps (NYSC) which has zones all over the Federation is a typical example because it even has State Directors; it's a clear case of decentralization.

The primary advantage of geographic departmentalization is that it helps companies to respond to the demand of different markets. This can be especially important when selling in different countries. Another advantage is that geographic departmentalization can reduce cost by locating unique organisational resources closer to customers.

The primary disadvantage of geographic departmentalization is that it can lead to duplication of resources. It can also be difficult to coordinate departments that are literarily thousands of miles from each other and whose managers have very limited contact with each other.

Departmentalization by clientele or customer oriented: here it is departmentalize on the basis of who to serve for instance, the Ministry of Commerce will be concerned with manufacturing, commercial and governmental or parastatal activities



The primary advantage of customer departmentalization is that it focuses the organisation on customer needs rather than on products or business functions. Furthermore, creating separate departments to serve specific kinds of customers allows companies to specialise and adapt their products and services to customer needs and problems. The primary disadvantage of customer departmentalisation is that like product departmentalization, it leads to duplication of resources. Furthermore, it can also be difficult to achieve coordination across different customer departments.

1.5.4 Matrix Departmentalization

This is a hybrid structure in which two or more forms of departmentalization are used together. The matrix structure groups employee by both function and product. It can combine the best of both separate structures; matrix organisation frequently uses teams of employees to accomplish work in order to take advantage of the strengths as well as make up for the weakness of functional and decentralized forms. An example would be a company that produces two products, 'product A and product B'. Using the matrix structure, this company would organize functions within the company as follows: product A sales department, product A customer service department, product B accounting department, product B sales department, product B customer service department, product B accounting department. Matrix structure is among the purest of organizational structures.

Several things distinguish matrix departmentalisation from other traditional forms of departmentalisation; first most employees report to two bosses a functional boss and a project or product boss. Secondly, by virtue of the function by product design, Matrix structures lead to much more functional interaction other forms of departmentalisation while matrix makers are members of only one function department (based on their work experience and expertise) it is common for them to be members of several ongoing project groups. Third, because of the high level of cross functional, matrix requires significant coordination between functional and project managers. In particular, these managers have the complex job of tracking and managing the multiple project and functional demands on employee time.

The primary advantage of matrix departmentalisation is that it allows companies to efficiently manage large complex tasks like researching, developing and marketing pharmaceuticals. Another advantage of the ability to carry out large complex tasks is because of the ability to quickly pull in expert help from all the functional areas of the company. The disadvantage of matrix structure is the high level of coordination required to manage the complexity involved with running large on-going projects at various levels of completion.

Flat organisational Structure: the flat structure is common in entrepreneurial start-ups and small companies in general. As the company grows however, it becomes more complex and hierarchical which leads to an expanded structure, with more levels and departments. Often, it would result in bureaucracy the most prevalent structure in the past it is still however relevant in former soviet Republics as well as in most governmental organisations all over the world. Shell group used to represent the typical bureaucracy: top heavy and hierarchical. It featured multiple levels of command and duplicate service companies existing In different regions. All this made shell apprehensive to market changes leading to its incapacity to grow and develop further. The failure of this structure became the main reason for the company restructuring into a matrix.

In general over the last decade it has become increasingly clear that through the forces of globalisation competition and more demanding customers, the structure of many companies has become flatter, less hierarchical more fluid and even virtual.

1.6 **AUTHORITY**

The second part of traditional organisation structure is authority. Authority is the right to give command, take action and make decision to achieve organisational objective. Traditional, organisation authority has been characterized by the following dimensions;

- 1. Chain of command
- 2. Line versus staff authority
- 3. Delegation of authority and
- 4. Degree of centralization

1.6.1 Chain of Command

The chain of command is the vertical line of authority that clarifies who reports to whom throughout the organization people higher in the chain of command have the right, if they choose, to give commands, take action and made decisions concerning activities occurring anywhere below them in the chain.

One of the key assumptions underlying the chain of command is unity of command which mean that workers should report to just one boss. In practical term, this means that only one person can be in charge at a time. The purpose of unity of command is to prevent the confusion that might arise when an employee receives conflicting commands from two different bosses.

1.6.2 Line versus Staff Authority

A second dimension of authority is the distinction between line and staff authority. Line authority is the right to command immediate subordinates in the chain of command staff authority is the right to advice but not command others who are not subordinates in the chain of command. The term "line" and "staff" are also used to describe different functions within the

organisation. A line function is an activity that contributes directly to cheating or selling the company's products, but instead support and activities. Typical staff function with an organisation is accounting, human resources and legal services.

1.6.3 Delegation of Authority

Managers can exercise their authority directly be completing the tasks themselves, or they can choose to pass on some of their authority to subordinate, delegation of authority is the assignment of direct authority and responsibility to a subordinate to complete task for which the manager as normally responsible.

1.6.4 Degree of Centralization

This is the location of most authority at the upper levels of organisation. In a centralised organization managers make most decisions are the relatively small ones. While decentralization is the location of a significant amount of authority in the lower levels of the organisations. An organisation is decentralised if it has a high degree of delegation at all levels. In a decentralised organisation, workers closest to problems are authorized to make the decisions necessary to solve the problems on their own.

1.7 SUMMARY

Organisational structured consist of activities such as task allocation, coordination and supervision which are directed towards the achievement of organizational aims.

From the history we learnt that organisation structures developed from the ancient times of hunters and collectors in tribal organisation, the early theories of organisation are Taylor, Fayol and Weber. Four characteristics of organisational structure include pre – bureaucratic structures which is best used to solve simple task were the strategic leader makes all key decisions and most communication is done by one on one communication (2) Bureaucratic structures when are more standardize and better suited for more complex or large organisations. (3) Post Bureaucratic used in generic and specific form. There is also the functional, divisional, matric, team and networking classification. Departmentalization is the grouping of jobs in such a way that they can be supervised by one person. The second part of traditional organisational structure is authority which is the right to give command, take action and make decision to achieve organisational objectives.

1.8 CONCLUSION

The organizational structure is the basic framework within which the executive's decision-making behaviour occurs. The quality and nature of the decision made are influenced by the nature of the structure. Organization, as an element of management, is concerned with the grouping of activities in such a manner that enterprise objectives ate attained, the assignment of these activities to appropriate department and the provision for authority, delegation and coordination. It is important to note that, in order to accomplish any goal, activities must be grouped logically and authority should be granted so that conflicts do not occur.

1.9 TUTOR MARKED ASSIGNMENT

- 1. What is an organisational structure?
- 2. List and explain the characteristics of an organisational structure.

PSM 801:

- 3. Compare and contrast between
 - a. Pre-bureaucratic structures
 - b. Bureaucratic Process
 - c. Post Bureaucratic Process
- 4. Briefly explain
 - a. Functional structures
 - b. Divisional structure
 - c. Team
- 5. What are the characteristics of matric organisational structure?
- 6. Briefly explain what departmentalisation is and the different types of departmentalisation structure.
- 7. Briefly explain what authority structures is what are its characteristics.

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UNIT II: ORGANISATIONAL BEHAVIOUR

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2.0 LEARNING OBJECTIVES

After studying the unit student should be able to;

- 1. Define organizational behaviour.
- 2. Outcome the history and current state of OB.
- 3. Understand the science and art of OB
- 4. Understand different research methods in OB.
- 5. The various essential guide to organizational research.
- 6. Define personality and understand its basic concept.
- 7. Know what stress entails and its major causes
- 8. Major effect of stress and has to manage them.
- 9. Understand social perception and understanding others.
- 10. Know operant conditioning and the encouragement of safe work practice.

2.1 OVERVIEW

2.2 HISTORY AND CURRENT STATE

Organisational behaviour (OB) according to Robbins is a field of study that investigates the impact that individuals, group and structure have on behaviour within organisation for the purpose of applying such knowledge toward improving an organization's effectiveness. To break the definition down, being a field of study means that it is a distinct area of expertise with a common body of knowledge which study three determinants of behaviours: individuals, groups and the effect of structure on behaviour in order to make organisations work more effectively.

To sum up our definition, OB is concerned with the study of what people do in an organisation and how that behaviour affects the performance of the organisation. OB mainly emphasizes behaviour as related to jobs, work, absenteeism, employment, turnover, productivity, human performance and Management.

OB also include motivation, Leader behaviour and power, interpersonal communication group structure and process, learning attitude development and perception, change process, conflict job design and work stress. Organisational behaviour is directly concerned with the conceptual and human side of management and with the application techniques that most expert in productivity are talking about

In the past most managers thought that their employees are basically lazy, that they were interested only in money and that if you could make them happy they would be productive. When such assumptions were accepted, the human problems facing management were relatively cleared cut and easy to solve. All management had to do was devise monetary incentive plans, ensure security and provide good working conditions, morale would then be high and maximum productivity would result. Human relations experts, Industrial psychologists and industrial Engineers supported this approach and personnel managers implemented it.

Unfortunately, this approach has not worked out in practice. Although no real harm has been done, and some good actually resulted in the early stages of organisational development, it is now evident that such a simplistic approach falls short of providing a meaningful solution to the complex human problems facing today's management.

The major fault of the traditional approach is that the assumptions over look far too many aspects of the problem system and membership coordinating systems (procedures) this collectively exists on a relatively continuous basis in an environment and engages in activities that are usually related to a set of goal: the activities have outcomes for organisational members, the organisation itself and for society

By collectively, sociologist refers to a group of humans who have something in common. In the case of organisations, it may be no more than a common objective. However, there will always be some tension between the particular interest of individual members and the larger organisational objective or goal. The additional characteristics of organisation that are listed by Hall – boundaries, norms, Authority, Communication and coordination – are the mechanisms designed to reconcile the potential conflict between collective and individual interests.

An organisation can be described as a consciously coordinated social unit composed of two or more people that function as a relatively continuous basis to achieve a common goal or set of goals.

2.2 ORGANISATIONAL BEHAVIOUR AS A SOCIAL SCIENCE

OB is significantly related to human relations and management which are older fields in business schools. It also gains ideas from psychology and sociology even though other social sciences such as economics, anthropology and political science have certainly contributed to OBs development.

2.3 RESEARCH METHODS IN ORGANISATIONAL BEHAVIOUR

Modern O.B, we have already noted, is essentially scientific in orientation. Thus, in its efforts to add to our knowledge of organizations and behaviour within them, it relies heavily on scientific methods widely employed by the behavioural sciences and other fields. In this section, we will acquaint you with several of these techniques. That is, we will explain just how scientist wishing to add to our knowledge of organizational behaviour actually proceeds. Please note: our main goal here is not that of tuning you into an expert in research methodology. Rather, it is simply that of providing you with a basic grasp of the logic underlying these techniques. We feel that such knowledge will prove useful to you in several ways, if you never conduct any organizational research yourself.

2.4 KNOWLEDGE THROUGH SELF – REPORT

A second major technique for conducting organizational research is the **survey Method.** In this approach, individuals respond to questions about some aspect of their own behaviour, or some aspect of their organization's. The questions are often presented on a printed form of questionnaire. Sometimes, however, they are posed during face-to-face interviews. In either case, the data collected involve subjects self-reports of their current views, beliefs, feelings or attitudes.

Survey can be used to study many different issues – almost any topic an investigator can imagine. To mention just a few examples, they can gather information about employees' level of job satisfaction or motivation, their reactions to pay plans or supervisors, and even their personal experience with prejudice or sexual harassment. This flexibility in content, plus great ease of use, represent major advantages of the survey method. Along with such benefits, however, come certain drawbacks. Perhaps the most important of these centers around the fact that survey data consist entirely of self- report – individual's own answers to the questions asked. For this reason, the accuracy of survey result depends very heavily upon the honesty and frankness of the persons who respond. If they wish to conceal their true views and feelings, or to present themselves in a favorable light, the findings obtained can be quite misleading. Thus, it is crucial to win the good will and cooperation of participants when using the survey method.

If such cooperation is obtained, surveys can be quite revealing. Thus, they have been, and will almost certainly continue to be, a major technique for acquiring new information about behaviour in organizational contexts.

2.5 KNOWLEDGE THROUGH INTERVENTION

Suppose that after reading the best-selling book Dress for Success, an O.B. researcher became interested in the following question: When individuals go on job interviews, how should they dress? Further, imagine that no firm or clear evidence on this question currently exists. How could she go about answering this question? One possibility is as follows: she could conduct an appropriate experiment.

Unfortunately, many persons seem to feel that experimentation is a complex and mysterious process – one well beyond their grasp. In fact, its basic logic is surprisingly simple and involves only two major steps: (1) some factor believed to after behaviour is systematically varied, either in its presence or strength, and (2) the effects of such variation upon some aspect of behaviour

are studied. The basic logic behind these procedures can be simply stated. If the factor varied actually affect organizational behaviour, then persons exposed to different levels or amounts of it should also show differences in the way they act. For example, exposure to a small amount of the factor in question should result in one level of behaviour; exposure to a larger amount should result in a different level, and so on. But please take note; this reasoning is correct only if all other factors that might also affect the behaviour understudy are held constant. If additional ones are followed to vary, it is impossible to tell just why any differences in behaviour occur. They might then stem from the factor we have chosen to vary, from other factors we have overlooked, or some combination of the two. (Incidentally, the factor systematically varied by a researcher is usually termed the *independent variable*; the aspect of behaviour studied, and which it is assumed to affect, is known as the *dependent variable*.)

Admittedly, these comments have been somewhat abstract. To clarify matters, therefore, let's return to the example mentioned above, and see just how an organizational researcher might conduct an experiment concerned with the impact of style of dress on the outcome of job interviews. Actually, there are several ways in which to proceed in this instance. One interesting approach would be as follows. The researcher might arrange for a number of personnel managers to interview a job applicant. In reality, the applicant would be an accomplice of the investigator. (To keep matters simple, let's assume that only one person – a female – plays this role). The applicant would then be instructed to dress in one of three distinct styles before reporting to each interview: (1) a very informal manner (she would wear old jeans and a rumpled shirt), (2) a neat but traditionally famine manner (she would wear a frilly blouse, dangling jewelry, and a shirt), or (3) a neat and professional manner (she would wear a tailored suit, simple jewelry). After each interview, the personnel manager involved would be asked to rate the applicant on a special form provided by the researcher. Separate questions on this form would involve ratings of the applicant on several job-related dimensions (e.g., her motivation, talent, intelligence, potential for future success), as well as specific recommendations about hiring this person. The ratings assigned to the applicant when dressed in each of the three different styles would then be compared. (Note, by the way, that the accomplice's style of dress at each interview would be determined in advance in some random manner, such as by a table of random numbers). If style of dress does indeed affect ratings of job applicants, it would be expected that ratings received by the accomplice would differ across the three style-of-dress conditions. For example, she might receive higher ratings receive when dress in neat but traditionally feminine manner than when dressed informally. Further, she might receive the highest ratings of all when "dressed for success" in a professional style. If such results were obtained, it could be concluded (at least tentatively) that the way people dress when going on a job interview does matter – a finding of practical importance of both interviewers, who could try to avoid being unduly influenced by this factor, and to applicants, who may want to take this into account when selecting their wardrobe. (Incidentally, actual research on this topic indicates that style of dress does indeed does exert such effects.)

Of course, the study has turned out in some other way. For example, the applicant might have received equal ratings in the traditionally feminine and professional conditions. (Perhaps frilly blouses and dangling jewelry are back in style). Or, style of dress might turn out to have little or no impact on the applicant's ratings: only her qualifications and personality really matter. Regardless of the precise results, though, the basic logic – and purpose – of the research project

would remain the same. In order to determine whether a particular factor (independent variable) affects some aspect of work-related behaviour, two basic steps are employed: (1) this factor is varied systematically, and (2) the impact of such variations on participants behaviour is carefully noted.

At this point, we should hasten to add that the experiment described above is the simplest type that can be performed. Only one factor was varied in order to examine its effects upon behaviour. In many cases, O.B. researchers seek to study the impact of several independent variables at one. They do so because in most real life situations, behaviour is affected by many factors rather than only one. Moreover, the interactions between such factors may be crucial importance. That is, the way in which one factor influences behaviour may depend, quite strongly, on some other factor. Continuing with the example above, a job applicant's style of dress may be only one of the factors affecting the ratings she receives. Another could be her actual qualifications. Moreover, these two factors might interact, so that for example, style of dress exerts larger effects upon interviewer ratings when the applicant has minimal qualifications than when she has excellent ones. Similarly, various aspects of her personality (e.g. her apparent level of friendliness or confidence) may also affect interviewer's reactions to her, and may also interact with style of dress. By varying several factors at once in an experiment, it is often possible to obtain more accurate and complete information about some aspect of organizational behaviours than could be obtained if such factors were studied one at a time, in isolation. For this reason, many studies described in later portions of this book will be ones in which several factors – not just one – were systematically varied at once. Regardless of the number of independent variables studied, however, the basic underlying strategy remains the same: each is systematically varied in order to determine whether, and to what degree, such changes affect some important aspect of organizational behaviour.

A final note of caution: this discussion has not considered several basic issues that arise when actual experiments are performed (e.g., are the persons who take part in the study representative of a larger group to whom the results are to be generalized?) because of such matters, conducting experiments on organizational behaviour is often more difficult than you might at first suspect. Despite these complications, though, experimentation remains a basic tool of the field of O.B., and for good reason: the results it yields often add substantially to our understanding of behaviour in organizational settings.

2.6 KNOWLEDGE THROUGH SYSTEMATIC OBSERVATION

As we have just pointed out, experimentation is a valuable technique for conducting organizational research. In fact, many experts believe it is the single most effective method available. Despite this fact, however, there are many situations in which it simply cannot be used. Practical or ethical constraints may rule out the possibility of performing an appropriate experiment, even if such a project can be readily imagined. For example, suppose that an O.B researcher has reason to suspect that certain styles of management are more effective than others in inducing high levels of commitment and performance among employees. Can he put this prediction to experimental test? Only if the managers in one or more companies are willing to let him alter their behaviour at will – an unlikely outcome, to say the least. Similarly, imagine that a researcher believes that certain types of stress produce burnout among employees. Can he now arrange to expose different individuals to varying levels of such conditions (e.g., low, moderate,

high), in order to determine whether burnout rises in the manner that he predicts? Obviously not; such procedures might harm the participants and so would be unethical. In these and many other cases, experimentation is not feasible because of either practical or ethical constraints.

Fortunately, when such conditions are encountered, it is not necessary for researchers to throw up their hands in despair and surrender. Instead, they can turn to an alternative approach known as the *correlation method*. Briefly, this technique involves careful observation of two or more variables in order to determine if they are related in some manner. If changes in one are found to be consistently associated with changes in the other (e.g., as one arises, so does the other), evidence for a links between them is obtained. Please note: in contrast to experimentation, no attempt is made to vary one of these factors in order to observe its effects upon the other. Instead, naturally occurring variations in both are observed in order to learn whether they tend to occur together in some way. To see how the correlation method can be applied to the study of organizational behaviour, let's return to the topic examined above – the impact of applicants' style of dress on the ratings they receive in job interviews.

Here, the basic procedures would be quite simple. A researcher interested in this topic would arrange to visit the employment offices of many different companies. In each, she would observe applicants as they appear for interviews, rating their style of dress along one or more dimensions (e.g., unprofessional-professional; neat-sloppy). Needless to state, the researcher would try to make these observations without calling applicants' attention to her activities. Next, she would obtain the ratings assigned to each person by the interviewers. In a final step, she would compare these two variables-her ratings of applicants' style of dress and the reactions they received from interviewers – to see if they are related. Note once again that she would not attempt to vary any applicants' style of dress; nor would she intervene in the interview situation in any manner. Rather, she would simply gather data on both factors (style of dress, interview ratings) and then observe whether they are in fact related. Again, many different patterns of results are possible. For example, it might be found that the more professional the applicants' style of dress, the higher the ratings they receive. Or, it might be noted that ratings increase with "professionalism," but only up to a point; beyond this, they level off and show no further rise. Whatever the nature of the relationship uncovered, it might be summarized as a correlation – a number (derived from statistical procedures) indicating the strength and direction of the link. (Correlations ranged from -1.00 to +1.00. Negative numbers indicate inverse relationships; as one factor rises, the other falls, or vice versa. Positive numbers indicate direct relationship: as one factor rises [or falls], the other does likewise.)

The correlation method offers several key advantages. First, it can readily be employed in a wide range of settings – including actual, functioning organizations. Second, it can be applied to topics and issues that cannot be studied by direct experimentation for ethical or practical reasons. Third, if carefully and skillfully conducted, it may permit researchers to uncover important relationships without affecting or interfering with ongoing activities in anyway. In contrast, of course, experimentation requires some type of intervention or change. Given these advantages you may now be wondering why O.B researchers ever prefer experimentation. Doesn't it involve a lot of extra work for very little gain? The answer is that despite its many "pluses", the corelational method suffers from one major drawback which should be overlooked: it is usually not very effective in establishing cause-and-effect relationships. Specifically, the fact that changes in one

variable are accompanied by changes in another does not guarantee the changes in the first caused changes in the second. The opposite may be true or, even worse, changes in both may actually be produced by changes in some other factor not taken into account. For example, imagine that systematic observation reveals that the less hair on the heads of male managers. The higher their position in their companies. One interpretation of this finding might be that hair loss causes promotions — not a very reasonable suggestion to say the least. Another is that promotions, with all the extra worry and pressures they involve, cause hair loss. This is a bit more convincing, but not much. Finally, there is another possibility: both hair loss and promotions stem from another factor: increasing experience on the job — and age! In short, there is no causal link between these two variables; rather, both are affected by another factor.

In this case, it is easy to see that the third alternative is the most reasonable one. In many other instances, though, such a choice is more difficult. For example, suppose that in the example above, our researchers find that the more professional the style of dress of job applicants, the higher the ratings they receive from interviewers. Does this mean that a professional style of dress causes high ratings? Not necessarily. It is also possible that people who adopt this style possess greater confidence, more maturity, and better judgment than persons who dress in an unprofessional manner. It might well be these factor, not style of dress itself, that is producing the observed result. In sum, the moral for researchers – and for consumers of research findings – is clear. Always be on guard against interpreting even a strong correlation between two variables as evidence for a direct causal link between them.

2.7 ESSENTIAL GUIDE TO ORGANIZATIONAL RESEARCH

By this point, you should have a good grasp of the basic methods used by O.B. researchers to answer questions about behaviour in organizational settings. You may still be wondering, however, about a related issue; where to these questions come from? How do researchers select specific topics for detailed study? Actually, there are several answers to this question. For example, on some occasions, and the activities occurring within them. On others, it is suggested by the findings of previous research, which raised intriguing questions or left others unanswered. Perhaps the most important source of research ideas, though, can be stated in a single word: *theory*. Briefly, theory represents attempts by scientists to answer the question "why"? It involves efforts to understand precisely why certain events occur as they do, or why various processes unfold in a specific manner. Thus, theory goes beyond mere observation or description; it seeks explanation. The attainment of comprehensive, accurate theories is a major goal of all fields of science, and O.B is no exception. Thus, a great deal of research in our fields is concerned with efforts to construct, 8 refine and test such frameworks. But what, exactly, are theories? And what is their value to O.B.? Perhaps the best means of answering such questions is through a concrete example.

Imagine that we observe the following: when people work together in a group, each member exerts less efforts on the join task than when they work alone. (This is known as social loafing) the observation just described is certainly useful by itself. After all, it allows us to predict what will happen when individuals work together, and it also suggests the possibility of intervening in some manner to prevent such outcomes. These two accomplishments – prediction and intervention (control) – are major goals of science. Yet, the fact that social loafing occurs does not explain why it takes place. It is all this point that theory enters the picture.

In older and more advanced fields such as physics or chemistry, theories often consist of mathematical equations. In O.B and related fields, however, they usually involve verbal statements or assertions. For example, a theory designed to account for social loafing might read as follows. When persons work together, they realize that their outputs will not be individually identifiable, and that all participants will share in the responsibility for the final outcome. As a result, they conclude that they can get away with taking it easy, and so exert less effort on the task. Note that this theory, like all others, consists of two parts: several basic concepts (e.g. individual effort, shared responsibility) and statements concerning the relationships between these concepts.

Once a theory has been formulated, a crucial process begins. First, predications are derived from the theory. These are developed in accordance with based principles of logic, and are known as *hypotheses*. Next, these predictions are tested in actual research. If they are confirmed, confidence in the theory is increased, they are disconfirmed, confidence in the theory may be weakened. Then, the theory may be altered so as to generate new predictions and these, in turn, are made the subject of research. In short, the process is continuous one, involving the free flow of information between a theory, predictions derived from it, and the findings of ongoing research.

2.8 PERSONALITY

Our own experience seems to tell use two things about human beings. First, they are all unique. Each possess a pattern of traits and characteristics not totally duplicated in any other person. Second, these traits are fairly stable over time. Thus, if one of your friends is bright, courteous, and ambitious today, she will probably also show the same characteristics next month, next year, and perhaps throughout her life. These observations concerning uniqueness and consistency form the core of many modern definitions of personality. Specifically, personality is usually defined as the unique but stable set of characteristics that set each individual apart from others. In short, it refers to the lasting ways in which a given person is different from others.

In all probability, you find this definition quite reasonable. Most of us believe that all human being (including ourselves) possess important traits, and these strongly affect their feelings, thoughts and actions. You may be surprised to learn, therefore, that unit quite recently, a heated controversy concerning the accuracy of these suggestions existed. One on side of this debate were scientists who contended that, in fact, people do not possess lasting traits. Rather, according to these researchers, their behaviour is shaped largely by external factors and conditions. As a result, we should expect much consistency in human behaviour; indeed, the same person may well act very differently across situations, and at different times. One the other side of the controversy were scientists who held, equally strongly that stable traits do exist. According to these scholars, people demonstrate a considerable degree of stability in their behaviour, and do often act in ways consistent with – and reflective of – their underlying traits. Which of these opposing views has triumphed? As you can probably guess from the inclusion of this chapter in our text, the latter one. At present, the weight of scientific opinion has swung strongly toward the existence of important, stable traits. This is not to say that the controversy outlined above is totally resolved – far from it. But at present, there is a growing consensus among experts that people often show a high degree of consistency in their actions across situations and over time,

and that this is best explained through reference to lasting, underlying traits. Several line of evidence have contributed to growing confidence in this conclusion, but here, we will mention only two.

First, in a number of major studies, the behaviour of individuals has been carefully studied over extended periods of time (several weeks or even months), and across a wide range of situations. This is in sharp contrast to earlier investigations in which samples of behaviour in only one or two situations, and over only a few hours were obtained. Results have been clear: in such studies, considerable evidence for consistency is present. For example, in one such project, individuals' energy level was rated by their friends and acquaintances. The, several behaviours that might relate to this characteristic (e.g., their walking speed, the presence of an alert or slumped posture during a lecture) were observed on a number of different occasions. A correlation of fully +.70 between peer ratings of energy level and these overt behaviours was obtained, thus suggesting that subjects did in fact behave in a manner consistent with this underlying trait.

Second, growing evidence suggests that just as individuals differ greatly with respect to many specific traits, they also vary considerably in the extent to which their behaviour reflects either their personal characteristics, or, alternatively, external (situational) factors. At one end of this dimension are persons whose actions stem from, and are guided by, their underlying traits. As you might expect, such persons show a high degree of consistency across situations and over time. At the other extreme the persons who are primarily responsive to ever-changing external conditions and who, accordingly, demonstrate little consistency in their behaviour.

Recognition of this important dimension (often termed *self – monitoring* since it involves the degree to which individuals monitor and adjust their own behaviour), points to two conclusions directly relevant to the situations – versus – traits debate mentioned earlier. First, although everyone appears to posses underlying traits, it is naïve to expect all persons to behave in ways consistent with them. Large individual differences in this characteristic, too, exist. Second, because this is the case, instances in which persons fail to demonstrate consistency over time or across situations are not necessarily evidence against the existence of underlying traits. Indeed, such inconsistency itself may merely reflect a key dimension of personality, self monitoring.

One final point: the fact that traits exist and exert strong effects upon the behaviour of at least some persons does not imply that the impact of situational factors is weak or unimportant. On the contrary, most experts on personality – and most practitioners of organization behaviour – believe that human behaviour actually stems from a complex interplay between situational and personal factors.

2.9 IT'S IMPACT IN WORK SETTINGS

During the course of your career, you will encounter hundreds of different persons. These individuals will vary along an almost countless number of dimensions — everyone you can imagine now, plus others that are certain to take you by surprise. Many of these differences will be of interest in their own right, but they will have little bearing on organizational behaviour. In contrast, others will play a key role in this respect. It is on several of the most important of these work and organization related characteristics that we focus now.

THE TYPE A BEHAVIOUR PATTERN: Who Succeeds and Who Survive?

Think back over all the persons you have known. Can you recall any who always seemed to work under great pressure, were hard driving and super competitive, and who were both impatient and aggressive? Now, in contrast, try to remember people who showed the opposite pattern – individuals who were generally relaxed and easy – going, sociable, and not very competitive. The persons you now have in mind in each of these categories represent contrasting patterns of behaviour labeled, respectively, *Type A* and *Type B*. While these are clearly extremes on a continuous dimension, it appears that most people actually do fall into one group or the other. Specifically, about 40 percent of the population is Type A and 60 percent is Type B.

Obviously, the differences between Type A and Type B persons have important implications for behaviour in work setting. For example, hard – driving, competitive individuals would be expected to act in very different ways from their more relaxed counterparts. As we shall soon see, this is in fact the case. But Type A and Type B persons also differ in other key respects that are, perhaps, less apparent. The most important of these involve personal health and social relations.

The Type A Pattern and Health: Common sense suggest that highly competitive, driven persons are more likely to expire prematurely than calm and relaxed ones. It is for this reason that friends and relatives often plead with such hyperactive individuals to "slow down and live longer". In this case, common sense seems to be correct. Research findings indicate that Type A persons are more than twice as likely as Type Bs to experience serious heart disease. Further, they are more likely to suffer a second heart attack if the first one is not fatal. In this respect, certainly, Type A persons pay a high price for their hard – driving, over stimulated lifestyle.

Recent evidence helps explain precisely why Type As are so much more at risk than Type Bs in this regard. Briefly, they seem to respond to stress with more pronounced physiological reactions than Type Bs. When performing stressful, difficult tasks, Type As have significantly higher blood pressure and pulse rates than Type Bs. Interestingly, this does not seem to be the case when they are at rest; at such times, differences between Type As and Type Bs are minimal. But since Types As rarely slow down, they subject their cardiovascular systems to greater stress much of the time, with predictable consequences.

The Type A Pattern and Interpersonal Relations: In addition to differences in personal health, Type A and Type B persons also demonstrate sharply contrasting styles of interpersonal behaviour. First, because of their constant time - urgency (They always seem to feel that they are running out of time), Type As tend to be more impatient with others, and grow angry with them if people delay them in any manner. Second, when given a choice, Type As prefers to work by themselves rather than with others. They are definitely "loners" rather than "team players". Third, Type As are more irritable and aggressive than Type Bs. They lose their tempers more frequently, and are more likely to lash out at others for even slight provocations. The other side of the coin, of course, is that the super – competitive, always in-a-hurry style of Type As often irritates or annoys persons with whom they work. Clearly, then, several characteristics shown by Type A individuals can get them into personal difficulties in work settings.

The Type B Pattern and Performance: Given their competitiveness and hyperactivity, it seems reasonable to expect that Type As will often work harder on various tasks than other persons, and will perform at higher levels. In fact, however, the situation turns out to be more complex. On the one hand, Type As do tend to work faster on many tasks than Type Bs, even when no pressure or deadline is involved. Similarly, they complain less about hard work and describe themselves as feeling less tired when it is completed than do Type Bs. In addition, they tend to seek more challenge in their work and daily lives than Type Bs.

2.10 STRESS: ITS MAJOR CAUSES

Stress and work. Somehow, the two words seem to go together. The reason for this pairing in our minds is obvious: most of us experience at least some degree of stress in our jobs. In fact, we are exposed to many different events and conditions that cause us to feel pressured or in danger of being pushed beyond our personal limits. Many different factors contribute to stress in organizational settings, and these vary greatly in both their nature and scope. Most, though, seem to fall into two major categories: factors relating to organizations or jobs themselves, and factors relating to the traits and experiences of specific individuals.

Occupational Demands: Some Jobs are More Stressful than Others: Consider the following jobs: production manager, librarian, emergency room physician, farmer, firefighter, college professor, airline pilot. Do you think that they vary in stressfulness? The answer is fairly obvious: they do. Some, such as emergency room physician, firefighter, and airline pilot, subject the persons who hold them to very high level of stress. Others, such as college professor, farmer and librarian, do not. This basic fact – that some jobs are much more stressful than others – is confirmed by the results of a careful survey involving more than 130 different occupations. Results indicate that several jobs (e.g. physician, office manager, foreman, waitress or waiter) are quite high in stress. In contrast, others (e.g., maid, craft worker, farm labourer) are much lower in this regard.

Role Conflict: Stress From Conflicting Demands: Imagine the following situation. Because she has done such an excellent job in negotiating contracts with local suppliers, a young manager is promoted and becomes one of her company's chief negotiators. Her new job involves a great deal of travel, since she must now fly all over the country (and even outside it), in order to represent her organization at many different meetings. Her supervisor is pleased with her works and continues to give her more and more assignments. Her husband and two children, though, have very different reactions to her growing success. They miss her very much, and put increasing pressure on her to give up her new job and stay at home. Is this a stress inducing situation for the woman concerned? Absolutely! She finds herself being pulled in opposite directions by the needs and the demands of her role as a rising young executive conflict sharply with the demands of her roles as wife and mothers. Expectations of different groups: her family and her organization. Moreover, there is no simple or easy way to reconcile these conflicting demands. The result: she experiences a considerable degree of role conflict. That is, the demand of her role as a rising young executive conflict sharply with the demands of her roles as wife and mother.

Role Ambiguity: Stress from Uncertainty: Even if an individual manages to avoid the strain associated with role conflict, she or he may still encounter an even more common source of job –

relaxed stress: **role ambiguity.** This occurs when individuals are uncertain about several matters relating to their jobs: the scope of their responsibilities, the limits of their authority, specific production requirements, the criteria used in evaluating their work, and so on. Most persons dislike such uncertainty, and find it quite stressful. Unfortunately, though, few possess complex or satisfactory knowledge about such matters. The result: role ambiguity is quite common. In fact, from 35 to 60 percent of employees surveyed report experiencing it to some degree. Clearly, then, it is one major cause of stress at work.

Overload and Underload: Doing too much or doing too little: When the phrase "job stress" is mentioned, that is, they imagine either a harried executive attempting to dictate a letter, talk on two phones, and conduct an interview all at once, or a production worker frantically trying to keep up with a rapidly moving assembly line that threatens to get ahead of him. In short, they conjure up an image of someone caught in the trap of trying to do too much in too little time. In this case, common belief is not far off the mark, for overload is in fact a major cause of stress at work. Actually, though, a distinction is often made between quantitative overload – situations in which an individual is asked to do more work than can be completed in a given period of time, and qualitative overload – feelings, on the part of an individual that he or she lacks the required skills or abilities needed to perform a given job. Both types of overload are unpleasant, and research findings suggest that both can lead to high levels of stress.

Responsibility for Others: A heavy burden. In any organization that has division of responsibility. Some persons deal primarily with the physical side of the business (e.g., procuring supplies, overseeing production, maintaining equipment), others focus mainly on financial matters (e.g., budgets, taxes, accounting), and still others – usually supervisors or managers – must deal primarily with people. Are there any differences in the level of stress associated with these contrasting types of positions? Research findings suggest there are. In general, individuals who are responsible for other people – ones who must motivate them, reward of punish them, and make decisions about them – experience higher levels of stress than persons who handle other organizational functions. Such persons are more likely to report feelings of tension and anxiety, and are actually more likely to show overt symptoms of stress such as ulcers or hypertension than their counterparts in finance or supply. The reason behind this difference are complex, but we can mention two of the most important here. First, it is such managers who must, ultimately, confront the human costs of organizational decisions. For example, it is they who must witness the distress of persons who receive negative feedback, are passed over for promotion, are laid off, or who are fired. Second, it is their tasks to deal with the many frictions that are a normal part of human relations at work. This involves listening to endless complaints, mediating disputes between employees, promoting cooperation, and exercising leadership. Needless to say, all of these tasks are highly demanding, and can contribute to the total burden of stress experienced by such managers.

Lack of Social Support: The cost of Isolation. There is an old saying which suggests that "Misery loves company." In the context of stress, this statement implies the following: if we have to face stressful conditions, it's better to do so along with others (and with their support) rather than alone. As you probably know from your own experience, many people accept this view as correct. When confronted with stress (e.g. an important exam, an anxiety – provoking presentation in front of an important audience) they do seek support and comfort from others.

Does this strategy actually work? In short, do people who can count on a high degree of support from others actually cope with stress more effectively than ones who are lacking in this type of backing? The answer provided by many different studies seems to be yes.

2.11 STRESS: ITS MAJOR EFFECTS

By now, you are probably convinced that stress derives from many sources, and is quite common in organizational settings. What you may still fully grasp, though, is just how powerful and far – reaching its effects can be. Systematic research on this topic has revealed that stress influences our physical and psychological wellbeing, our personal adjustment, the course of our careers, and many aspects of our behaviour – both at work and elsewhere. Several of these effects are described in some detail below.

Stress and Health: The Silent Killer

At present, most people realize that prolonged exposure to stress can be harmful to their health. In this respect, they are definitely correct, for growing evidence indicates that stress plays a role in a wide range of common ailments (e.g., headaches and stomachaches). Medical experts, however, have found far beyond this simple generalization. In fact, many now believe that from 50 to 0 percent of all physical illness are at least partly caused by stress! Moreover, included among these stress – related ailments are some of the most serious – and fatal – ones known to medical science. We have already called attention to evidence linking stress to heart disease. However, this is only a small part of the total picture. In addition, stress appears to play a role in the following major health problems: high blood pressure, hardening of the arteries, ulcers, and diabetes.

Stress and Mental Stress

Few scientist currently doubt that mind and body are closely related. That is, events and conditions affecting one often affect the other as well. Given this fact, it is far from surprising to learn that as stress affects our basic bodily processes, it also influences our psychological states. Several such effects have been discovered. First, exposure to stress often induces negative shifts in moods and emotions. Persons experiencing stress frequently report such feelings as anxiety, depression, irritation, and fatigue. Second, exposure to stress – especially stress relating to one's job – can result in lowered self – esteem.

Stress and Behaviour at Work

Any factor that exerts powerful effects upon physical wellbeing and psychological states would also logically be expected to influence overt behaviour, too. With respect to stress, this is definitely the case. Exposure to strong or prolonged stress exerts many effects upon behaviour in work settings.

Alcohol, Drugs and Stress

Stress, especially when it rises to high levels, is unpleasant. For this reason, most persons seek to reduce or avoid it whenever possible. For a large majority of individuals, this involves efforts to actively cope with the causes of stress – problems they face at home or at work. Some, however, adopt a sharply different strategy. Instead of attempting to deal directly with stress, they seek to withdraw or escape from it. One of the major tactics such persons use for accomplishing this goal I simple: they retreat into an alcohol or drug – induced haze.

Unfortunately, this strategy has become alarmingly common in organizational settings in recent years. At the present time, nearly ten mission persons (more than 5 percent of the total labour force!) can be classified as alcoholic in the United States alone. Drug abuse, too, is far from rare. Marijuana, cocaine, tranquilizers, amphetamines, and even heroin are all in widespread use and can be encountered everywhere from the factory floor and loading dock, up to and including the executive offices. We should hasten to note that individual use (and abuse) these substances for many reasons; efforts to escape from stress are only part of the story. Yet, when asked why they turned to alcohol or drugs in the first place, many persons mention intense boredom, role conflicts, anxiety and other factors closely linked to stress.

Whatever the specific reasons behind the growing problems of alcoholism and drug abuse, though, there can be little doubt that they exact serious costs from both individuals and organizations alike. From the point of view of individuals, such costs are all too obvious. Abuse of alcohol and drugs can affect personal health, destroy promising careers, wreck good marriages, and shatter happy families. The cost for organizations, too, are staggering. For example, alcoholic employees are absent from work and experience accidents several times more frequently than other workers. The told use to drug abuse may be even higher. Persons who abuse such substances show sharply reduced productivity, and may account for a large share of company thefts. One dramatic illustration of the costs associated with drug abuse at work is provided by a serious accident that took place in the United States during 1984. This accident involved a head - on collision between two Amtrak passenger trains moving through the crowded east – coast rail corridor. The collision occurred when an employee failed to throw a switch that would keep the trains on different tracks. Blood samples collected from this person shortly after the accident indicated that he was probably under the influence of several different drugs (including marijuana) at the time. Tragedies such as this suggest that alcoholism and drug abuse among persons at work can sometimes involve cost most individuals would find totally acceptable.

In the past, alcoholism or drug abuse by employees was viewed by management in most companies as a cause for immediate dismissal. More recently, though, public attitudes have shifted, and such behaviour shave come to be seen as serious but treatable illnesses. As this new perspective has gained support, and also as many organizations have recognized the hug hosts associated with alcoholism and drug abuse among their employees, a growing number have established special programs designed to aid affected persons. These **Employee Assistant Programs** either provide employees with counseling and treatment, or direct them to various agencies specializing in such assistance. Since recognizing a problem is usually the first step toward its solution, these developments, preliminary as they are, provide some basis for optimism. Nevertheless, alcoholism and drug abuse remain serious problems in many organizations - ones for which there are no simple or obvious solutions. Thus, they must be included on any list of the damaging effects of stress.

2.12 MANAGING STRESS: SOME USEFUL TECHNIQUES

Because stress stems from many different sources, it is probably impossible to totally eliminate it from work settings. While it can't be completely removed, though, it can be managed. That is, steps can be taken to hold it acceptable levels, and to minimize its harmful effects. Several

different techniques for attaining these valuable goals exist. Most, however, seem to fall under two major headings; procedures individuals can apply themselves and techniques that require changes in or interventions by organizations.

Personal Tactics for Managing Stress

What steps can individual take to protect themselves against the adverse effects of stress? Fortunately, several useful ones seem to exist. First, and perhaps foremost, person concerned with enhancing their own "stress tolerance" can focus on increasing their physical fitness. A large and growing body of evidence indicates that individuals who exercise regularly, and avoid gaining weight, are much less likely to suffer from several types of stress – related illness (e.g., heart disease, high blood pressure) than those who do not engaged in such activity or who permit themselves to pick up extra pounds. Further, it doesn't seem to matter how physical fitness is attained; jogging, swimming, aerobic dancing, participation in team sports – all seem equally effective.

Improving their physical fitness is not the only thing individuals can do to increase their resistance to stress, however. Several other techniques exist as well. For example, they can participate in what is known as coping skills training - special procedures which help them recognize situations that cause them to experience anxiety or feelings of being overwhelmed, aid specific tactics for dealing with such situations. Many techniques for managing stress, however, center around the following common theme: teaching individuals special methods for replacing feelings of strain and tension with relaxation. One of the most popular of these is relaxation training. Here, individuals learn how to relax their muscles in a systematic manner. (e.g., starting with their feet and moving upward toward the head). Such relaxation seems effective in reducing emotional tension. Another procedure for attaining similar effects is known as meditation. Individuals using this technique assume a comfortable position, close their eyes and attempt to clear all disturbing thoughts from their minds. Then, they silently repeat a singly syllable or mantra over and over again. Although it remains somewhat controversial, many persons report that meditation helps them feel relaxed. Further, some research findings indicate that it affects basic bodily functions in a manner suggestive of relaxation (e.g., it reduces oxygen consumption, produces brain – wave patterns indicative of a clam mental state).

Additional tactics for managing stress that can be used effectively by individuals include developing hobbies or other outside interests that help distract them from the pressures of their jobs, taking short vacations in order to "unwind", and learning to structure work and personal lives so that these do not consist of a perpetual struggle to meet important deadlines. Through these steps, and the ones outlined above, individuals can enhance their ability to meet – and cope with – the unavoidable stress connected with their work.

Organizational Strategies for Managing Stress

While individuals can increase their own resistance to stress, they cannot, by themselves, eliminate many of its causes from their work environments. For this reason organizations, too, can play a key role in stress management. Specifically, they can adopt changes in their own structure and procedures, or alter the nature of jobs so as to reduce stress among their employees.

Changes in Organizational Structure and Functions

Several changes in organizational policy and function appear to be useful in reducing job related stress. First, such benefits can sometimes be produced by decentralization – a process in which authority is spread more widely throughout an organization. This seems to reduce feelings of helplessness among employees, and so reduce their overall level of stress. Second, employees can be afforded greater participation in decision, especially ones involving their jobs. As we noted earlier, the lack of opportunities for such input can be highly upsetting to many persons. Third, steps can be taken to assure that both performance appraisals and the distribution of organizational rewards are as fair as possible. To the extent individuals perceive that these matters are being handled in a reasonable manger, the stress related to them can be greatly lessened. Fourth, efforts can be made to enhance communication with the organization. The smoother and more rapid the flow of information along such channels, the lower the likelihood of role ambiguity, and so the lower the level of stress present.

There is an old saying that states: "everyone sees the world through different eyes and incidents such as the one above suggest that his is true. Even when posed to the same situation, information or events, different persons often report sharply contrasting reactions. Further, like the characters in the opening story, each tends to assume that her or his view is the correct one. Such differences, which can be large, point to a key fact: contrary to what common sense may suggest, we do not know the world around us in a simple or direct manner. On the contrary, we construct a "picture" of it through an active, complex process. This is known as **perception**, and is often defined as follows: perception is the process though which we actively select, organize, and interpret information brought to us by our senses in order to understand the complex word around us.

As you might already guess, perception plays a key role in human behaviour. Indeed, how people act is often largely a function of how they interpret their current surroundings, both physical and social. For example, imagine the following situation. You are scheduled to meet with one of your subordinates at 2:00pm. Much to your irritation, he does not show up until 2:45pm. How do you react? Obviously, it depends on your interpretation of the reasons behind his tardiness. If he enters in a slightly tipsy state, just back from a three – martini lunch, you may be very angry. After all, this is a poor reason for keeping you waiting. If, instead be rushes in out of breath, explaining that his plane was delayed, or that he encountered a mammoth traffic jam on the way from the airport, your reaction will be quite different. In this and countless others situations, our behaviour is strongly determined by the process of perception, and the interpretation of physical or social reality it yields.

2.13 SOCIAL PERCEPTION: PERCEIVING AND UNDERSTANDING – OTHER PERSONS

Why do people act the way they do? What are their major traits? Goals? Motives? Are they responsible for their own actions, or do their actions stem from factors beyond their control? These are only a few of the questions we ask about the persons around us. Our interest in such issues is far from surprising. After all, other persons – bosses, co-workers, subordinates, friends, relatives, lovers – have a profound impact on our lives. Thus, efforts to understand them, and so, perhaps, render them more predictable, make eminent good sense. The importance of this task, however, by no means guarantees sit simplicity – far from it! Other persons are – and often remain – one of the major puzzles of life. Yet, in general, we do succeed in obtaining at least

partial answers to all the questions mentioned above. How do we accomplish this difficult task? The answer is: through an active process of **social perception.** Briefly, we actively attempt to combine, integrate, and interpret information about other persons and in this way, to form useful "picture" of them – a basic grasp of what they are like and what, essentially, makes them "tick". Since human beings are extremely complex, social perception, too, is a complicated affair. For this reason, we could possibly consider all of its major features here. What we can do, though, is focus on two key aspects of such perception: attribution – the process through which we seek to understand the causes behind others' behaviour, and **impression formation** – the manner in which we combine varied information about other persons into a unified, overall impression of them.

2.14 OPERANT CONDITIONING AND THE ENCOURAGEMENT OF SAFE WORK PRACTICE

According to one old saying, "Accidents happen". What this implies is that accidents are often the result of chance factors or unknown forces beyond human control. Certainly this is true in some instances. In many others, however, accidents result from dangerous or foolhardy actions by the persons involved. By ignoring safety precautions, they virtually invite the disasters that soon follow. Can anything be done to modify such behaviors, and so reduce the frequency of industrial accidents? The result of a series of investigations carried out by Komaki and her colleagues offer a positive reply.

For example, in one of these investigations, efforts were made to encourage good safety practices among employees in the vehicle maintenance facility of a large city. In an initial step, various unsafe practices were identified, and their frequency among employees was recorded by trained raters. These observations continued over a period of several months. Next, employees underwent special training designed to call attention to these unsafe practices. This involve attendance at a session in which they viewed slides of unsafe behaviours, discussed such hazards, and then viewed slides showing how these dangers could be avoided. Following training, employee behaviour was again observed for several weeks. After this, the next phase of the study way begun. During this part, employees underwent further training in safety rules. In addition, their supervisor posted a graph designed to show how well they were doing in adopting proper safety practices. Entries were made on this graph several times a week, thus providing employees with continuing feedback about their progress. Again, trained raters made careful observations of their behaviour throughout the period. In two additional phases of the study, each lasting approximately ten weeks, supervisors first stopped making entries on the charts (i.e., feedback was eliminated), and then began providing such information once again. These procedures were followed in order to determine if continued feedback was necessary to maintain any changes in safety behaviour or, alternatively, if training in such practices would be sufficient to produce lasting effects.

Safety practices were relatively rare during the initial baseline period (prior to training or feedback). They rose slightly following safety training, but then increased much more when direct feedback on performance was provided. Interestingly, safety practices declined when feedback was removed, but then rose once again when it was restored. These findings indicate that training in safety practices alone is not sufficient to produce major shifts in such behaviour; only when training is combined with feedback do lasting changes occur. Further support for this

conclusion is provided by the results of a recent study conducted by Reber and Wallin. These investigators found that providing employees in a farm machinery plant with feedback about their safety behaviour improved their performance in this respect over that produced by a combination of training and goal setting. Indeed, when feedback (knowledge of results) was provided, fully ten out of eleven participating department actually exceeded the agreed – upon goal of 90 percent compliance with safety organizations by employees.

Together, the results reported by Komaki and her colleagues by Reber and Wallin indicate that techniques based upon operant conditioning can be highly effective in producing beneficial shifts in employee behavior. In order to be successful, however, such procedures must be both planned and executed in a systematic manner. Specific steps for accomplishing these goals have recently been devised by Luthans and his colleagues, in an approach known as **O.B. Mod.** (short for organizational behaviour modification). Positive results have already been obtained with this approach in several organizational settings (e.g., manufacturing companies, stores, hospitals). Thus, it seems likely that O.B. Mod. And related techniques will find increasing application in the years ahead. To the extent they do, basic knowledge about operant in the years ahead. To the extent they do, basic knowledge about operant conditioning may well make a substantial contribution to the solution of many practical organizational problems.

2.15 BEHAVIOURAL MODELING AND THE ENHANCEMENT OF MANAGERIAL EFFECTIVENESS

Managers face many different problems in their jobs. Among the most common are those involving difficulties with their subordinates? For example, many supervisors are uncertain about how to motivate these persons when their output decreases, how to deal with their complaints, how to overcome their resistance to change, or how to provide recognition for good performance. This is hardly surprising, for most managers are trained in general business practices or in some technical specialty. Few receive direct instruction in tactics for handling or improving relations with subordinates. Is there any efficient way for them to improve their skills in this respect? Fortunately, there is. The findings of several recent studies indicate that managers can readily acquire improve interpersonal skills through behavioural modeling. That, is they can learn improved ways of dealing with subordinates through procedures in which they observe examples of such behaviour on the part of others. One especially impressive demonstration of such effect has been reported by Porras and Anderson.

These investigators began by asking supervisors at a large forest – products company to identify the most difficult problems they faced in dealing with subordinates. Among the problems identified by these first – line managers were several listed above (e.g., motivating an employee who is experiencing a performance problem, handling employee complaints, overcoming resistance to change, improving attendance). Next, Porras and Anderson devised a training program designed to enhance interpersonal skills that might prove useful in dealing with these and many other manager subordinate problems. These skills included the ability to clearly identify and describe specific problems to employees, improved ways of discussing the problems with them, actively involving employees in the formulation of solutions to the problems, and delivering positive reinforcement to them when progress is attained. In order to help mangers develop these skills, Porras and Anderson conducted special workshops (one each week for six weeks) in which first – line managers from several of the company's plants observed concrete

examples of these skills in actual practice. Managers from other plants did not participate in the training, and constituted a no-treatment control group). The examples were presented on videotapes in which a company supervisor successfully used a specific skill to solve a difficult interpersonal problem, during each workshop, such skills ere first described and explained. Then modeled demonstrations of their use were presented. Next, mangers rehearsed the skill under the workshop leaders' supervision. They then received feedback on their performance. Finally, they formally committed themselves toe the use of their newly acquired skill while on their job.

2.16 SUMMARY

From the unit know that organizational behaviour is a field of study that investigates the impact that individuals, group and structures have an behaviour with organization for the purpose of applying such knowledge towards improving an organization's effectiveness. An organization can also be describe as a conscious coordinated social unit composed of two or more people that function on a relatively continuous basis to achieve a common goal or set of goals OB as a social science is significantly related to human relation and management. The field of organizational behaviour /OB/ seeks enhanced knowledge of behaviour in organizational settings through the scientific study of individual, group, and organizational possesses. Natural observation involves careful study of events action and process occurring within a specific organization. The survey method makes use of interviews or questionnaires when ask individuals to provide information about some aspect of their aim or behaviour or some feature of their own organization experimentation involves procedures in which one or more factors (independent variables) are systematically varied in order to determine if such changes affect various aspects of organizational behaviour dependent variable, learning refers to fairly permanent changes in behaviour produced by experience form of learning is operant conditioning. In this process, individuals learn to perform actions that yield desirable outcomes, or actions that permit them to avoid or escape from undesirable ones. A second major form of learning, modeling involves our ability to acquire new responses or information merely through observing the action of others.

We do not know the world around us directly rather we actively construct a representation of it through the process of perception. Perception is highly selective in nature, thus, we notice and (process) only a portion of the information brought to us by our senses. In key task we face in our efforts to make sense out of the external word is that of understanding other persons. This is accomplished through social perception. Important aspect of such perception is attribution – the process through which we attempt to inform others major traits and the causes behind their behaviour.

2.17 CONCLUSION

Stress occurs when individuals perceive that their ability to cope in a specific situation may soon be overwhelmed. Such reactions stem from many different causes. Among the more important organizational causes of stress the demand of a given job, role conflict, overload or under load, lack of social support, role ambiguity and the absence of opportunities to participate in decisions concerning one's job. Stress exerts many effects upon individuals and organization. First, it can lead to several forms of illness (e.g heart disease, high blood pressure). Second it produces negative shifts in moods, depression, reduced self esteem and lowered job satisfaction. Many techniques for managing stress exist. Individuals can enhance their own capacity for resisting the impact of stress by improving their physical fitness, learning specific coping skills and mastering

technique that allows them to substitute relaxation for tension. Organizations can help lower the level of stress faced by their employees by decentralizing authority, improving lines of communication, enlarging or enriching jobs, and by elimin unnecessary travel and transfers.

2.18 TUTOR MARKED ASSIGNMENT

- 1. Briefly outline the history and current state of organizational behaviour.
- 2. List 3 research methods in organizational behaviour. Briefly explain them.
- 3. What is personality? What are the advantages of studying personality traits?
- 4. List and explain 5 major causes of stress. Explain how they can be manage?
- 5. Explain how stress can be manage in an organization.
- 6. Explain perception and what are the importance of understanding other.
- 7. Does operant conditioning encourage work safety?

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UNIT III: CHARACTERISTICS/CULTURE OF ORGANISATION

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3.0 INTRODUCTION TO ORGANIZATIONAL CULTURE

Organisational culture is an idea in the filed of organizational studies and management which describes the psychology, attitudes, experiences, beliefs and values (personal and cultural values) of an organization. It has been defined as "the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization. Ravisi and Schultz (2006) state that organizational culture is a set of shared mental assumptions that guide interpretation and action in organizations by defining appropriate behaviour for various situations. Although it's difficult to get consensus about the definition of organizational culture, several contracts are commonly agreed upon — that organizational cultures is holistic, historically determined, related to anthropological concepts, socially constructed, soft, and difficult to change.

The definition continues to explain organizational values, described as "beliefs and ideas about what kinds of goals members of an organization should pursue and ideas about the appropriate kinds or standards of behavior organizational members should use to achieve these goals. From organizational values develop organizational norms, guidelines, or expectations that prescribe appropriate kinds of behavior by employees in particular situations and control the behavior of organizational members towards one another.

3.1 LEARNING OBJECTIVE

By the end of t he unit you should be able to

- 1. To define organizational culture.
- 2. To explain strong/weak culture.
- 3. Outline the characteristics of healthy organisational cultures.
- 4. Know the different typologies of organisational cultures.
- 5. Outline the factors and elements influencing organizational culture.
- 6. Know what are the organisational culture assessment instrument.
- 7. Understand entrepreneurial culture
- 8. Explain organisational communication perspective and culture.

3.2 STRONG/WEAK CULTURE

Strong culture is said to exist where staff respond to stimulus because of their alignment to organisational values. In such environment, strong cultures help firms operate like well-oiled machines, cruising along with outstanding execution.

Weak culture is where there is little alignment with organisational values and control must be exercised through extensive procedures and bureaucracy.

Research shows that organisations that foster strong culture have clear values that give employees a reason to embrace the culture. A strong culture may be especially beneficial to firms operating in the service sector since members of these organisations are responsible for delivering the service and for evaluating important constituents make about firms.

The following benefits can be derived from developing strong and productive cultures:

- Better aligning the company towards achieving its vision, mission and goals
- High employee motivation and loyalty
- Increased team consciousness among the company's various departments and divisions.
- Promoting consistency and encouraging coordination and control within the company.
- Shaping employee behaviour at work, enabling the organisation to be more efficient.

Where culture is strong – people do things because they believe it is the right to do – there is a risk of another phenomenon, groupthink. "Groupthink" was described by Irving L. Janis. He defined it as "…a quick and easy way to refer to a mode of thinking that people engage when they are deeply involved in a cohesive in-group, when members' strive for unanimity override their motivation to realistically appraise alternatives of action. "This is a state where people, even if they have different ideas, do not challenge organizational thinking, and therefore there is a reduced capacity for innovative thoughts. This organization, or where there is an evangelical belief in the organization's values, or also in groups where a friendly climate is at the base of their identity (avoidance of conflict). In fact group think is very common, it happens all the time, in almost every group. Members that are defiant are often turned down or seen as a negative influence by the rest of the group, because they bring conflict.

Innovative organizations need individuals who are prepared to challenge the status quo-be it group-think of bureaucracy, and also need procedures to implement new ideas effectively.

3.3 CHARACTERISTICS OF HEALTHY ORGANIZATIONAL CULTURES

Organizations should strive for what is considered a "healthy" organizational culture is order to increase productivity, growth, efficiency and reduce employee turnover and other counterproductive behavior. A variety of characteristics describe a healthy culture, including:

- Acceptance and appreciation for diversity
- Regard for and fair treatment of each employee as well as respect for each employee's contribution to the company.
- Employee pride and enthusiasm for the organization and the work performed
- Equal opportunity for each employee to realize their full potential within the company.
- Strong communication with all employees regarding policies and company issues
- Strong company leaders with a strong sense of direction and purpose
- Ability to compete in industry innovation and customer service, as well as price
- Lower than average turnover rates (perpetuated by a healthy cultures)
- Investment in learning, training and employee acknowledge.

Additionally, performance oriented cultures have been shown to possess statistically better financial growth. Such cultures possess high employee involvement, strong internal communications and an acceptance and encouragement of a healthy level of risk – taking in order to achieve innovation. Additionally, organizational cultures that explicitly emphasize factors related to the demands placed on them by industry technology and growth will be better performers in their industry.

According to Kotter and Heskett (1992), organizations with adaptive cultures perform much better than organizations with unadaptive cultures. An adaptive culture translates into organizational success; it is characterized by managers paying close attention to all of their constituencies, especially customers, initiating change when needed, and taking risk. An unadaptive culture can significantly reduce a firm's effectiveness, disabling the firm from pursuing all its competitive/operational options.

3.4 TYPOLOGIES OF ORGANIZATIONAL CULTURES

Several methods have been used to classify organizational culture. While there is no single "type" of organizational culture and organizational cultures vary widely from one organization to the next, commonalities do exist and some researchers have developed models to describe different organizational cultures. Some are described below;

Hofstede (1980) demonstrated that there are national and regional cultural groupings that affect the behaviour of organizations.

Hofstede looked for national differences between over 100,000 of IBM's employees in different parts of the world, in an attempt to find aspects of culture that might influence business behavior.

Hofstede identified four dimensions of culture in his study of national influences:

• **Power Distance:** The degree to which a society expects there to be differences in the levels of power. A high score suggests that there is an expectation that some individuals wield larger amounts of power than others. A low score reflects the view that all people should have equal rights.

- Uncertainty Avoidance reflects the extent to which a society accepts uncertainty risk.
- Individualism vs Collectivism: Individual is contrasted with collectivism, and refers to the extent to which people are expected to stand up for themselves, or alternatively act predominantly as a member of the group or organization. However, recent researches have shown that high individualism may not necessarily mean low collectivism, and vice versa. Research indicates that the two concepts are actually unrelated. Some people and cultures might have both high individualism and high collectivism, for example. Someone who highly values duty to his or her group does not necessarily give a low priority to personal freedom and self sufficiency.
- **Masculinity vs Femininity:** refers to the value placed on traditionally male or female values. Male values for example include competitiveness, assertiveness, ambition and the accumulation of wealth and material possessions.

Two common models and their associated measurement tools have been developed by O' Rielly et al and Dimension.

O'Rielly, Chatman & Caldwell (1991) developed a model based on the belief that cultures can be distinguished by values that are reinforced within organizations. Their Organizational Profile Model (OCP) is a self reporting tool which make distinctions according seven categories – Innovation, Stability, Respect for People, Outcome Orientation, Attention to Detail, Team Orientation, and Aggressiveness. The model is not intended to measure how organizational culture effects organizational performance, rather it measures associations between the personalities of individuals in the organization and the organization's culture.

Daniel Denison's Model (1990) asserts that organizational culture can be described by four general dimensions – Mission, Adaptability, Involvement and Consistency. Each of these general dimensions is further described by the following three sub – dimensions:

- Mission Strategic Direction and Intent, Goals and Objectives and Vision.
- Adaptability Creating Change, Customer Focus and Organizational Learning.
- Involvement Empowerment, Team Orientation and Capability Development
- Consistency Core Values, Agreement, Coordination/Integration.

Denison's model also allows cultures to be described broadly as externally – or internally – focused as well as flexible versus stable. The model has been typically used to diagnose cultural problems in organizations.

3.4.1 Deal and Kennedy

Deal and Kennedy defined organizational culture as the way things get done around here. In relation to its feedback this would mean a quick response and also measured organizations in ition, such as oil prospecting or military aviation.

• The Process Culture occurs in organizations where there is little or no feedback. People become bogged down with how things are done not with what is to be achieved. This is often associated with bureaucracies. While it is easy to criticize these cultures for being overly cautions or bogged down in red tape, they do produce consistent results, which is ideal in, for example, pubic services.

3.4.2 Charles Handy

Charles Handy (1985) popularized the 1972 work of Roger Harrison of looking at culture which some scholars have used to link organizational structure to organizational culture. He describes Harrison's four types thus;

- A Power Culture which concentrates power among a few. Control radiates from the center
 like a web. Power and influence spread out from a central figure or group. Power desires
 from the top person and personal relationships with that individual matters more than any
 formal title of position. Power cultures have few rules and little bureaucracy; swift decision
 can ensue.
- In a **Role Culture**, people have a clearly delegated authorities within a highly defined structure. Typically, these organizations form hierarchical bureaucracies. Power derives from a person's position and little scope exists for expert power. Controlled by procedures, roles descriptions and authority definitions. Predictable and consistent systems and procedures are highly valued.
- By contrast, in a **Task Culture**, team are formed to solve particular problems. Power derives from expertise as long as a team requires expertise. These cultures often feature the multiple reporting lines of a matrix structure. It is all a small team approach, who are highly skilled and specialist in their won markets of experience.
- A **Person Culture** exist where all individuals believe themselves superior to the organization. Survival can become difficult for such organizations, since the concept of an organization suggest that a group of like minded individuals pursue the organizational goals. Some professional partnerships can operate as person cultures, because each partner brings a particular expertise and clientele to the firm.

3.4.3 Edgar Schein

Edgar Schein, an MIT Sloan School of Management Professor, defines organizational culture as: "A pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore to be taught to new members as the correct way you perceive, think and feel in relation to those problems" (Schein, 2004, p.17)

According to Schein, Culture is the most difficult organizational attribute to change, outlasting organizational products, services, founders and leadership and all other physical attributes of the organization. His organizational model illuminates cultures form the standpoint of the observer, described by three cognitive levels of organizational culture.

At the first and most cursory level of Schein's model is organizational attributes that can be seen, felt and heard by the uninitiated observer – collectively known as aircrafts. Included are the facilities, offices, furnishing, visible awards and recognition, the way that its members dress, how each person visibly interacts with each other and with organizational outsiders, and even company slogans, mission statements and other operational creeds.

Artifacts comprise the physical components of the organization that relay cultural meaning. Daniel Denison (1990) describes artifacts as the tangible aspects of culture shared by members of an organization. Verbal, behavioral and physical artifacts are the surface manifestations of organizational cultures. Rituals, the collective interpersonal behavior and values as demonstrated

by the behavior, constitute the fabric of an organization's culture. The contents of myths, stories and sagas reveal the history of an organization and influence how people understand what their organization values and believes. Language, stories and myths are examples of verbal artifacts and are represented in rituals and ceremonies. Technology and art exhibited by members or an organization are examples of physical artifacts.

The next level deals with the professed culture of an organization's members – the values. Shared values are individuals' preferences regarding certain aspects of the organization's culture (e.g. loyalty, customer service). At this level, local and personal values are widely expressed within the organization. Basic beliefs and assumptions include individuals' impressions about the trustworthiness and supportiveness of an organization, and are often deeply ingrained within the organization's culture. Organizational behavior at this level usually can be studied by interviewing the organization's membership and using questionnaires to gather attitudes about organizational membership.

At the third and deepest level, the organization's tacit assumptions are found. These are the elements of culture that are unseen and not cognitively identified in everyday interactions between organizational members. Additionally, these are the elements of culture which are often taboo to discuss inside the organization. Many of these 'unspoken rules' exists without the conscious knowledge of the membership. Those with sufficient experience to understand this deepest level of organizational culture usually become acclimatized to its attributes over time, thus reinforcing the invisibility of their existence. Surveys and casual interviews with organizational members cannot draw out these attributes – rather much more in-depth means is required to first identify then understand organizational culture as this level. Notably culture at this level is the underlying and driving element often missed by organizational behaviorists.

Using Schein's model, understanding paradoxical organizational behaviors becomes more apparent. For instance, an organization can profess highly aesthetic and moral standards at the second level of Schein's model while simultaneously displaying curiously opposing behaviour at the third and deepest level of culture. Superficially, organizational rewards can imply one organizational norm but at the deepest level imply something completely different. This insight offers and understanding of the difficulty that organizational newcomers have in assimilating organizational culture and why it takes time to become acclimatized. It also explains why organizational change agents usually fail to achieve their goals: underlying tacit cultural norms are generally not understood before would – be change agents begin their actions. Merely understanding culture are the deepest level may be insufficient to institute cultural change because the dynamics of interpersonal relationships (often under threatening conditions) are added to the dynamics of organizational culture while attempts are made to institute desired change.

3.4.4 Robert A. Cooke

The organizational Culture Inventory: Culture Clusters

Robert A. Cooke, PhD, defines culture as the behaviors that members believe are required to fit in and meet expectations within their Organizational Culture Inventory measures twelve behavioral of norms that are grouped into three general types of cultures;

- Constructive Cultures, in which members are encouraged to interact with people and approach tasks in ways that help them meet their higher order satisfaction needs.
- Passive/Defensive Cultures, in which members believe they must interact with people in ways that will not threaten their own security.
- **Aggressive/Defensive Cultures,** in which members are expected to approach tasks in forceful ways to protect their status and security.

The Constructive Cluster

The constructive cluster includes cultural norms that reflect expectations for members to interact with others and approach tasks in ways that will help them meet their higher order satisfaction needs for affiliation, esteem, and self – actualization.

The four cultural norms in this cluster are;

- Achievement
- Self actualizing
- Humanistic encouraging
- Affiliative

Organizations with Constructive Cultures encourage members to work to their full potential, resulting in high levels of motivation, satisfaction, teamwork, service quality, and sales growth. Constructive norms are evident in environments where quality is valued over quantity, creativity is valued over conformity, cooperation is believed to lead to better results than competition, and effectiveness is judged at the system level rather than the component level. These types of cultural norms are consistent with (and supportive of) the objective behind empowerment, total quality management, transformational leadership, continuous improvement, re-engineering, and learning organizations.

The Passive/Defensive Cluster

Norms that reflect expectations for members to interact with people in ways that will not threaten their own security are in the passive/Defensive cluster.

In organizations with Passive/Defensive Cultures, members feel pressured to think and behave in ways that are inconsistent with the way they believe they should in order to be effective. People are expected to please others (particularly superiors) and avoid interpersonal conflict. Rules procedures, and orders are more important than personal believes, ideas, and judgment. Passive/Defensive culture experience a lot of unresolved conflict and turnover, and organizational members report lower levels of motivation and satisfaction.

The Aggressive/Defensive Cluster

The Aggressive/Defensive Cluster includes cultural norms that reflect expectations for members to approach tasks in ways that protect their status and security.

The Aggressive/Defensive Cultural norms are;

- Oppositional
- Power
- Competitive
- Perfectionist

Organizations with Aggressive/Defensive cultures encourage or require members to appear competent, controlled, and superior. Members who seek assistance, admit shortcomings, or concede their position are viewed as incompetent or weak. The organizations emphasize findings errors, weeding out "mistakes" and encouraging members to compete against each other rather than competitors. The short-term gains associated with these strategies are often at the expense of long – term growth.

3.5 FACTORS AND ELEMENTS INFLUENCING ORGANIZATIONAL CULTURE

G. Johnson described a cultural web, identifying a number of elements that can be used to describe or influence organizational culture.

- The Paradigm: What the organization is about; what it does; its mission; its values.
- **Control Systems:** The processes in place to monitor what is going on. Role cultures would have vast rulebooks. These would be more reliance on individualism in a power culture.
- **Organizational Structures:** Reporting lines, hierarchies, and the way that work flows through the business.
- **Power Structures:** Who makes the decision, how widely spread is power, and on what is poser based?
- **Symbols:** These include organizational logos and designs, but also extend to symbols of power such as parking spaces and executive washrooms.
- **Rituals and Routines:** Management meetings, board reports and so on may become more habitual than necessary.
- **Stories and Myths:** build up about people and events, and convey a message about what is valued within the organization.

These elements may overlap. Power structures may depend on control systems, which may exploit the very rituals that generate stories which may not be true.

According to Schein (1992), the two main reasons why cultures develop in organizations is due to external adaptation and internal integration. External adaptation reflects an evolutionary approach to organizational culture and suggests that cultures develop and persist because they help an organization to survive and flourish. If the culture is valuable, then it holds the potential for generating sustained competitive advantages. Additionally, internal integration is an important function since social structures are required for organizations to exist. Organisational practices are learned through socialization at the workplace. Work environments reinforce culture on a daily basis by encouraging employees to exercise cultural values. Organizational culture is shaped by multiple factors, including the following:

- External environment
- Industry
- Size and nature of the organization's workforce
- Technologies the organization uses
- The organization's history and ownership.

Organizational values, role models, symbols and ritual shaped organizational culture. Organizations often outline their values in their mission statement, although this does not guarantee that organizational culture will reflect them. The individuals that organizations

recognize as role models, set, by example, the behavior valued by the organization. In addition, tangible factors such as work environment act as symbols, creating a sense of corporate identity.

The founding of an organization is a critical period in the life of the organization and the development of its culture. An organization's founder or chief executive has an influential impact on the development of the organization's culture since that person is likely to have control in hiring people with the same values and influence the choice of strategy. By screening candidates for a cultural fit, organizations select those employees that will be able to uphold the organizational culture. Additionally, leaders embed culture in organizations by what they pay attention to, measure, and control; how they react to critical incidents and crises; the behaviors they model for others; and how they allocate reward and other scarce resources.

Additionally, the legacy of an organizational founder may be reflected in the culture long after that person leaves through the processes of cultural transmission (e.g. rites, stories) where the culture perpetuates itself. The values of founders and key leaders shape organizational cultures, but the way these cultures affect individuals is through shared practices.

- Competitive edge derived form innovation and customer service
- Consistent, efficient employee performance
- Team cohesiveness
- High employee morale
- Strong company alignment towards goal achievement

Although little empirical research exists to support the link between organizational culture and organizational performance, there is little doubt among experts that this relationship exists. Organizational culture can be a factor in the survival of failure of an organization – although this difficult to prove considering the necessary longitudinal analyses are hardly feasible. The sustained superior performance of firms like IBM, Hewlett – Packard, Proctor and Gamble, and McDonald's may be, at least partly, a reflection of their organizational cultures.

A 2003 Harvard Business School study reported culture has a significant impact on an organization's long-term economic performance. The study examined the management practices at 160 organizations over ten years and found that culture can enhance performance or prove detrimental to performance. Organizations with strong performance – oriented cultures witnessed far better financial growth. Additionally, a 2002 Corporate Leadership Council study found that cultural traits such as risk taking, internal communications, and flexibility are some of the most important drivers of performance, and may impact individual performance. Furthermore, innovativeness, productivity through people, and the other cultural factors cited by Peters and Waterman (1982) also have positive economic consequences.

Denison, Haaland, and Goelzer (2004) found that culture contributes to the success of the organization, but not all dimensions contribute the same. It was found that the impact of these dimensions differ by global regions, which suggests that organizational culture is impacted by national culture. Additionally, Clarke (2006) found that a safety climate is related to an organization's safety record.

Organizational culture is reflected in the way people perform tasks, set objectives, and administer the necessary resources to achieve objectives. Culture affects the way individuals make decisions, feel and act in response to the opportunities and threats affecting the organization.

Adkins and Caldwell (2004) found that job satisfaction was positively associated with the degree to which employees fit into both the overall culture and subculture in which they worked. A perceived mismatch of the organization's culture and what employees felt the culture should be is related to a number of negative consequences including lower job satisfaction, higher job strain, general stress, and turnover intent.

It has been proposed that organizational culture may impact the level of employee creativity, the strength of employee motivation, and the reporting of unethical behavior, but more research is needed to support these conclusions.

Organizational culture also has an impact on recruitment and retention. Individuals tend to be attar ted to and remain engaged in organisations that they perceive to be compatible. Additionally, high turnover may be mediating factor in the relationship between culture and organizational performance. Deteriorating company performance and an unhealthy work environment are signs of an overdue cultural assessment.

3.6 ORGANIZATIONAL CULTURE ASSESSMENT INSTRUMENT

Robert Quinn and Kim Cameron researched what makes organizations effective and successful. Based on the Competing Values Framework, they developed the Organizational Cultural Assessment Instrument that distinguishes four culture types. See their book: Diagnosing and Changing Organizational Culture.

Competing values produce polarities like: flexibility versus stability and internal versus external focus. These two polarities were found to be most important in defining organizational success.

The polarities construct a quadrant with four types of culture;

Clan culture: Internal focus and flexible – A friendly workplace where leaders act like father figures

Adhocracy Culture: External focus and flexible. A dynamic workplace with leaders that stimulate innovation.

Market Culture: External focus and controlled – A competitive workplace with leaders like hard drivers.

Hierarchy Culture: Internal focus and controlled – A structured and formalized workplace where leaders act like coordinators.

Cameron & Quinn found six key aspect that will make up a culture. These can be assessed in the Organizational Culture Assessment Instrument (OCAI) thus producing a mix of these four archetypes of culture. Each organization or team will have its unique mix of culture types.

Clan cultures are most strongly associated with positive employee attitudes and product and service quality, whereas market cultures are most strongly related within innovation and

financial effectiveness criteria. The primary belief in market culture is that clear goals and contingent rewards motivate employees to aggressively perform and meet stakeholders' expectations; a core belief in clan cultures is that the organization's trust in and commitment to employees facilitates open communication and employee involvement. These differing results suggest that it is important for executive leaders to consider the fit, or match, between strategic initiatives and organizational culture when determining how to embed a culture that produces competitive advantage. By assessing the current organizational culture as well as the preferred situation, the gap and direction to change can be made visible. This can be the first step to changing organizational culture.

3.6.1 Organizational Culture and Change

When an organization does not possess a healthy culture, or requires some kind of organizational culture change, the change process can be daunting. Culture change may be necessary to reduce employee turnover, influence employee behavior, make improvements to the company, focus the company objectives and/or rescale the organization, provide better customer service, and/or achieve specific company goals and results. Culture change is impacted by a number of elements, including the external environment and industry competitors, change in industry standards, technology changes, the size and nature of the workforce, and the organization's history and management.

There are a number of methodologies specifically dedicated to organizational culture change such as Peter Senge's *Fifth Discipline*. These are also a variety of psychological approaches that have been developed into a system for specific outcomes such as the *Fifth Discipline's* "learning organization" or *Direct Communication's* "corporate culture evolution". Ideas and strategies, on the other hand, seem to vary according to particular influences that affect culture.

Burman and Evans (2008) argue that it is 'leadership' that affects culture rather than 'management' and describe the difference. When one wants to change an aspect of the culture of an organization one has to keep in consideration that his is a long term project. Corporate culture is something that is very hard to change and employees need time to get used to the new way of organizing. For companies with a very strong and specific culture it will be even harder to change.

Prior to a cultural change initiative, a needs assessment is needed to identify and understand the current organizational culture. This can be done through employee surveys, interviews, focus groups, observation, customer surveys where appropriate, and other internal research, to further identify areas that require change. The company must then assess and clearly identify the new, desired culture, and then design a change process.

Cummings & Worley (2005,p.491 - 492) give the following six guidelines for cultural change, these changes are in line with the eight distinct stages mentioned by Kotter (1995,p.2)3:

1. Formulate a clear strategic vision (stage 1, 2 & 3 of Kotter, 1995, p.2)

In order to make a cultural change effective a clear vision of the firm's new strategy, shared values and behaviours is needed. This vision provides the intention and direction for the culture change (Cummings & Worley, 2005, p.490).

2. Display Top – Management Commitment (Stage 4 of Kotter, 1995, p.2)

It is very important to keep in mind that culture change must be managed from the top of the organization, as willingness to change of the senior management is an important indicator (Cummings & Worley, 2005, page 490). The top of the organization should be very much in favor of the change in order to actually implement the change in the rest of the organization. De Caluwe & Vermaak (2004, p.9 provide a framework with the five different ways of thinking about change.

3. Model Culture Change at the Highest Level (Stage 5 of Kotter, 1995, p.2)

In order to show that the management team is in favor of the change, the change has to be notable at first at this level. The behavior of the management needs to symbolize the kinds of values and behaviors that should be realized in the rest of the company. It is important that the management shows the strengths of the current culture as well, it must made clear that the current organizational does not need radical changes, but just a few adjustments. (see for more: (Deal & Kennedy, 1982: Sathe, 1983; Schall; 1983; Weick, 1985; DiTomaso, 1987).

This process may also include creating committee, employee task forces, value managers, or similar. Change agents are key in the process and key communicators of the new values. They should possess courage, flexibility, excellent interpersonal skills, knowledge of the company, and patience. As McCune (May 1999) puts it, these individual should be catalysts, not dictators.

4. Modify the Organization to Support Organizational Change

The fourth step is to modify the organization to support organizational change. This includes identifying what current systems, policies, procedures and rules need to be changed in order to align with the new values and desired culture. This may include a change to accountability systems, compensation, benefits and reward structures, and recruitment and retention programs to better align with the new values and to send a clear message to employees that the old system and culture are in the past.

5. Select and Socialize Newcomers and Terminate Deviants (Stage 7 & 8 of Kotter, 1995, p.2).

A way to implement a culture is to connect it to organizational membership, people can be selected and terminate in terms of their fit with the new culture (Cummings & Worley, 2005, p.491).

Encouraging employee motivation and loyalty to the company is key and will also result in a healthy culture. The company and change managers should be able to articulate the connections between the desired behavior and how it will impact and improve the company's success, to further encourage buy-in in the change process. Training should be provided to all employees to understand the new processes, expectations and systems.

6. Develop Ethical and Legal Sensitivity

Changes in culture can lead to tensions between organizational individual interest, which can result in ethical and legal problems for practitioners. This is particularly relevant for changes in employee integrity, control, equitable treatment and job security (Cummings & Worley, 2005, p.49).

It is also beneficial, as part of the change process, to include an evaluation process, conducted periodically to monitor the change progress and identify areas that need further development. This step will also identify obstacles of change and resistant employees and to acknowledge and reward employee improvement, which will also encourage continued change and evolvement. It may also be helpful and necessary to incorporate new change managers to refresh the process. Outside consultants may also be useful in facilitating the change process and providing employee training.

Change of culture in the organizations is very important and inevitable. Culture innovations is bound to be because it entails introducing something new and substantially different from what prevails in existing cultures. Cultural innovation is bound to be more difficult than cultural maintenance. People often resist changes hence it is the duty of the management to convince people that likely gain will outweigh the looses. Besides institutionalization, deification is another process that tends to occur in strongly developed organizational cultures. The organization itself may come to be regarded as precious in itself, as a source of pride, and in some sense unique. Organizational members begin to feel a strong bond with it that transcends material return given by the organization, and they begin to identify within. The organization turns into a sort of clan.

3.7 ENTREPRENEURIAL CULTURE

Stephen McGuire defined and validated a model of organizational culture that predicts revenue from new sources. An Entrepreneurial Organizational Culture (EOC) is a system of shared values, beliefs and norms of members of an organization, including valuing creativity and tolerance of creative people, believing that innovating and seizing market opportunities are appropriate behaviors to deal with problems of survival and prosperity, environmental uncertainty, and competitors' threats, and expecting organizational members to behave accordingly.

3.7.1 Elements of Entrepreneurial Culture

- People and empowerment focused
- Value creation through innovation and change
- Attention to the basics
- Hands on management
- Doing the right thing
- Freedom to grow and to fail
- Commitment and personal responsibility
- Emphasis on the future

3.8 CRITICAL VIEWS

Writers from Critical Management studies have tended to express skepticism about the functionalist and unitarist views of culture put forward by mainstream management thinkers. Whilst not necessarily denying that organizations are cultural phenomena, they would stress the ways in which cultural assumptions can stifle dissent and reproduce management propaganda and ideology. After all, it would be naïve to believe that a single culture exists in all organizations, or that cultural engineering will reflect the interests of all stakeholders within an organization. In any case, Parker has suggested that many of the assumptions of those putting forward theories of organizational culture are not new. They reflect a long – standing tension between cultural and structural (or informal and formal) versions of what organizations are. Further, it is perfectly reasonable to suggest that complex organizations might have many cultures, and that such sub-cultures might overlap and contradict each other. The neat typologies of cultural forms found in textbooks, rarely acknowledge such complexities, or the various economic contradictions that exist in capitalist organizations.

One of the strongest and widely recognized criticisms of theories that attempt to categorize or 'pigeonhole' organizational culture is that put forward by Linda Smircich. She uses the metaphor of a plant root to represent culture, describing that it drives organizations rather than vice versa. Organizations are the product of organizational culture, we are unaware of how it shapes behavior and interaction (also recognized through Scheins (2002) underlying assumptions) and so how can we categorize it and define what it is?

3.9 ORGANIZATIONAL COMMUNICATION PERSPECTIVE ON CULTURE

The organizational communication perspective on culture is divided into three areas;

- **Traditionalism:** Views culture through objective things such as stories, rituals and symbols.
- **Interpretivism:** Views culture through a network of shared meanings (organization members sharing subjective meanings).
- **Critical Interpretivism**: Views culture through a network of shared meanings as well as the power struggles created by a similar network of competing meanings.

There are many different types of communication that contribute in creating an organization culture:

- **Metaphors** such as comparing an organization to a machine or a family reveal employee's culture; meaning of experiences at the organization.
- Stories can provide examples for employees of how to or not to act in certain situations.
- **Rites and Ceremonies** combine stories, metaphors, and symbols into one. Several different kinds of rites that affect organizational culture;
 - o **Rites of passage:** Employees move into new roles
 - o **Rites of degradation:** employees have power taken away from them
 - o **Rites of enhancement:** public recognition for an employee's accomplishments
 - o **Rites of renewal:** improve existing social structures
 - o Rites of conflict reduction: resolve arguments between certain members or groups
 - o **Rites of integration:** reawaken feelings of membership in the organization
- **Reflexive Comments** are explanations, justifications and criticisms of our own actions. This includes:
 - o **Plans:** comments about anticipated actions

- o **Commentaries:** comment about action the in the present
- o **Accounts:** comments about an action or event that has already occurred.

Such comments reveal interpretive meanings held by the speaker as well as social rules they follow.

• Fantasy Themes are common creative interpretations of events that reflect beliefs, values and goals of the organization. They lead to rhetorical visions, or views of the organization and its environment held by organization members.

3.10 SCHEMA

Schemata (plural or schema) are knowledge structures a person forms from past experiences, allowing the person to respond to similar events more efficiently in the further by guiding the processing of information. A person's schemata are created through interaction with others, and thus inherently involve communication.

Stanley G. Harris argues that five categories of in-organization schemata are necessary for organizational culture:

- **Self-in-organization schemata:** a person's concept of themselves within the context of the organization, including her/her personality, roles and behaviour.
- **Person-in-organization schemata:** a person's memories, impressions and expectations of other individuals within the organization.
- **Organization Schemata:** subset of person schemata, a person's generalized perspective on others as a whole in the organization.
- **Object/Concept-in-organization schemata:** knowledge an individual has of organization aspects other than of other persons.
- Event-in-organization schemata: a person's knowledge of social events within an organization.

All of these categories together represent a person's knowledge of an organization. Organizational culture is created when the schemata's (schematic structures) of differing individuals across and within and organization come to resemble each other (when any one person's schemata come to resemble another person's schemata because of mutual organization involvement). This is primarily done through organizational communication, as individuals directly or indirectly share knowledge and meanings.

3.11 MERGERS, ORGANIZATIONAL CULTURE, AND CULTURAL LEADERSHIP

One of the biggest obstacles in the way of the merging of two organizations is organizational culture. Each organization has its own unique culture and most often, when brought together, these cultures clash. When mergers fail employees point to issues such as identity, communication problems, human resources problems, ego clashes, and inter-group conflicts, which all fall under the category of "cultural differences". One way to combat such difficulties is through cultural leadership. Organizational leaders must also be cultural leaders and help facilitate the change from the two old cultures into the one new culture. This is done through cultural innovation followed by cultural maintenance.

• **Cultural Innovation** includes:

o **Creating** a new culture: recognizing past cultural differences and setting realistic expectations for change.

o **Changing** the culture: weakening and replacing the old cultures.

• Cultural Maintenance include

- o **Integrating** the new Culture: reconciling the differences between the old cultures and the new one.
- o **Embodying** the new culture: establishing, affirming and keeping the new culture.

3.12 CORPORATE CULTURE VS. ORGANIZATIONAL CULTURE

Corporate Culture is the total sum of the values, customers, traditions, and meanings that make a company unique. Corporate culture is often called "the character of an organization", since it embodies the vision of the company's founders. The values of a corporate culture influence the ethical standards within a corporation, as well as managerial behaviour.

Senior management may try to determine a corporate culture. They may wish to impose corporate values and standards of behavior that specifically reflect the objectives of the organization. In addition, there will also be an extent internal culture within the workforce. Work-groups within the organization have their own behavioural quirks and interactions which, to an extent, affect the whole system. Roger Harrison's four-culture typology, and adapted by Charles Handy, suggests that unlike organizational culture, corporate culture can be 'imported'. For example, computer technicians will have expertise, language and behaviours gained independently of the organization, but heir presence can influence the culture of the organization as a whole.

Organizational culture and corporate culture are often used interchangeably but it is a mistake to state that they are different concepts. All corporations are also organizations but not all organizations are corporations. Organizations include religious institutions, not-for-profit groups, and government agencies. There is even the Canadian Criminal Code definition of "organized crime" as meaning 'a group comprised of three or more persons which has, as one of its primary activities or purposes, the commission of serious offences which likely result in financial gain". Corporations are organizations and are also entities. As Schein (2009), Deal & Kennedy (2000), Kotter (1992) and many others state, organizations often have differing cultures as well as subcultures.

3.13 SUMMARY

For the purpose of our study organisational culture is define as an idea in the field of organisational studies and management which describe the psychology, attitudes, experiences, beliefs and values (personal and cultural values of an organisation.

It has been defined as "the specific collection of values and norms that are shared by people and groups in an organisation and that control the way they interact with each other and with stakeholders outside the organization.

Strong culture is said to exist where staff respond to stimulus because of their alignment to organisational values. We understand that strong cultures help firms operate like well or led machines. Weak culture is where there is little alignment with organizational values and control must be exercised through existence procedures and bureaucracy.

There are nine characteristics of healthy organisational cultures according to keener and Hackett organisational with adaptive cultures. Typologies of organisational cultures involves the several methods used to classify organisational culture which vary from one organisation to the other researchers have developed models to describe different organisational culture; Hofstede (1980) describe that there are national and regional cultural grouping that affect the behaviour of organisations. Deal and Kennedy defined organisational culture as the way things are done around here. Charles Handy popularized the 1972 work of Roger Harrison of looking at culture describes in 4 types. Edgar Schier defines organisational cultures as "a pattern of shared basic assumptions that was learned by a group on it saved its problem of external adaption and internal integration, that has worked well enough to be considered valid and therefore, to be taught to new members as the correct way you perceive, think and feel in relation to those problems. G Johnson described a cultural web, identifying a number of elements that can be used to described or influence organisational culture. Which include the paradigm, control systems, organisational structures, power structures, symbols, rituals and routines and stories and myths. These elements may overlap. Power structures may depend on control systems, which exploits the very rituals that generate stories that may not be true. Research also suggests that numerous outcomes have been associated directly or indirectly with organisational cultures. A healthy and robust organisational culture may provide various benefits including tempetitive edge derived from innovation and customer service, consistent efficient employee performance, team consiveness etc.

An Entrepreneurial Organisational Culture (EOC) is a system of shared values, beliefs and norms of members of an organisation, including valuing creativity and tolerance of creative people, believing that innovating and seizing market opportunities are appropriate behaviours to deal with problems of survival and prosperity, environmental uncertainty and competitors treats and expecting organisational members to behave accordingly. The organisational communication perspective on culture is divided into three areas; traditionalism; views culture through objective things such as stories, rituals and symbols, interpretivism views culture through a network of shared meanings critical interpretivism views culture though a network of shared meaning as well as the power struggles created by a similar network of completing meanings.

3.14 CONCLUSION

Very rarely do you find two organizations which are similar in methods of working and have similar working atmospheres. In fact, there is so little in common. These different values, norms and beliefs are reflected in the way their structures and systems are organized. They have different cultures. C.B. Handy in Understanding Organizations regards culture in organizations as 'deep set beliefs about the way work should be organized, the way authority should be exercised, people rewarded and people controled'.

3.15 TUTOR MARKED ASSIGNMENT

- 1a. Define organisational culture.
- b. Define organisational culture as stated by Ravisi and Schwtz.
- 2. Describe an organisational values.
- 3. Briefly explain strong/weak culture.
- 4. List and explain the nine characteristics of healthy organisational culture.
- 5. List 5 typologies of organisational cultures enumerates 3 of them.

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- 6. What are the fat ors and elements influencing organisational culture explain them.
- 7. Enumerate with example, the impact or organisational culture.
- 8a. Describe the 3 areas of organisational communication perspective.
- b. What is schema explain the 5 categories of in organisational schemata necessary for organisational culture.
- 9. Explain why organisational culture is the biggest obstacle in merging of two organisations.

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4.0 LEARNING OBJECTIVES

Tutor Marked Assignment

At the end of the unit student should be able to

- 1. Define organisational goals.
- 2. Understand the concept goal management in organisations.
- 3. Know what is meant by

Summary

Conclusion

References

- a. Short term goals
- b. Personal goals
- 4. Identify goal displacement
- 5. Identify goal substitution
- 6. How to identify organisation goal

4.1 INTRODUCTION TO ORGANIZATIONAL GOAL

A goal or objective is a desired result a person or a system envisions, plans and commits to achieve – a personal or organisational desired end – point in some sort of assumed development. Many people endeavor to reach goals within a finite time by setting deadlines.

It is roughly similar to purpose or aim, the anticipated result which guides reaction, or an end, which is an object, either a physical object or an abstract object, that has intrinsic value.

Goal setting ideally involves establishing specific, measurable, attainable, realistic and time-targeted objectives. Work on the goal-setting theory suggests that it can serve as an effective tool for making progress by ensuring that participants have a clear awareness of what they must do to achieve or help achieve an objective. On a personal level, the process of setting goals allows people to specify and then work towards their own objectives – most commonly financial or career-based goals. Goal-setting comprises a major component of personal development. A goal can be long-term or short term.

4.2 THE CONCEPT OF ORGANIZATIONAL GOAL

We had earlier argued that the whole essence of formation of an organization is to pursue and achieve a goal which only one individual cannot achieve. We equally posited that there can be no organization without goals. These submission strengthen our resolve to devote more time to the discussion of organizational goals. As submitted by Bobbit et al (1987;214), a very rational view of organizational goals is that they are set at the top of the organization as policy guidelines and organization. Each individual then has a set of goals related to his specific activities; and, if each person accomplishes his goals, they will add up to the accomplishment of the organizational goals. This process, according to the authority is usually known as means-end-analysis. It involves;

- i. Starting with the general goal to be achieved;
- ii. Discovering a set of means, very generally specified, for accomplishing this goal;
- iii. Taking each of these means, in turn, as a new sub-goal and discovering a set of more detailed means for achieving it, etc.

Organizational goal can be defined as the future state of affairs which the organization as a collectivity is trying to bring about (Amitai Etzioni, 1964:6). It is in part affected by the goals of the top executives, those of the board of directors and those of the rank and file. It is determined sometimes in a peaceful consultation, sometimes in a power play among the various organizational divisions, plants, cabals, ranks and personalities". Bobbit et al (1978:474) submit that there is an implicit general assumption that a goal is something we want to achieve in the future. They therefore define the concept as desired future relationships with the environment.

The functions associated with organizational goals are identified by AMitai Etzioni (1964:5) as:

- i. provide orientation by depicting a future state of affairs which the organisation strives to realize, hence they set down guidelines for organizational activities;
- ii. constitute a source of legitimacy which justifies the activities of an organization and, indeed, its very existence;
- iii. serve as standards by which members of an organization and outsiders can assess the success of the organization, that is, its effectiveness and efficiency; and
- iv. serve as measuring rods for the student of organizations who tries to determine how well the organization is doing.

In their contribution, Cyert and Merck 91963:40-43) defines five major goals areas that reflect the desires of various coalitions in the organization and that, at least implicitly, reflect the impact and uncertainties of the environment. These goals areas are production goals (degree of smoothing and level of production), inventory goals (either in absolute level or a range of acceptable value sales goals (level of sales), market share goals; and profit goals. All of these are in effect aspiration levels, which various coalitions attempts to achieve and which vary experience. Obviously, the achievement or non-achievement of these goals depends on events in the relevant environment that affect the organization. Uncertainty in the environment will cause uncertainty in the goal achievement of the organization.

In view of the foregoing, we aver that there is nothing immutable about organizational goals. Organisational goal change in reaction to changes in the organization and changes with the environment. This is just like the relationship of organization with its environment; changes in

the society will bring about certain demands which will make organisations change their goal in order to accord with changes in the society; for instance, producing things that are needed by the people after a market research. Similarly in the public sector, people try to find out the type of services needed by the society and provide such services. So, we should know when we have given an adequate dose of a particular treatment, that is, service. This is because, the whole essence of government is change; that is, to more society from point 'A' to point 'B'. Every service rendered by government is for a particular purpose and this is done through goals which change with changes in the society.

Among the many problems associated with the concept of organizational goals are the following;

- i. It can be argued that, strictly speaking, organisations do not have goals,
- ii. only individuals do;
- iii. Goals are hard to observe and measure; for example, should we focus upon the behaviour of all members of an organization or only the powerful members? Should we take at face value, the statement of goals top officials or should we ignore these and examine only what they actually do?
- iv. How do we distinguish between a goal and a means? What one observer calls a goal, another may equally designate as a means towards some higher or more general goal. Profit, for example, may be viewed as a goal or as a means of rewarding stockholders or ensuring growth (the "real" goals). These and several other problems have made the goal concept one of the most ambiguous in the organizational goal's literature (Charles Perrow, 1970). The influence of organizational changes on organizational goals leads to goal displacement and goal replacement.

4.2.1 Goal Displacement

The idea here connotes the use of force – rubbing-off one's possession. Goal displacement is very common in organizations. It occurs when the former goals of an organization are set aside in preference for others which may only be slightly related. A scenario to buttress this fact is provided by Phillip Selznick (1943:49) in what he titled: "Tennessee Valley Authority (TVA) and the Grass roots". In his account, TVA in faraway United States of America was established to help the small-scale farmers. However, by its activities whereby it was acquiring lands, it stared "stepping on the toes" of the big farmers who feared competition and, as a result, tended to make things difficult for TVA. In an attempt to ensure survival, therefore, the TVA had to coopt the big farmers into the authority and subsequently got them involved in its decisions-making process as a means of silencing the big farmers. This phenomenon is referred to in management parlance as co-optation. It is a management strategy to cope with its environment. However, the co-opted members soon redirected the goals of the TVA. So that, rather than servicing the smallscale farmers, it started servicing the big farmers. This is goal displacement. Back home in Nigeria, a similar scenario is observed with regard to the River Basin Authority (RBA). Here, the tendency was for the contractors used by the authority to divert it from its original goal of servicing the small-scale farmers to contract-awarding organization.

The mildest and most common form of displacement is the process by which an organization reverses the priority between its goals and means in a way that makes the means a goal and the goals a means. The most common means so displaced is the organization itself. Organizations are instruments; they are created to serve one or more specific goals. But in the process of forming them, of granting them resources, and of recruiting personnel, interest groups are formed

which are frequently concerned more with preserving and building up the organization itself than helping it to serve its initial purpose. These interest groups use the organizational goal as a means of recruiting funds, obtaining tax exemptions or status in the community; in short, as means to their own goals (Amitai Etzioni, 1964:10).

4.2.2 Goal Substitution

This is used to denote a situation where organizational goal change in response to changed circumstances. It is a deliberate act. In this sense, goal substitution is the same as goal replacement. This presents a situation where an organization completely accomplishes its goals; however, rather than being dissolved or phased out, the organization takes on other goals in order to continue to remain relevant in the scheme of things. One recalls that in 1948, the then Foot Commission recommended the Nigerianization of the Nigerian Civil Service. For purposes of its implementation, a Nigerianization office was established in the Civil Service. The goal was to ensure that qualified Nigerians took over administrative positions from the Europeans. A little after 1963, when that goal was fully accomplished, rather than scraping the Nigerianization office completely, it was redesignated the Manpower Development Department of the Office of head of the Civil Service of the Federation and was to provide the goal of ensuing adequate training of the staff of the entire Civil Service. This goal, it has been effectively pursuing till this day.

Similarly, in the 1980s during the Buhari/Idiagbon regime, the administration's economic policy which was about the most genuine means of truly revamping Nigeria's economy, completely discouraged the importation of goods and services, while encouraging the exportation of same. This harsh economic policy adversely affected companies that operated with 100% importation of goods and other materials. One of such companies was R.T. Briscoe, a motor-vehicle importation and marketing company. Since this company could no longer import vehicles it feared extinction and was lucky to purchase the Lagos State owned Coconut Industry located in Topo, Badagry, Lagos State where it started to produce nd market vegetable oil. This change or goal replacement assisted the company to remain afloat for some time then.

4.2.3 Multiplicity of Organizational Goals

The point must be made that no organization has only one goal; rather, organisations have multiple goals. The issues here would only be classifying the goals they pursue or lay emphasis on. About this, Charles Perrow (1970;146) submits that the problem of what is a means and what is a goal will be minimized to some extent by distinguishing five types of levels of goals earlier identified. But our main reason for distinguishing types of goals is to deal with the question of whose point of view is being recognized – society, the customer, the investor, the top executive or others. This means that organizational goals are not only multiple but may also be conflicting, and that they cannot be pursued all at once or in sequence. It is clear, therefore, that goals are multiple and conflicting, and thus the "character" of an organization is never stable. But organizations pursue a variety of goals, sometimes in sequence, and sometimes simultaneously. Sometimes these goals conflict and, at other times, the conflicting goals can be as healthy for an organization as the differentiation of subunits. Despite inevitable cost, such tensions help insure ready channels for changes in goals when appropriate.

How then do we identify Organizational Goals?

There are three strategies for identifying organizational goals. These are;

- i. Making recourse to the laws establishing the organization. These are the charter, the act of parliament or the decree. In these documents are spelt out the goals, aims, objectives and functions of the organization. Though this is the most genuine means of identifying organizational goals because the documents being referred to are legal documents, it could sometimes not reflect an update of such goals because these document are not revised or updated frequently.
- ii. Observing what the organizational members are actually doing. This reflects updated goals of the organization and is more practical and thus genuine with regard to the current goals of the organization.
- iii. Policy statements or pronouncements made by leaders of the organization about the purpose of their organization. These statements are made both during social gatherings and at more serious occasions.

4.4 SHORT TERM GOAL

Short-term goals expect accomplishment in a short period of time, such as trying to get a bill paid in the next few days. The definition of a short-term goal need not relate to any specific length of time. In other words, one may achieve (or fail to achieve) a short-term goal in a day, week, month, year etc. the time-frame for a short-term goals relates to its context in the overall time line that it is being applied to. For instance, one could measure a short-term goal for a month-long project in days; whereas one might measure a short-term goal for someone's lifetime in months or in years. Planners usually define short-term goals in relation to long-term goal or goals.

4.5 PERSONAL GOALS

Individuals can set personal goals. A student may set a goal of a high mark in an exam. An athlete might run given miles a day. A traveler might try to reach a destination-city within three hours. Financial goals are a common example, to save for retirement or to save for a purchase.

Managing goals can give returns in all areas of personal life. Knowing precisely what one wants to achieve makes clear what to concentrate and improve on, and often subconsciously prioritizes that goal.

Goal setting and planning ("goal work") promotes long-term vision and short-term motivation. It focuses intention, desire, acquisition of knowledge, and helps to organize resource.

Efficient goal work includes recognizing and resolving all guilt, inner conflict or limiting belief that might cause one to sabotage one's efforts. By setting clearly-defined goals, one can subsequently measure and take pride in the achievement of those goals. One can see progress in what might have seemed a long, perhaps impossible, grind.

4.5.1 Achieving Personal Goals

Achieving complex and difficult goals requires focus, long-term diligence and effort. Success in any field requires forgoing excuses and justifications for poor performance or lack of adequate

planning; in short, success requires emotional maturity. The measure of belief that people have in their ability to achieve a personal goal also affects that achievement.

Long term achievements rely on short-term achievements. Emotional control over the small moments of the single day makes a big difference in the long term.

One formula for achievement reads A=I*M; where A=achievement, I=intelligence, and M=motivation. When motivation equals zero, achievement always equals zero, no matter the degree of intelligence. Similarly for intelligence; if intelligence equals zero, achievement always equals zero. The higher the combination of intelligence and the motivation, the higher the achievements.

4.6 GOAL MANAGEMENT IN ORGANIZATIONS

Organizationally, goal management consists of the process of recognizing or inferring goals of individual team-members, abandoning no longer relevant goals, identifying and resolving conflicts among goals, and prioritizing goals consistently for optimal team-collaboration and effective operations.

For any successful commercial system, it means serving profits by making the best quality of goods or the best quality of services available to the end-user (customer) at the best possible cost. Goal management includes;

- Assessment and dissolution of non-rational blocks to success.
- Time management
- Frequent consideration (consistency checks)
- Feasibility checks
- Adjusting milestones and main-goal targets

Morten Lind and J. Rasmussen distinguish three fundamental categories of goals related to technological system management.

- 1. Production goal
- 2. Safety goal
- 3. Economy goal

An organizational goal-management solution ensures that individual employee goals and objectives align with the vision and strategic goals of the entire organization. Goal-management provides organisations with a mechanism to effectively communicate corporate goals and strategic objectives to each person across the entire organization. The key consists of having it all emanate from a pivotal source and providing each person with a clear, consistent organizational goal message. With goal management, every employee understands how their efforts contribute to an enterprises success.

An example of goal types in business management'

- Consumer goals; this refers to supplying a product or service that the market/consumer wants.
- Product goals; this refers to supplying a product outstanding compared to other products. Perhaps due to the likes of quality, design, reliability and novelty.

- Operational goals; this refers to running the organization in such a way as to make the best use of management skills, technology and resources.
- Secondary goals; this refers to goals which an organization does not regard as priorities.

4.7 FORMAL ORGANISATION

R.O Daodu (1983:1) submits two similar definitions to the concept of formal organizations;

- i. Deliberate creation by man to achieve objectives; and
- ii. The coordination of different activities of individual contributors to carry out planned transactions with the environment.

Bobbitt et al (1974) see formal organizations as those organisations that are deliberately established and are goal seeking. For instance, schools are created to provide education; business concerns, to make profits for their owners; and military organisations, to protect the nation. Another definition, this time from Amitai Etzioni (1964:5), posits formal organizations as social units (or human groupings) deliberately constructed or reconstructed to seek goals. Examples here include corporations, armies, schools, hospitals, churches and prisons. The common denominator among the above three definitions is the pursuit of specific goal and objectives. It is thus on that premise that we agree with H.G Hicks and C.R. Gullet (1982:3-4) that persons have individual objectives that they often can best achieve within the organisations. They thus form coalition that is organizations, which also have objectives that are different from, but based upon individual objectives. These organizational objectives, according to them, provide the basis for formal organizations. Our submission, therefore is that a formal organization is an association of persons grouped around the pursuit of specific goals or purposes.

The formal organization can easily be described as "legion" for they are many. In fact, within formal organizations could emerge other forms of formal organization. These are formal organizations with which they have common identity or, better still, which can achieve at micro level sub goals of the corporate goal of the organization. Such an existence is made possible by what we often refer to as a control system. A sort of master-servant relationship could exist between two organisations in which the second emerged or was created by the first. In the Nigerian Public Service, such a relationship is sometimes seen to exist between a given ministry and its parastatals. For instance, in a deliberate attempt to enhance the realization of the corporate mandate of the Federal Ministry of Transport in Nigeria, such agencies or parastatals as the Nigerian Railway Corporation, Nigerian Ports Authority etc., were created. Between the Ministry of Transport and the Nigerian Railway Corporation exist a link or control system that holds them together, with the result that, while the corporation or parastatal is a semiautonomous entity, the ministry is seen as the overseer of such a parastatal. The emergent paradox is that, in Nigeria as in most other countries, at least, at the federal level, every ministry has a parastatal or group of parastatals that has been created and linked to it in a more or less master-servant form.

A major categorization of formal organisations is the profit-oriented and service-oriented organizations. Put differently, while most formal organizations focus essentially on profit and contribute towards the economic development of the state, others are social-oriented and thus focus on the provision of social services. Virtually all private organizations, such as Unilever plc, Nestle Foods plc, Cadbury plc, some insurance companies and commercial and merchant banks

etc., belong to the profit-making group. On the other hand, most public service organisations particularly the Civil Service, are service-oriented since the government of the day implements its policies through the instrumentality of the Public Service. Social obligation is about the most pronounced responsibility of government to its citizenry. In between the Civil Service (i.e. the ministries and extra-ministerial departments) and the private-sector organizations, is a category of public-service organization which Okigbo (1986:26) refers to as QUANGO (Quasi-National Governmental Organizations). These, according to him, are set up by government to carry out specific tasks or purposes to provide utility services (railways, power and energy, water and communications); financial mediation (banks, insurance etc), commercial services, (trading companies), industrial services, (manufacturing enterprises), regulatory and supervisory services (enterprises promotion board etc.) these are all lumped together under the name parastatals.

Okigbo argues that Nigeria copied the British in the institution of these QUANGOs, which are semi-commercial undertakings of government allowed to operate outside strict civil service rules and regulations; the idea being that greater freedom of action is required in these undertakings and quicker decisions-making will promote their efficiency. Pronouncement on the viability or otherwise or these organizations is outside the scope of this book. Suffice it to state that attempts at classifying organizations can easily result into "jungle of woods" from which one can hardly find his way out.

Certain characteristics, which Carlisle (1982:5) refers to as properties, are associated with organizations. They are;

1. Division Of Labour

The entire philosophy of organisation depends on the concept of specialization and division of work in specialisation; various activities are assigned to different people who are specialist in that area. Specialisation efficiency thus, organisation helps in division of work and assigns duties to different people.

When Engineers, accountants and production workers conduct their different tasks in a co-ordinated way the output is much greater than if individuals attempt engineering, accounting, and production work on their own, which in modern terms is referred to as 'synergy'.

2. Hierarchy Of Authority

As organisations grow in size, the problem of coordination and direction become more complete. Individuals (supervisors) are assigned the responsibility of directing and coordinating the efforts of others performing the technical (Engineering, accounting, production etc) tasks. Soon a super structure constituting levels of supervision develops; the sole formal responsibility of this hierarchy is to co-ordinate the overflow and provides support services so that the organisation can achieve its common objectives.

3. Rules and Regulations

Supervisors find that it is easier to coordinate the efforts of people when there are common rules, regulations and procedures rather than handling each case on an individual basis. The rules and regulations obtain in an organisation ensure the uniqueness of that organisation with regards to its norms, value, interest and standards or

acceptable ways of behaviour. Some of these values include punctuality, regularity, and procedure for hiring personnel, assigning jobs, conducting work and measuring performance. In the rule books and document are clearly indicated sanctions or punishments for non compliance.

Therefore, the rules and regulations governing an organisation instigate homogeneity in the behaviour of organisational members.

4. Boundaries Or Identity

Formal organisations have boundaries which help distinguish one organisation from the other. For instance public enterprises differ from the Ministries and extra ministerial departments, so do Local Government organisations differ from the armed forces. Boundaries also distinguish an organisation from its larger environment; similarly, organisation boundaries help to distinguish members from non members. In National Open University of Nigeria there are 3 categories of members: Academic staff, non academic staff and participants. The identity card is the boundary tool with which members could be distinguished from non members, Sometimes 'uniforms' could serve as such tools. Boundaries are use for:-

- Distinguishing an organisation from others
- Distinguishing organisation from their larger environment
- Membership identification
- Distinguishing jobs, in the case of personnel management where it helps people identify the types of job they are more interested in.

5. Common Objectives

Organisations are people deliberately formed and joined for specific reason. Often the primary reasons for participation may not be the same for all members, but it is only through their working together in certain interrelated activities that they can achieve what they want on individual basis. The primary objective of the business outfit is to earn profit for the owners. The individual employees in an organisation seek income in the form of wages as well as an opportunity to use their skill in a satisfactory work environment. Neither the owners nor the employees can attain their individual goals unless the total organisation effectively cooperates in producing and marketing the product or service that represents the output of the form.

6. **Lifespan**

Organisations have a long lifespan in relation to their members. Organisations are fairly perpetual where as their members are not hence, the common saying that employees come and go while the organisation remains. The fact that an organisation's life span exceeds the tenure of its members compels the organisation to renew its membership which is the basis of personnel management.

However we should note that organisation have several culture/properties that influence how they operate, such as quantity of resources, communication networks, fixed boundaries, reward and punishment system etc.

4.8 THE CONCEPT OF INFORMAL ORGANISATION

When we talk of formal organisation, we think of structure and the relationship of position, but the informal organisation is the one that we never see, it is not shown on any chart yet it exists. We could say that the informal organisation is a shadow organisation which arises within the formal organisation. Unlike the formal organisation. It tends to be loosely organized, flexible and may be undefined.

As people associate with one another, relationship develop and continue, and these relationships constitute informal organisation generally speaking, the informal relationship could strengthen or endanger the formal organisation. In the organisational set up, people develop this intimate relationship which is interpersonal, thus leading to informal organisation. The mafia is sometimes identified as a typical example of informal group; are other interrelated concept is organisational politics. This concept appears abstract because many managers do not agree that it exists, yet it exerts a lot of influences. The emergence of sycophants, the marginalization of same staff are all indices of organisational politics sometimes we find that the roots of organizational politics are implanted at the design stage for instance were powers becomes the overall consideration in organisational design. Here manager, while designing structures on themselves. Who should be reporting to me? In organisational where positions are merely created for the chief executives boys conflict arises as a result of power tussle with such organisations.

Politics entails who get what, how and when the commonest means of getting what is power and influence. Therefore, politics entails the acquisition of power and power and influence. From this perspective therefore, it becomes clear that the seed of organisational politics is shown when power becomes the basis for designing the organisation. There was a time in Nigeria, for instance when the customs service was made on integral part of the ministry of internal affairs. Thus form of design was based on how powerful the personality at the helm of affairs in the internal affairs ministry was.

4.9 SUMMARY

Sometimes there is a conflict between the leader's pronouncements and what is in the law books. In such circumstances, the pronouncement could be taken as being more current due to reasons earlier advanced.

4.10 CONCLUSION

We much conclude by acknowledging the fact that formal goals are those written in the law books such as charters, statutes, acts of parliament or decrees. Operating goals, on the other hand, are goals of the organization as can be observed from what the organizational members are doing. Operational goals are derived, some of the time, from formal goals; that is, when there is a deliberate effort to translate the formal goals into time-oriented action programmes and against the background of current changes in the society. At some other times, operating goals may be as a result of goal displacement, in which case, it may not be derived from formal goals.

4.11 TUTOR MARKED ASSIGNMENT

- 1. What do you understand by organisational goal?
- 2. What is short term goal?
- 3. What is gaol management?
- 4. What functions are associated with organisational goals?
- 5. How do we identify organisational goals?
- 6. What do you understand by
 - a. Personal goal
 - b. Goal replacement
 - c. Goal displacement

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UNIT V: ORGANIZATION AND ITS ENVIRONMENT

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5.0 INTRODUCTION

Environment as defined by the dictionary, derives from the work 'enveron' which means to surround or to encircle. Environment, therefore, means surroundings or conditions that influence develop or growth. This is further expanded to include outskirts of a city, neighborhood etc. a synonym of surrounding its territory, which refers to a particular area of earth's surface in which an organization is located; such an area must have definite, generally recognized boundaries which may or may not overlap with an area of another organization.

By organization and its environment, therefore, we mean the interactions between an organization and its environment. The notion that environment has any form of an organization is a recent development. It is now generally accepted that the very nature, purpose, activities, structure and behaviour of an organization is determined or modified by the social, cultural, economic, political, legal, historical and technological factors in the environment. Indeed, it is a mutual process, because the environment is also modified by similar variables of the organization such as its people, culture and output. This may have informed the received wisdom in the field which stipulates that it is from the environment that the organization perceives the problems to be resolved, the alternative possibilities within which choices can be made, the resources to be employed, and the support and opposition to policies and programmes. Furthermore, within the environment are found the clients establish costs for the goods and services produced by the organization. Similarly, it is within the environment that the consequences or behaviours of an organization are to be judged right or wrong.

In fact, within the Nigerian environment, we find an interplay of several factors and variables which determine the success or failure of various organizations located or situated in it. For instance, the climatic conditions appear to be the most determinant factor for the location, followed by successful operation, etc, of peculiar organizations and willingness or otherwise of people to operate in such an environment. We also have topography, demography, and the like, and their exerting influences. The social factor is equally the dominant factor which continues to shape and reshape the operational mechanizing of many organization within the territory. Within

the Nigerian societies, for and ethnic loyalties which complete with and often take precedence over loyalties to the organization.

5.1 LEARNING OBJECTIVES

After studying this unit student should be able to

- 1. Understand the concept of organization and its environment.
- 2. Understand the systems perspective of environment
- 3. Know the different levels of organizational environment
- 4. Understanding business environment and its salient features
- 5. Know the different approaches to environmental challenges.
- 6. Identify the measures of social responsibility of Nigerian firms.

5.2 THE LEVELS OF ENVIRONMENT

Within the context of the operations of an organization, however, are two levels of organization viz: micro and macro levels

(a) Micro – Level

This refers to the intra-organizational context, that is, the system as it is. Within this system are various other subsystems. These are exemplified structurally by departments, divisions, sections etc, and humanistically by relationships among individuals or groups of individuals all operating symbiotically for the good of the organization. Among the individuals or groups we have such relationships as superior-subordinate, peers, subordinates-subordinate, and superior-superior. The harmony existing among these pairing determines, to a large extent, the survival and growth of the organization. Sometimes we refer to this as organizational climate, or organizational health. The assumption is that, if the health is good, that is, devoid of interdepartmental or interdivisional squabbles or bickering among the individuals or groups, then the organization is good. If, on the other hand, the climate or health of the organisation is bad, then the organization is in disarray. The degree of disarray depends on how bad the health of the organisation is. In the realm of theory, this qualifies as "organizational behaviour" because it focuses on the behaviour of individuals and groups within the organization.

(b) Macro – Level

This refers to the extra – organizational context, that is, the organizational environment. It takes the total organization as a unit and is perceived from the point of view of its technical and social component as well as the behaviour of the organization in relation to the larger society. The kernel of it all is that every organization wants to survive; and its survival depends on how it copes with its environment. Thus, when we say that organizations have boundaries, we mean that they are not closed but are porous. And because they are porous, transactions take place between the organizations and their external environments.

The example here involves the Administrative Staff College of Nigeria (ASCON) as an organization and the Badagry environment within which the College is situated.

Events within the inner organization influence its external environment and the external environment in turn influences the organization. This could be easily illustrated with the general influence of ASCON on Badagry and Lagos, and vice versa. What this means is that an

organization must react to changes in its external environment. It must possess the ability to monitor and identify those environmental changes that might affect it and provide appropriate measures that would counterbalance such changes. By so was argued by Chester Barnard and Peter Drucker in their separate works. The external environment, it should be noted, is dynamic; therefore, the organization should be in a state of constant flux, that is fluidity. If success is not achieved in coping with the environment, survival and growth will be jeopardized.

Another clear example is provided by the Nigerian economy. A comparative analysis fo the countrys' economic fortune by 1974 and the situation in 1984 and beyond portrays a contrasting view which prompted Chuks Maduabum (1988:17) in a paper, to refer to the 1974 situations as the 'oil boom' era and the 1975 – 1984 situation as the 'oil doom' period. Suffice it to state that, in the 'oil boom' days, most organizations in Nigeria were expanding due to a favourable external environment. But the period of the Structural Adjustment Programme (SAP), resulting from the 'oil doom', has force most organizations to downsize, in order to survive. The situation even became worse by the year 2004 as a result of the initial shocking effect of such policies as deregulation of the downstream oil sector and privatization initiated and implemented by the government of the day. Similarly, at the more macro level, the constant global market increase in the cost of crude oil, which accounts for about 90% of Nigeria's external revenue, has continued to have an adverse ripple effect on the domestic scene due to the country's overdependence on imported refined oil. It could also be argued that the same survival instinct had stimulated a few other organizations into substituting their goals. Similarly, the rural-urban migration in Nigeria can have serious implications for organizations in the country.

The interrelationship between organizations and their environment was the subject of an extensive study, undertaken by Lawrence and Lorsch (1967:61). Their views, which arose there from and which were earlier articulated, are being used here to buttress the points being made. If a restatement is permitted, we submit that Lawrence and Lorsh vividly captured the picture when they stated that:

"Organizations deals with their external environment, they become segmented into units, each of which has its major task which is the problem of dealing with a part of the conditions outside the firm. This is as a result of the fact that any one group of managers has a limited span of surveillance. Each one has the capacity to deal with only a portion of the total environment. If we take, for example, either a division of a diversified corporation or a medium – sized manufacturing firm, we readily observe sales, production, and design units each of which is coping with a portion of the organization's external environment. The sales unit faces problems associated with the market, the customers, the competitors etc. the production unit deals with the production equipment, sources of raw materials, labour markets etc.

The whole gamut of the discourse about the existing relations between organizations and their environment could be summed up with the following questions posed by Morgan (1986:49).

(i) What is the nature of the organization's environment? Is it simple and stable, or complex and turbulent? Is it easy to see the interconnection between the various elements of the environment? What changes are occurring in the economic, technological, market,

- labour-relations, and socio-political dimensions? What is the chance of some development transforming the whole environment some development that will create a new opportunity or challenge the viability of existing operations?
- (ii) What kind of strategy is being adopted? Is the organization adopting a non-strategy, simply reacting to whatever change comes along? Is the organization attempting to particular niche that it has created in the environment? Is the organization systematically analyzing the environment to identify new threats and opportunities? Is the organization adopting an innovative, proactive stance, constantly searching for new opportunities and evaluating the existing environment's competitiveness or collaborativeness.
- (iii) What kind of technology (mechanical and non-mechanical is being used? Are the processes used to transform inputs into outputs, standardized and routinized? Does the technology create jobs with high or low scope of responsibility and autonomy?
- (iv) What kind of people are employed, and what is the dominant "culture" or ethos within the organization? What orientations do people bring to their work? Is it a narrow "I an here for the money" or commitment to the norm, or are people searching for challenges or involvement? What are the core values and beliefs shaping patterns of corporate culture and subculture?
- (v) How is the organization structured, and what are the dominant managerial philosophies? Is the organization bureaucratic, or the matrix/organic forms of organization the norm? Is the dominant managerial philosophy authoritarian, stressing accountability and close control, or more democratic, encouraging initiative and enterprise throughout the organization? Does the philosophy stress safe but sure approaches or is it innovative and risk taking?

The above questions are predicated upon the paradox that the organization consists of interrelated subsystems of a strategic, human, technological, structural and managerial nature.

5.3 THE BUSINESS ENVIRONMENT

Discussion in this direction is instigated by the policy-thrust of the Nigerian government as clearly articulated in the 'Vision 2010' document which states, inter alia, that the private sector "assumes its traditional role of an engine of growth" while the public sector produces the enabling environment or facilitates such growth (Maduabum, 1998:224). We therefore classify the environment within which the private sector operates as a business environment because of the simple reason that the nature of the bulk of such operations can be described as business-oriented. For this purpose, the environment is defined as the sum of interrelationships which exist within the business and between business and its territorial jurisdiction. Within this context, we state categorically that all managers, irrespective of their organizations, must take into account, environmental constraints that affect their performance. Since business organizations do not operate in isolation, the awareness of relationship thus exists between the business and its environment. The business affect the environment by producing goods and services required by the environment contributing to social causes, costs etc. the environment affect the business by providing the resources required by the business and presenting opportunities and threats.

Salient Features of the Business Environment

These can be identified as:

- (a) The rate of change of the environment, that is, static, dynamic and turbulent environments.
- (b) Effect of the environment, that is, opportunities and threats.
- (c) Extent of control i.e. controllable or uncontrollable environment.

Generally, environmental factors can be classified as:

- (i) Internal Environment: This comprises the forces that affect a business as a separate entity. It is sometimes called the internal working system or organizational climate, and consists of people functions and structures, which are generally regarded as controllable environmental factors.
- (ii) Task Environment: This is the direct external environment consisting of individuals or groups that are customers, financial institution suppliers, labour organizations, government agencies, and local communities.
- (iii) **Indirect Environment Factors:** These comprise the forces that affect a business as well as other business organizations. They include:
 - (a) Socio Cultural Variables: The way of life of the people. These are made up of attitudes, desires, expectations, beliefs, degree of education and customs of the people. All other environmental factors are affected by the social structure of the society. The attitude of the society to a business also depends on whether the firms have been responsive to the needs and aspirations of the society.
 - (b) Technological Environment: This comprises the innovations and improvements in methods, machine and materials. Technology can be acquirement through indigenous technology or transfer of technology. The former is the transfer of technology from one generation to another while the latter refers to the technology importation through multinational, international organizations, public agencies, multilateral and intergovernmental agreements.
 - Technology has considerable impact on business in the following ways; enhancing competitive provision of a variety of products, efficiency of production, mechanization and automation of the organizational system and improving the method of planning, scheduling and controlling of the industrial system. The main limitation of technology includes large capital outlay, risks of obsolescence of both technology and finished goods, risk of unemployment and social cost structure such as pollution and industrial unrest.
 - (c) Economic Environment: The general pattern of the economy can be viewed from three dimensions: the economic system, the general business cycle and the economic policies. The main economic effects on business organizations in Nigeria today are usually classified as fiscal and monetary policies. Fiscal policies deal with the use of government spending and taxation to improve the position of the economy. Monetary policies refer to the use of monetary instruments through the Central Bank of Nigeria, to influence the money in circulation. For example, the tight monetary control measures implemented by the government as part of the National Economic Empowerment Development Strategy (NEEDS) have a consideration impact on business.

- (d) Political Legal Environment: This environment is primarily concerned with complex laws, regulations and government agencies and their actions which affect all kinds of enterprises in varying degrees. The government, in improving the standard of living of the society, uses the resources within which the company is endowed to play three major roles of participants, facilitators and regulators of business activities. Examples of the political/legal environment are Companies and Allied Matters Decree (CAMID) of 1990, Productivity and Prices Income Board, Indigenization Decree, Standards Organization of Nigeria etc.
- (e) Physical Environment: This involves the availability of land, nature of climate, weather conditions, mineral resources, water and infrastructural facilities.
- (f) International Environment: this is the environment of the foreign countries. It consists of the socio-cultural, political, economic and technological environment of countries where a business operates. The growth of multinational corporations, the need for comparative advantage, foreign market, investment, information technology, manpower, etc. Have led to the growing need for knowledge about the international environment.

5.4 ORGANIZATIONAL APPROACH TO ENVIRONMENTAL CHALLENGES

In view of the fact that organisation do not exist in a vacuum, it is essential to determine how organisations respond to environmental pressures and what factors affect their responses.

Oliver (1980:62) elaborated a theoretical framework that posits organizational responsiveness to institutional pressures as a strategic choice. Five alternatives that range between passivity and increasing active resistance wre offered viz;

- (i) Acquiescence: When organizations fully conform to institutional pressure.
- (ii) Compromise: When organizations make partial compliance with intuitional pressure.
- (iii) Avoidance; Diplomatic avoidance of institutional pressure through concealing, non-conformity, responding symbolically etc. by organizations.
- (iv) Defiance: When organizations actively reject institutional norms.
- (v) Manipulations: When organizations attempt to actively change or exert power over institutional pressures.

Strategic choice of response will be dependent on:

- (i) Cause: Underlying rationale or expectation associated with the pressure, e.g. it if will enhance legitimacy, motivation to conform will be there.
- (ii) Constituents: Characteristics of constituents groups.
- (iii) Content: If contents conflicts with organizational goals or may hinder the achievement of goals, resistance is more likely.
- (iv) The nature of the control: Legal coercion may result in little resistance, while voluntary diffusion creates resistance.
- (v) Environmental context: High environmental uncertainly may result in acquiescing to institutional pressures.

Goodstein (1979:31-36) summarized the relationship between institutional pressure and strategic response by developing a framework that identifies the relationship between the two variables as a function of:

- (i) Strength of the pressure
- (ii) Effect of technical outcome e.g turnover and productivity.

The framework is presented below;

Framework for institutional pressure versus technical outcome and resistance

Perceived Effect of Response on Technical Outcome

		Low	High
Strength of institution	High	Acquiescence	Compromise/avoidance
Pressure		Manipulating	Defiance

If the institutional pressure is high and the business perceives the positive effect t of the pressure on technical outcome, the strategy likely to be adopted will acquiescence.

5.5 ENVIRONMENTAL ANALYSIS

Modern organizations are experiencing environments that are not only changing rapidly but, in particular, are increasingly subject to sudden irregularities. Hence, there is need for a method for singling out critical developments and relating them to plan for a business organization's situational analysis. That method is known as SWOT Analysis, which is an acronym for Strengths, Weaknesses, Opportunities and Threats. The purpose of situational analysis is to determine the features in a company's internal/external environment that will most directly affect its strategic options and opportunities. In a single business strategic analysis, the two main situational considerations are;

- i. Industry and competitive conditions; and
- ii. Company's internal situations and competitive position.

5.5.1 Framework for Analyzing the Industry

The future of every industry, according to Newman, Logan and Hergarty (1987:87), depends upon;

- 1. continuing demand for its output;
- 2. conditions affecting the supply of their goods and services, and
- 3. the competitive conditions within the industry. The nature of each of these is briefly discussed below.

(a) Demand for Products or Services of the Industry

- 1. Long-range Growth or Decline: This depends on product characteristics, possible uses of the product, potential customers, and determination of the annual growth rate of the industry.
- 2. Stability of Demand for Products: This involves questions like: Is the demand steady and predictable or volatile and uncertain? Factors affecting the stability are availability of a close substitute, durability products, and whether the product is a necessity or a luxury.

3. State of Product Life Cycle: Products pass through a life cycle classified as introductory, growth, maturity and decline. At each of these stages, products exhibit some characteristics that bear on key factors for success.

(b) Supply of Products or Services

The outlook for profitable operation in an industry also depends on supply of available goods and services as well as the cost of bringing such products or services into the markets. The issues to be addressed here include;

- (1) Capacity of the Industry: Is the industry faced with excess or inadequate capacity? Inadequate capacity will make most companies to enjoy profitable operations. Excess capacity will have a depressing influence on the outlook of the industry.
- (2) Volatility of the Technology: The rate at which new technologies and, thus, products are introduced. The more the dynamics of technology, the more the need for managers to give close attention to research and development.
- (3) Availability of Needed Resources: Are the required resources available at affordable prices? Consideration here is the ability to influence the price of materials, availability of labour and costs.
- (4) Social Constraints: The ability of the companies to meet the various social norms will affect the industry's outlook. Companies must act in a socially-responsible manner or face all sorts of delay and harassment.
- (5) *Inflation Vulnerability:* Increasing selling costs may cause dislocation of sales volume.

(c) Competitive Conditions

Competition in the industry will be affected by;

- (1) Government Support and Regulation: Government support, through subsidies, protections or regulations i.e. laws, policies, etc. affect competitive conditions. To qualify for the benefits, a company must conform to some stipulations and regulations.
- (2) Structure of the Industry: The attitude of the companies in an industry. Some managers may tend to adhere strictly to acceptably code of business ethics, salesmen like to engage in any activity that might give them immediate profit.

This attitude affects the future outlook of the industry.

The extent of competition within the industry e.g. salesmanship versus dog-eat-dog competition, is affected by mobility of competitors in and out of the industry and the relative bargaining power of key players in the industry.

Conclusions may focus on prospects for volume and net income and identification of key factors for success in the industry.

5.5.2 Assessing a Company's Competitive Strength

Success is achieved by matching opportunities with strengths. The industry's analysis will offer an array of opportunities and threats. Then, the strengths and weaknesses of a company willing to grasp these opportunities must be examined. To assist in relating company's outlook to an industry's outlook, the following framework has been suggested by Newman, Longan and

Hergarty (1987). The position of a company within the industry can be examined taking into consideration.

(a) Market Position of the Company

- i. Relation of the company sales to total industry, to leading competition: A Company's share of its target market typically is closely related to its profitability.
- ii. Strengths of the company in major markets: The reputation of a company depends on the ability of the company to be known for good services at a reasonable price and for fair dealings.
- iii. Relative appeal of the company's products: The market position of a company is strongly influenced by the quality and the distinctiveness of its major markets.

(b) Supply Position of the Company

The position of a firm in its industry depends upon it ability to deal with supply factors as well as with demand. The main issues relating to the supply positions are;

- (i) *Comparative access to resources:* Ready and inexpensive raw materials, labour, location close to the market, must be analyzed and compared with those of major competitors.
- (ii) *Unique productivity advantage:* Experience, they say, is a great teacher. Going by the experience curve theory, a company with the most cumulative experience should have the lowest costs.
- (iii) Research and development strength: Availability adequate personnel and facilities also contribute to the competitive status of a company.
- (iv) Special competitive consideration: In addition to market and supply factors, the following factors must be considered;
 - *Relative financial strength:* Adequacy of capital. The ability of a company to secure funds when needed will add to its competitive advantage.
 - Government and community relations: Companies differ in their ability to work with government. Also, the attitude of a community where a business is located, will affect the business. A good example is the relationship between Shell Petroleum Development Company and the Ogoni Communities in Nigeria.
 - Ability and Values of Company Managers: The skill, aptitude, knowledge and style of a company's managers and staff will also affect its competitive position.

5.5.3 Test of Social Responsibility of Nigerian Firms

There is lack of consensus on social responsibility measures frequently used for rating of firms in terms of executive and student rating of corporate social responsibility, content analysis of corporate annual report and pollution performance ratings. Meanwhile, each of these measures suffers from serious weaknesses such as lack of adequate information, thereby increasing the possibility of obtaining flowed measures, low content validity of measures etc. despite some of the weaknesses, information contained in published annual reports of Nigerian Public Limited Liability Companies (PLCs) may provide an insight into some of the strategies used by some Nigerian companies to fulfill their social responsibilities and ethical requirements. Strategies for social responsibility and ethics may be discussed as follows;

(1) Responsibility to itself and owners: A business has responsibility to maintain a higher level of efficiency resulting in adequate compensation of the shareholders, UAC, Guinness, Conoil (formerly National Oil, Mobil Oil and so on, are highly profitable blue-

- chip companies on the Nigerian Stock Exchange. The tremendous growth in turnover reflects in dividends payable to shareholders. In the area of provision of accurate, timely and efficient information on company's operation, firms like, the Nigerian Breweries Plc, etc, once received a merit award from the Nigerian Stock Exchange for best presentation of annual reports and accounts.
- Responsibility of employees: Here the focus is on competitive wages and salaries, fringe benefits and incentives offered by some companies for employee's welfare and health through scholarships for employees and their children, health screening, investment in health, safety of the environment and adhering to safety regulations. Companies like African Petroleum (AP), Mobil Oil etc. provide housing schemes and recreational facilities for staff etc. participation in decision-making is also manifested in joint consultation, and departmental meetings. Similarly, staff development is undertaken through training workshops and conferences. For instance, Mobil Oil introduced a computer literacy course, while National Oil launched an entrepreneurship development programme for smooth transition of departing staff.
- (3) Responsibility to Customers: According to Drucker, the only valid purpose for a business is to create customers. Two main strategies are innovation and marketing. For example, PZ in 1991 launched a new product called "Venus hair care range". Equally, effective marketing cost-saving operation, outstanding promotion, efficient distribution etc, are used by Mobil Oil, and Nigerian Breweries Plc. Banks such as First Bank of Nigeria (FBN) Plc, United Bank for Africa (UBA) Plc, and Afribank Plc, embarked on reorganization and computerization to improve their overall efficiency and effectiveness.
- (4) Responsibility to Government: Public limited liability companies, in intensifying their efforts to revive the economy, embarked on Research and Development (R & D) by means of the backward integration strategy. Lever Brothers (now Unilever), Guinness, UAC, Nigerian Tobacco Company etc. established large-scale farms in different parts of the country. Banks such as FBN, UBA etc, have also come up with different strategies aimed at assisting the development of small-scale businesses. Business organizations also contribute to government revenue. In addition to legal requirements such as Companies and Allied Matters Decree (CAMD) 1990, the factory decree, and labour laws are strictly followed by companies as indicated in their annual reports.
- (5) Responsibility to society: Business responsibility to society includes contribution to education through scholarships, funding of research and sponsoring of professorial chairs. For instance, the Nigerian National Petroleum Corporation, (NNPC) in July 1991 donated a set of All Nigeria Law Reports to the University of Cross River, Elf sponsored a professorial chair in petroleum engineering; Mobil Oil awards scholarships to students in Nigeria's tertiary institutions yearly etc. in the field of health, Guinness established Eye Centres in Onitsha, Kaduna and Lagos. Employment opportunities are provided for people within the environment. We must, however, caution that content analysis of annual reports should not lead to the conclusion that these firms are performing excellently in the area of social responsibility. For instance, some firms have failed to improve on their social responsibility performance since the introduction of SAP in the early '80s.

5.5.4 Test of Business Ethics of Nigerian Firms

Ethics is a branch of philosophical inquiry which concerns itself with right or wrong conducts. Every company has an ethical duty to each of the constituencies, owners, employees, customers, suppliers and the community. A business with ethical standards is proactive rather than reactive. To Watson (1980:14), such business will have three primary advantages over its competitors; generate greater drive and efficiency, attract high caliber of people, and develop better and profitable relations with its constituencies. Ethical commitment of Nigerian firms are usually presented in published annual reports. For example, Mobil Oil Plc has to conduct our business to the highest ethical standards and in compliance with all applicable laws and regulations.

Meanwhile, a critical evaluation of the operations of Nigerian companies will reveal their unethical practices such as deceptive advertisements" i.e. hiding of past and current losses by means of fraudulent accounting manipulations. As frequently reported by the Industrial Training Fund and further explained by Maduabum (2001:285-291), multinational companies merely pay lip services to developing indigenous capacities. It should be noted that firms respond to social responsibility differently. Three main phases of social responsibility are identifiable. The first phase is when top managers get involved, make speeches and even make contributions to social causes. The next occurs when the chairman appoints a staff executive, directly responsible to him, to co-ordinate the firm's efforts in this area. In the final phase, the top manager builds social objectives into the firm's reporting and reward systems. For Nigerian firms to operate at this phase, however, the following should be in place;

- (i) Reshaping of existing law, policies and regulations.
- (ii) Orientation of central management on the need for and importance of social responsibility.
- (iii) Election of a Board of Directors (BOD) to reflect the key stakeholders;
- (iv) Creation of social responsibility units and conducting periodic reviews and rewarding companies that comply with the provisions.

5.6 SUMMARY

In view of the foregoing we understand that organizations whether in the public or private sector, operate in an environment. Environments have become more and more dynamic or turbulent, with escalating demands on these organizations. The demands and pressure have had and are having, organizational effects on size, structure, co-ordination and integration, motivation, training and development.

Generally, they call for the necessity of professionally endowed staff selection and placement, a project team to complement pyramidal structure.

5.7 CONCLUSION

An organization and its immediate environment are closely interdependent. The local community may be a source of labour, capital, materials and customers. The corporate image economic interests of an organization can be enhanced by maintaining a close and harmonious relationship with its immediate environments.

5.8 TUTOR MARKED ASSIGNMENT

- 1. Explain the concept of environment and its characteristics features.
- 2. With specific examples explain the micro and macro levels of environment.
- 3. Multinational corporations such as the united Africa company (UAC), Plc Unilever Formerly Lever Brothers) plc, shell, Julius Berger plc, etc, are jointly owned by the parent company and same Nigerian indigenes and these enterprises have dominated the Nigerian business scene since independence.
 - i. Do you think that these enterprises are socially responsible to Nigerians? Why.
 - ii. Are they socially responsible to their owners? Why.
 - iii. Suggest ways of ensuring that these enterprises operate in a socially responsible manner.

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MODULE II INTRODUCTION AND DEVELOPMENT OF MANAGEMENT THEORIST

Unit I Scientific Management Theory
Unit II General Administrative Theories

Unit III Quantitative Approach
Unit IV: The Hawthorne Experiment

Unit V The Modern Theory

1.0 MANAGEMENT

Management in all business and organizational activities is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively. Management comprises planning, organizing, staffing, leading or directing, and controlling an organization (a group of one or more people or entities) or effort for the purpose of accomplishing a goal. Resourcing encompasses the deployment and manipulation of human resources, financial resources, technological resources, and natural resources.

Because organizations can be viewed as systems, management can also be defined as human action, including design, to facilitate the production of useful outcomes from a system. This view opens the opportunity to 'manage' oneself, a pre-requisite to attempting to manage others.

History

The verb *manage* comes from the Italian *maneggiare* (to handle – especially tools), which in turn derives from the Latin *manus* (hand). The French word *mesnagement* (later *menagement*) influenced the development in meaning of the English word *management* in the 17th and 18th centuries.

Sometimes definitions of management are;

- Organization and coordination of the activities of an enterprise in accordance with certain policies and in achievement of clearly defined objectives. Management is often included as a factor of product ion along with machines, materials, and money. According to the management guru Peter Drucker (1909 2005), the basic task of a management is twofold: marketing and innovation.
- Directors and managers have the power and responsibility to make decisions to manage an
 enterprise. As a discipline, management comprises the interlocking functions of formulating
 corporate policy and organizing, planning, controlling, and directing the firm's resources to
 achieve the policy's objectives. The size of management can range from one person in a
 small firm to hundreds or thousands of managers in multinational companies. In large firms
 the board of directors formulates the policy which is implemented by the chief executive
 officers.

Theoretical Scope

At the beginning, one thinks of management functionally, as the action of measuring a quantity on a regular basis and of adjusting some initial plan; or as the actions taken to reach one's intended goal. This applies even in situations where planning does not take place. From this perspective, Frenchman Henri Fayol (1841 – 1925) considers management to consist of six

functions: forecasting, planning, organizing, commanding, coordinating, controlling. He was one of the most influential contributors to modern concepts of management.

Another way of thinking, Mary Parker Follet (1868 - 1933), who wrote on the topic in the early twentieth century, defined management as "the art of getting things done through people" she described management as philosophy.

Some people, however, find this definition, while useful, far too narrow. The phrase "management is what managers do" occurs widely, suggesting the difficulty of defining management, the shifting nature of definitions, and the connection of managerial practices with the existence of a managerial cadre or class.

One habit of though regards management as equivalent to "business administration" and thus excludes management in places outside commerce, as for example in charities and in the public sector. More realistically, however, every organization must manage its work, people, processes, technology, etc. in order to maximize its effectiveness. Nonetheless, many people refer to university department which teach management as "business schools". Some institutions (such as the Harvard Business School) use that name while others (such as Yalle School of Management (employ the more inclusive term "management".

English speakers may also use the term "management" or "the management" as a collective word describing the mangers of an organization, for example of a corporation. Historically this use of the term was often contrasted with the term "labor" referring to those being managed.

Nature Of Managerial Work

In for – profit work, management has as its primary function the satisfaction of a range of stakeholders. This typically involves making a profit (for the shareholders), creating valued products at a reasonable cost (for customers), and providing rewarding employment opportunities (for employees). In nonprofit management, add the importance of keeping the faith of donors. In most models of management/governance, shareholders vote for the board of directors, and the board then hires senior management. Some organizations have experimented with other methods (such as employee – voting models) of selecting or reviewing managers; but this occurs only very rarely.

In the public sector of countries constituted as representative democracies, voters elect politicians to public office. Such politicians hire many managers and administrators, and in some countries like the United States political appointees lose their jobs on the election of a new president/governor/mayor.

1.1 HISTORICAL BACKGROUND

Early management practices can be seen during the 1400s in the city of Venice, Italy, a major economic and trade centre. The venetians developed on early form of business enterprise and engaged in many activities common to today's organization, such as assembly that standardized production, a warehouse and inventory system to monitor its contents, personnel (human resource management). Function required managing the labour force, and an accounting system that kept tract of revenues and cost. These examples from the past demonstrate that organizations

have been around for thousands of years and that management has been practiced for an equivalent period. However, it has been only in the past several hundred years particularly in the twentieth century, that management has undergone systematic investigation acquired a common body of knowledge and become a formal discipline for study. Two significant historical events also have played a role in promoting the study of management.

First in 1776, Adam smith published a classical economic doctrine, "The Wealth of Nation", in which he argued the economic advantages that organizations and society would gain from the division of labour using the pin manufacturing industry as an example. Smith claimed that 10 individual each doing a specialized work task could produce about 48,000 pins a day among them. However if each person was working separately and had to draw a wire, strengthen it, cut it, pound heads for each pin, sharper the point and solder the had and pinshort, it would be quite an accomplishment to produce a meager 10 pins a day smith concluded that division of labour increase productivity by increasing each workers skill and dexterity, by saving time and that is commonly lost in changing task and by creating labour saving invention and machinery.

The second and possibly mot important, pre twentieth century influence and management was the industrial revolution. Stating in the eighteenth century in Great Britain the revolution had crossed the affiliate to America by the end of the civil war, its major contribution was the substitution of machine power per human power. Which in turn made it more economical to manufacture goods in factories rather than at home? These large efficient factories using power driven equipment required managerial skills.

Managers were needed to forecast demand, ensure that enough material was as had to make products, assign tasks to people, direct daily activities, coordinate the various tasks, ensure that the machines were kept in good working condition and work standards were maintained, find markets for the finished products etc. a factory owner may have bout indeed people (or traine) worked and a regular payroll to meet, it became important to keep workers busy. Planning, organizing leading and controlling become necessary.

The advent of machine power, mass production can reduced transportation cost that followed rapid expansion of rail road and then almost no government regulation supposed the development of big corporations. John D. Rock Fever (oil industry), Andrew Carnegle (steel industry) and other entrepreneurs were creating large business that would require formalized management practices. Hence the need for a formal theory to guide managers in running their organization. However, it wasn't until the early 1900s that the first major step towards developing such a theory was taken.

1.2 INTRODUCTION TO MANAGEMENT HISTORICAL DEVELOPMENT CONCEPTIONS FRAMEWORK

The development of theories has been characterized by differing belief about what management do and how they should do it. Contribution of four approaches (scientific management General administrative quantitative with organization behavior where also represented. Scientific management looked at management from the respective of improving the productivity and efficiency of operative personnel. The general administrative theories were concerned with the overall organization and how to make it more effectives (the scientific management advocates

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and the general administrative thought are frequently referred to as the classical theorist because their writings established the framework for many of our contemporary ideas or management and organization then there was a group who focused on developing an applying qualitative modules. Finally theme a group of researches where emphasized human behaviours in organization or the "people side" of management.

Each of the four management respective in correct and makes an important contribution to our overall understanding of management. However, each is also a united view of a larger part.

UNIT I: SCIENTIFIC MANAGEMENT

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2.0 INTRODUCTION

This is a monograph published by Frederic Winslow Taylor in 1911. Taylor was an American mechanical engineer and a management consultant in his later years. He is often called the father of scientific management. His approach is referred to as Taylor's principles or Taylorism. This influential monograph laid out the principles of scientific management which is a seminal text of modern organization and decision theory has motivated administrators and student of managerial Technique.

2.1 LEARNING OBJECTIVES

At the end of this unit

- 1. Student should be able to know what theory is all about
- 2. Why we do have organizational theory.
- 3. Trace the emergence of Frederic W. Taylor and his principles of scientific management.

2.2 THE PRINCIPLES OF SCIENTIFIC MANAGEMENT

Taylor started his paper by quoting then president of the united state. Theodore Roosevelt. The president in his address to the governors at the white house, prophetically remarked that the conservation of our national resources is only preliminary to the larger question of national efficiency. Taylor pointed out that the whole country (USA) is suffering through inefficiency in almost all of daily acts of Americans. He pointed this out.

Taylor uses Midvale steel experiences were he worked as a mechanical engineer it aroused his determination to improve the way things are done in the plant. At the time there were no clear concepts of worker management responsibility virtually no effective work standard existed workers purposely worked at a slow pace. Workers were placed on jobs with little or no concern for matching their abilities and aptitudes with the tasks they were required to do. Management and workers are always in continual conflict any gain by are would always be at the expense of the other.

Taylor sought to create a mental revolution among both the workers and managers by defining clear guidelines for improving producer efficiency. He defined four principle of management and argued that following these principles result in the prosperity of both managers and workers. Workers would earn more pay and managers would earn more profit.

Taylor's four principles of management are:

- 1. Develop a science for each element of an individual's work which will replace the old rule of thumb method.
- 2. Scientifically select and then train, teach and develop the workers (previously workers choose their own work and trained themselves as best they could.
- 3. Provide detailed instruction and supervision of each worker in the performance of the workers discrete task.
- 4. Provide work and responsibility almost equally between management and workers. Management taken over all work for which it is better fitted than the workers. (previously, almost all the work and the greater part of the responsibility were thrown to the workers).

This common tendency to "take it easy" is greatly increased by bringing a number of men together on similar work and at a uniform standard rate of pay by the day."

To illustrate: the writer has timed a naturally energetic workman who, while going and coming from work, would work at a speed of from three to four time per hour, and not frequently tired after a day's work,. On arriving at work he would immediately slow dawn to a speed of about one mile an hour. When for example wheeling a loaded wheelbarrow, he would go at a good fast pace even up hill, to in order to be as short a time as possible under load, and immediately on the return walk s\low down to a mile on hour, improving every opportunity for delay short of actually sitting down. In order to be sure not to do more than his lazy neighbor. The feeling of antagonism under the ordinary piece work system because in many cases so marked on the part of the men that any proposition made their employees, however reasonable is looked upon with suspicion and soldering because such a fixed habit that man will frequently take pains to restrict the product machine which they are running when area large increase in output would involve no more work on their part. According to F.W. Taylor the 4 principle combine with initiative of the employee, coupled with the new types of work done by the management, makes scientific management so much more efficient than the old plans.

Taylor was able to define the "one best way" for doing each job. He could then after selecting the right people for the job, train them to do it precisely in this one best way. To motivate workers, he favored incentive wage plans over all. Taylor achieved consistent improvements in productivity in the range of 200 percent or more. He affirmed the role of managers to plan and control and for workers to perform as they were instructed.

Frank and Lilian Gilbreth

A construction contractor by trade, Frank Gilbreth gave up his contracting career in 1912 to study scientific management after hearing Taylor speak at a professional meeting. Frank and his wife Lillian a psychologies, studied work arrangements to eliminate wasted hand and body motions. The Gilbrths also experimented with the design and use of the proper tools and equipment for optimizing work performance.

Frank Gilbreth best known experiment in reducing the number of motions in bricklaying. By carefully analyzing the bricklayer's job he reduced the number of motions in the laying of exterior brick from 18 to about 5. On interior brick, the 18 motions were reduced to 2. Using Gilbreth's technique the bricklayer could be more productive and less fatigue at the end of the

day. The Gilbreth's were among the first researchers to use motion pictures to study hand and body motion. They devised a micro chronometer that recorded time to 1/2000 of a second, placed it in the field of study being photographed, and this determine how long a worker spent doing each motion. Wasted motion missed by the naked eye could be identified and eliminated.

2.3 SUMMARY

To understand the importance of scientific management you have to consider the times in which Taylor, the Gilbreths and other scientific management advocates lived. The standard of living was low. Production was highly labor intensive. For example, at the turn of the century, Midvale steel may have employed 20 or 30 workers who did nothing but load iron onto rail cars. Today their entire daily tonnage could probably be due in several hours by one person with a hydraulic for Klift. But they do not have such mechanical devices. Similarly the breakthrough that Gilberts achieved in bricklayer are meaningful only when you recognize that most quality buildings at that time were constructed of brick, land was cheap, and the major cost of a factory or home was the cost materials (bricks) and the labor lost to lay them.

2.4 CONCLUSION

Scientific management was important, therefore because it could raise the standard of living of entire countries by making workers more efficient and productive and adding to their wages.

2.5 TUTOR MARKED ASSIGNMENT

- 1. What is a theory?
- 2. Trace the emergence of Frederick W. Taylor and this principles of scientific management?
- 3. To what extent did the scientific management principle influence contemporary management of organization?

2.6 REFERENCES

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UNIT II: ADMINISTRATIVE THEORISTS

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2.0 INTRODUCTION

Another group of writers looked at the subject of management but focused on the entire organization. We call them the general administrative theorists. They developed more general theories of what managers do and what constituted good management practice. The most prominent of these general theorists were Henri Fayol, Max Weber and Ralph Davis.

2.1 LEARNING OBJECTIVES

At the end of this unit student should be able to;

- 1. Know to what extent did the scientific management principle influence contemporary management organization.
- 2. Be able to explain the advantages of using division of labour in organization.
- 3. Know Fayols principles of management and how they company with Taylor's.
- 4. What was Weber's contribution to the general administrative theories of management?

2.2 GENERAL ADMINISTRATIVE THEORISTS

Henri Fayol

Henri Fayol described management as a universal set of functions that included planning, organizing, commanding, coordinating and controlling. Fayol wrote during the same period as Taylor. However, whereas Taylor was concerned with management at the shop (i.e. job of supervision) and use scientific method. Fayol's attention was directed at the activities of all managers and he write from personal experience. Fayol was the managing director of a large French local mining firm so he was a practitioner.

Fayol described the practice of management as something distinct from accounting, finance, production, distribution and other typical business function. He argued that management was an activity common to all human endeavors in business, government and even in the home. He then proceeded to state 14 principles of management – fundamental or universal tutors that could be taught in schools and universities. These principles are shown below:

1. Division of work. This principle is the same as Adam smith's division of labor. Specialization increases output by making employees more efficient.

This is taken to mean, identifying the goal to be pursued translating them to objectives and sub objectives and then to job and companies of jobs such as duties, task and responsibilities. These are then allocated to individual or groups of individual as the basis of known competence. The underlying emphasis here is that possession of relevant skill informs the type of jobs and their components that would be allocated on individual or group of individual to perform.

- **ii. Authority and Responsibility:** the principle proposes that a certain degree of responsibility should carry on equal degree of authority. This is probably what many writers had in mind when they refer to the principle as "Co-equal responsibility with authority". In other words, for any responsibility that is assigned to an individual there should be provision of commensurate authority to carry out the assignment.
- **Discipline:** In every organization are norms, values, standards and acceptable ways of behaviors. In the organization are employees with varied background leading to the existence of deviants or those who may find it difficult or put in place by the organization. In order to ensure compliance, sanctions are out lined for failure to comply. All these culminate in the establishment of rules and regulations as policy documents that guided the mandatory behavior of employees in the organization. Where this is adequately done. We observe more homogenous behavior from employees of the same organization.
- **iv. Equity:** This refers to fairness that is extremely equal treatment to all subordinate staff irrespective of relationships or affiliation. Again, this is one area in which there are many defaulters, particularly in our environment where many officers provide preferential treatment on account of primordial consideration. The factors that come to play here include tribal affiliation, religion, family, relationship with the opposite gender etc. All these culminate in nepotism which cannot guarantee an efficient organization.
- v. Order: This means maintenance of peace and tranquility. It is the belief that an organization can only make progress by increased productivity while operating in a harmonious environment devoid of unnecessary distraction or account of bickering, development of bad blood antagonism and the like. Hence, were things and people are neatly arranged by minimizing overlaps and the attendants tendency for contests of jurisdiction, then of course harmonious relationship naturally develops and peace concord reign.
- vi. **Remuneration:** To this koontz et al / 1980: 46 states. "Remuneration and method of payment should fair and afford the maximum possible satisfaction to employee and employers". Equal work equal pay. President of the federal republic of Nigeria, Chief Olusegun Obasanjo puts it across to Nigerian university teachers as a means of curtailing incessant strike action from that sector of the economy- "No work, no pay".
- vii. Initiative: By this principle, Fayol suggest that every employee should be encouraged to come up with ideas on measures to be taken in order to improve the system. This was called for particularly when faced with organization problem. However, since there is no perfect system, every system must continue to strike for perfection. What this portrait is that in every system, no matter how good, there is always room for improvement when every staff should engage in thinking.
- viii. Stability of Tenure: The provision here is that, as long as an employee is physically stable, he should be allowed to remain as a staff and perform his job. This principle is sharply against sudden disengagement of staff. In the Nigeria public service for instance, the tenure of employees is outlined in the pension Act, 102 of 1979, as amended in 1982 and year 2000 respectively. In the document, the qualification for retirement is put at 60 years of age or 35 years of service, whichever comes first.
- ix. Subordination if individual interest to the interest of the Group/ Organization: This principle presupposes that every employee has his personal interest which influenced his joining an organization. However, it must also be appreciated that the organization also

has its own interest which also influenced the hiring of the employees. This principle insists that the organization's interest is not only superior but should be made manifest all the time.

- **x. Centralization:** This refers to authority that must be rested in one position among a group of positions. Here who so ever occupies a headship position possess the authority in such a position. The highest authority must be held by the person occupying the topmost position. Authority here refers to power vested in a person by law or policy.
- **xi. Unity of command:** This principle stipulates that, at any point in time, there should be a leader of the organization and, at any level in the organization, there must also be leader and that an employee must take orders from only one superior, hence the ward "unity"-meaning one. The concept span of control is appropriately placed here, as this describes the number of persons responsible to one superior from whom they all take orders.
- **xii. Unity of Direction.** As the name suggests, this principle refers to the direction towards which the organization is pulling. If we agree that the term "unity" means one, then this presupposes that the organization must be pulling towards only one direction and this direction is the goal of the organization.
- **xiii. Scalar Chain:** These refer to a chain of relationship and inter linkages sometimes referred to as chain of command. It entails hierarchy dictated by principles of unity of command linking all members of the organization from the top to the bottom. Here roles, positions and status must be connected through chains which define lines of responsibility and authority. At the end what we are presented with is structure that is "organizational structure".
- **xiv. Espirit De Corps:** This principle undergoes the need for a spirit of togetherness to pervade the length and breadth of an organization. The philosophy behind this is that an organization is like a family and employees of an organization should behave as members of the same family, helping one another, collectively resolving individual or collective problems, in short being one's brother's keeper. It is only then that peace and unity will reign in the organization a situation that will definitely enhance productivity in the organization.

Max Weber

Max Weber was a German sociologist in early 1900s; Weber developed a theory of authority structures and described organizational activity on the basis of authority relations. He described an ideal type of organization as a "bureaucracy". A system characterized by division of labour, a clearly defined hierarchy, detailed rules and regulation and impersonal relationships Weber recognized that this "ideas bureaucracy" didn't exist in reality but rather, represented a selective recast structure of the real world. He meant it as basis for theorizing about work and work could be done in large groups. His theory became the model structural design for many of today's large organizations. The features are outlined

- 1. Division of labour jobs are broken into simple routine well defines tasks.
- 2. Authority hierarchy: Offices or positions are organized in a hierarchy each lower are being controlled and supervised by a higher one.
- 3. Formal selection; All organizational members are to be selected on the basis of technical qualifications demonstrated by training, educating or formal examination.
- 4. Formal rules and regulation; to ensure uniformity and to regulate the actions of employees, managers must depend heavily on formal organizational rules.

- 5. Impersonality: Rules and controls are applied uniformly avoiding involvement with personalities and personal preferences of employees.
- 6. Career Orientation; managers are professional officials rather than owners of the units they manage. They work for fixed salaries and pursue their careers with the organization.

Ralph C. Davis

The final major contributor to the general administrative theories of management we are going to consider is Ralph C. Davis. An engineer by training, Davis developed his perspective as a result of his exposure to management at both the bottom level and executive level. His first exposure to management was through his job as an industrial engineer (a job that used scientific management technique and principles). As the founder of department of management at the general motion institute, Davis was exposed to the unique management philosophies of the legendary Alfred P. Sloan (general motors president). Through his work at the GM institute and from his reading of Fayol's management book, Davis developed an administrative philosophy of management. He described the "organic" functions of management as planning organizing and controlling and proposed that these functions are universally applicable to all types of organizations. In his book fundamental of top management. Published in 1951. Davis defined the concept of management as "the function of executive leadership. He also stressed the need for professional managers who had a keen understanding of management, especially with respect to leadership and to relations between the organization and the community.

2.3 SUMMARY

Some of our current management ideas and practices can be directly traced to the contributions of general administrative theorists. For instance, the functional view of a manager's job can be attributed to Henri Fayol even though the contingency perspective of a manager's job proposed that universalistic management principles for all types of organizations are not feasible, Fayols 14 principles do serve as a frame of reference from which many current management concept and theories have evolved Weber's bureaucracy was an attempt to formulate on ideas priority for designing organization. Weber believes that his model could remove the ambiguity, inefficiency that characterized many organizations.

2.4 CONCLUSION

Davis description of executive leadership and professional managers reiterated the importance of managers and management to organization. His writings contributed to the growing body of knowledge about management and also alerted researchers and practitioners to the need for professional management education.

2.5 TUTOR MARKED ASSIGNMENT

- 1. What are Fayol's principles of management and how do they compare with Taylors?
- 2. Outline the administrative principle from which the basic functions of management emerged.
- 3. What effects have the administrative principles on the survival, growth and performance of organizations?
- 4. What is bureaucracy? How has Max Weber's model of bureaucracy influenced behaviour in organizations?

2.6 REFERENCES

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UNIT III: QUANTITATIVE APPROACH

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3.0 INTRODUCTION

This approach is also known as operations research or management science. It evolved out of the development of mathematical and statistical solution to military problems during World War II.

3.1 LEARNING OBJECTIVES

At the end of the unit student should be able to know;

- 1. What is the quantitative approach to management?
- 2. Explain what contributed to the development of the quantitative approach to management.
- 3. What quantitative approach contribute to the field of management.

3.2 QUANTITATIVE APPROACH

After World War II many qualitative techniques that had been used for military problems were applied to the business section. One group of military officers nicknamed the whiz kids, joined ford motor company in the mid 1940s and immediately began using statistical methods and quantitative models to improve decision making at ford. Two of them Robert McNamara later became president of ford, U.S secretary of defense and head of the World Bank, and Charles "TexThornton who founded the billion dollar conglomerate Hilton industries.

The quantitative approach to management includes applications of statistics optimization models, information models and computer simulation. Linear programmes, for instance is a technique that manager can use to improve rescue allocation decision. Work scheduling can be more efficient in a result of critical path scheduling analysis. Decision on determining the optimum inventory levels a company should maintain have been significantly influenced by the economic order quantity model.

3.3 SUMMARY

The quantitative approach has contributed most directly to management decision making in planning and control. Though many managers are not familiar with the quantitative tools behavioural problem are more widespread and visible. Yet the quantitative approach and the widespread availability of sophisticated computer software programs to aid in developing models, equation and formulas have added another dimension to the evolution of management practice and thinking.

3.4 CONCLUSION

Other theories worthy of studies are theories that relate to organizational behaviour (OB). Much of what currently makes up the field of human resources (personnel) management, as well as contemporary views as motivation, leadership, teamwork and conflict management carve out of organizational behaviour research will be fully discuss.

3.5 TUTOR MARKED ASSIGNMENT

- 1. What is the quantitative approach to management?
- 2. What did the quantitative approach contribute to the field of management?

3.6 REFERENCES

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UNIT IV: THE HAWTHORNE EXPERIMENT

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4.0 INTRODUCTION

The Hawthorne experiments and their results are connected to the human relations principles in organization. The results of the experiments which lasted from 1924 to 1932 were reported in detail by Roethlisberger and Dickson (1934). Elton Mayer is credited the leadership of the group because of his influence particularly in an intellectual sense and effectively promoted the modern more then anyone else.

Sponsored by the national research council, the experiments began in 1924 in Hawthorne works (plant) of the western elective complains in Cicero United States of America. The three years was to determine the effects of different levels of illumination on worker's productivity. As illumination was raised in the "Test or experimental group" productivity increased however, productivity also increased in the control group which received no additional light. Then the volume of light in both groups was reduced up to moonlight level, but rather then reduce productivity continue to increase. The researchers were completely dumbfounded by the results. Consequently, the search for the mysterious factors responsible for the productivity increase ensued.

The second series of experiments began in April, 1927. Eventually, the researchers concluded that the social or human relationships among operations and supervisors were more important in determining productivity then changes in working condition. Concluded, because of the special attention which was lavished upon it. The high morale appeared to be responsible for the productivity increases, in November, 1931, the final experiment began. The goal of this observation was to understand better how norms that controlled every member in output were established by the workers social group or the informal group. The Hawthorne experiments demonstrated that regarding people as human beings may be as important for productivity as rest periods, physical working conditions or even many.

Further explanation offered by Elthton Mayo and Firtz Roethlis Berger were based on their former experiments, having hypothesized that the social organization of which an individuals is a member can be an important determinant of his behaviour and the degree of conflict between his behaviour and the organization objectives.

4.1 LEARNING OBJECTIVES

At the end of this students should be able to:

- 1. Know the concepts Hawthorne Studies
- 2. Be able to trace the emergence of human relation principles in organizations.

4.2 LESSONS FROM THE STUDIES

Three main lessons are derivable from the theories

1. The Individual:

Hence the movement emphasizes individual differences among the employees which should be recognized respected and used to get the best output from an individual worker. Each worker has his strengths and weaknesses. His strengths should be exploited for the good of the organization while efforts should be made to reduce his weaknesses. And the organization should create opportunities for the employee to realize his identified personnel aspiration.

2, Working Groups (Informal Organization)

It should be appreciated that "man" is a social animal who likes to belong to a social group. The Hawthorne experiments revealed the immense influence of the work group to individual and organizational productivity. The workers should therefore be treated as a social group. Another aspect of the work groups is the existence of informal groups within the formal organization. Whereas, the formal organization is formally described with its attendant structure, the informal groups developed based on personal interest and a desire to belong to such groups by the workers, the informal communication networks, sometimes called grapevine are often rapid and accurate.

3. Participative Management

Letting workers participate in decision making as a means of gaining their greater commitment and consequently greater productivity, was revealed as a new form of supervision. Since the results of the experiments of Elton Mayo and his group, scholars such as Abraham Maslow belong to the psychological sub school of the human relation group have made useful contribution to the study of human behaviour in organization referred simply as motivation.

4.3 SUMMARY/CONCLUSION

In conclusion the group to which one belongs in a work place is an important index of his behaviour. So, the work situation is made up of not any individuals but group of individuals who came together in the organization based on interest and feelings etc. mayo and Roethlis Berger discovered that high producing groups are so classified because they are high producers while low producing groups are so designated because they are low producers. A monarchy in either high producer or low producing group will be influenced by the majority and thus his production will be affected.

4.4 TUTOR MARKED ASSIGNMENT

Describe the Hawthorne studies and their contribution to management practices.

4.5 REFERENCE

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UNIT V: THE MODERN THEORY

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5.0 INTRODUCTION TO MODERN THEORY

This recognizes an organization as a whole or system which is made up of interdependent subsystems, whereas the entire organization is seen as a whole and that each subsystem contributes independently towards the output of the entire system. The main subsystems or components identified by the proponents of this theory are; input, throughput, output, feedback and environment.

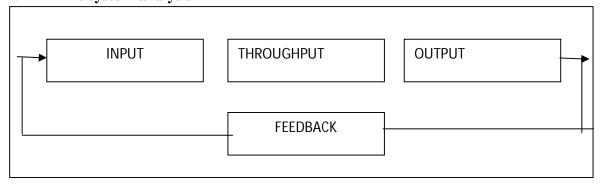
5.1 LEARNING OBJECTIVES

At the end of this unit students should be able to;

- 1. Trace the emergence of human relations principles.
- 2. Be able to identify and discuss the various contributors to the modern theory.

5.2 THE MODERN THEORY IS AN AMALGAN OF THE OTHER THEORIES

i. The system analysis



Here, input constitutes all the resources which we desired and consequently acquired for production or utilization. Through put of the process of producing or utilizing the acquired resources. Output is the result of the production or utilization process, and feedback is comparing actual results (output) with desired result or output and exposing whatever deficiencies there are, to systems improvement. The systems analyses proponents recognize the immense influence the environment has in the survival of the organization. Hence the environment constitutes a component of the organization as a system. From this position evolved the behaviour perspective.

ii. The Behaviorists

this can perhaps be seen as a post second world war scientific managements principles as focusing exclusively on work situations as the only determinants of the workers attitude, the implication of this being that organization is a close system. And they argue that there is no such thing as a close system that every system has boundaries which are porous through which the system interacts with the larger society. For instance, the resources that constitute the input in the system are acquired from the environment outside the organization cannot be adequately explained within the organization. Since every organization is influenced by what happens outside it. They therefore conclude that using work group with the organization surely to predict the behaviour of workers is wrong.

iii. Contingency/Situational Perspective

This perspective is a logical extension of the two perspectives, within the modern theory earlier explained. As through members of this group are sometimes referred to as theorists, the behaviorists also belong here. Their position is that there can be no clear explanation for the behaviour of individuals and groups in an organization and there can be no situation that prevails in all organization. The way an organization behaves, therefore, depends on a number of factors operating within and outside the organization. Such factors include the personality of the individuals, condition within the organization, such as harmony, availability of resources and the individual on the job and off the job behaviour and above all, other external environment factors such as climatic condition, influence of customer, chances and/or other stakeholders and the overwhelming influence of members of the political class, no matter has remote.

Some other contributions to the modern theory among these are;

- 1. Alfred Korzybski: he was am early contributor to the modern theory. He emphasized the process or dynamic nature of reality.
- 2. Mary Parker Folliet: She suggested" working things out in a co-operative spirit". She sought to force home the idea that every person counts as an individual apart of a group and apart of the society.
- 3. Chester I Barnard: he published in 1938, a classic book that was the first comprehensive explanation of management and organization from the modern view. He described an organization as a dynamic social system of cooperative interaction with the purpose of satisfying individual needs. He considered the individuals the organization, suppliers and customers as part of the environment.
- 4. Norbert Weiner; His work gave the first clear view of an organization as a system consisting of inputs, processes, outputs, feedback and environment.
- 5. Ludvig von Bertlanlanfly: He described basic elements upon which the modern theory of organization and management are built, i.e., the modern theory and system analysis.

5.3 SUMMARY

This chapter discuss contributions made in the process of evolving an organization as the know it today. These contributions came in fan of theories which more often time not emanate from experience and not more speculators. Looking at Taylor's 14 principles and scientific management as a whole it could raise the standard of living of the entire country by making workers more efficient and productive and another impatient thing to recognize about the

scientific management approach is that many of the techniques developed by the Taylor and others are sill used in organizations today.

5.4 CONCLUSION

We have the contribution of quantitative approach and it contribution to management decision making and how it evolve into all these sophisticated computer software programmes to and I developing models, equation and formulas to improve management practice and thinking.

5.4 TUTOR MARKED ASSIGNMENT

- 1. Identify and explain the different perspectives of the modern theories in organization.
- 2. Identify and discuss the various contributors to the modern theory.
- 3. Is there any inextricable linkage among the various groups of contributors to theories of organizational growth?
 - a. If not why not?
 - b. If yes, discuss further.

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PSM 801:

MODULE III FUNCTIONS OF MANAGEMENT

Unit I Planning, Forecasting and Decision Making

Unit II Organizing
Unit III Motivation
Unit IV Coordination
Unit V Controlling
Unit VI Staffing
Unit VII Leadership

INTRODUCTION TO FUNCTIONS OF MANAGEMENT

Managers perform four basic function planning organizing, leading and controlling other secondary functions include staffing, leading and directing these function are necessary regardless of the specific setting in which the managers operate.

UNIT I: PLANNING, FORECASTING AND DECISION MAKING

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1.0 INTRODUCTION TO PLANNING

Planning is the process of deciding what objectives to pursue and choosing strategies that will help the organization reach those objective. Planning is carried out by managers at all levels of an organization, top level managers are primarily concerned about long range plans while low level mangers focuses on short range plans.

When planning, managers must ensure that the objectives set are specific and measureable.

1.1 LEARNING OBJECTIVES

After studying the module student will be able to:

- 1. State important facts about planning
- 2. List the benefit of and potential problems which planning.
- 3. Describe the steps in the formal planning process.
- 4. Distinguish between strategic and operational plans.
- 5. Describe how plans, policies procedures and rules differ.
- 6. Understand the concept of contingency planning and why it is important to mangers.

Effective planners, whether they work in a business firm, a government agency, a religious institution, a military establishment, a union, a school, or a volunteer organization. Now it does not matter whether the organization is a profit oriented, business or a non profit enterprise.

1.2 IMPORTANT FACTS ABOUT PLANNING

Planning is stated as the process of deciding what objective to pursue and choosing strategies that will help the organization reach those objectives. From this definition we can now make the following observation about the management.

1.3 FUNCTION OF PLANNING

- 1. Planning is a prerequisite for the successful performance of other managerial function while management function are interrelated, the fact that planning must be done first gives it a certain fundamental significance that the other function do not have.
- 2. Planning occurs in the present, but is oriented toward the fulture thus, planning always entails some uncertainly.
- 3. Planning focuses on the means used to achieve an organization's objectives (the end) every organization must develop plans (the means) to achieve them.
- 4. Planning may be formal or informal in large enterprise, planning tends to be very visible and formalized, but in small organization planning may be quite informal.
- 5. Planning is an ongoing process not as are time exent plans for major projects may require so much attention that observers may think that plans are developed) any intermediately that is when large projects are involved, but planning is a continual process.
- 6. Planning does not imply flexibility some managers feel that plans lock them into a rigid course of action. But good plans are flexible and allow managers to adjust their activity in response to feed back from the environment.
- 7. Planning is an analytical process careful thought is required to devise an appropriate plans, and once plans are made, judgments must be made on how best to put them into practice. Bridging the gap between thinking and action is crucial.
- 8. Planning involves scanning both the internal and external environments. When developing plans, managers must take into account any inhibiting or facilitating factors whether those factors are found within the organization or in its external environment.
- 9. Planning helps an organization cope with environmental change and uncertainty. Some people argue that uncertainty makes planning fruitless. However, systematic study of the constraints and opportunities in the external environment may lead to strategies that help the organization cope with concentrates.
- 10. Planning does not guarantee organizational success while planning is necessary for success, I t is insufficient by itself. A well laid out plan can be disrupted by an unexpected event like a law suit.

1.4 PLANNING AT DIFFERENT ORGANIZATIONAL LEVEL

Plans must be developed for all levels of a management, although other focus will differ at different levels of management, below the planning activities of top managers and low level managers which reveal four principal differences.

Top Managers	Low Level Managers		
1. Develop organizational objectives and the	Develop plans that will fit the overall		
overall plants to achieve.	objectives set by top management.		
2. Spend a large proportion of their time on the	Spend a much smaller preparation their time on		
planning function	the planning function.		
3. The time frame for planning activities is	The time frame for planning activities is short		
large about one year.	often week to weak.		
4. Focus on both internal and external factors	Focus largely as internal organization factors.		
when planning.			

1.5 THE BENEFITS OF PLANNING

- 1. It helps identify opportunities for the organization planning requires an organization to look for opportunities; to earn profit or provide a service that otherwise may not exist. If opportunities are identified steps can be taken to capitalize on the essentials. This means that planning helps an organization to cope with change.
- 2. It helps identify possible problem; the analysis involved in planning can reveal situation that could threaten the organization. If such potentials hazards are noticed or anticipated, steps can be taken to minimized their impact.
- 3. It forces managers to set objectives; the planning process demands that managers make decision about what objective to pursue. Once these objectives are set, employees have a clearer idea of how their work helps achieve the organizations goals.
- 4. It forces managers to set standard, as part of the planning process, managers must decide what standards of performances are necessary to reach the objectives. These standards convey to employees what they must do; they also help managers fulfill the controlling function.
- 5. It coordinates organizational activity well developed plans for the whole organization and for each of its major components assist individuals in seeing how their particular work fits in with the work of others. This understanding can reduce wasted actions and increase organizational efficiency.

1.6 PROBLEMS IN PLANNING

Some of the barriers to planning are as follows;

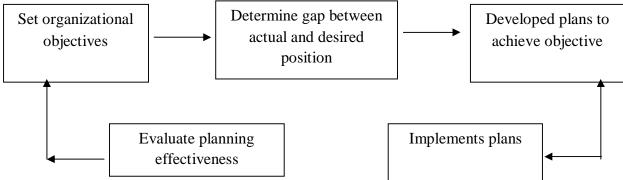
- 1. Lack of support from top management; if top management is nonchalant about planning, lower level managers will conclude that planning is unimportant.
- 2. Poor performance is a key element in planning, if poor quality information is used as the basis for plans, good plans cannot be developed.
- 3. Resistance to change; planning may result in decision to change organizations practice. These changes can cause resistance in people who have become accustomed to certain ways of behaving.
- 4. Over or under commitment in plans; if managers spend a lot of time and energy implementing plans they many become emotionally attached to them. Once that happen they may unable that are article of the plan.
- 5. Managers are not involved in the planning process; If objectives are simply imposed from above lower level managers will lack time motivation to achieve them.
- 6. Lack of competence in planning; Some managers lack the experience, motivation or aptitude for systematic planning. Deficiencies in experience and motivation can be overcome, but an inability to plan cannot be an ineffective manager.

1.7 THE PLANNING PROCESS

The steps in the planning process are shown below;

- 1. Managers at all level proceeds through these steps when they carryout the planning functions.
- 2. The planning process takes place within an organization but it is influenced by factors outside the organization.
- 3. The planning process is not as neat and orderly as the model implies, some steps may be repeated several times.

4. Contingencies planning is necessary to take into account unexpected events.



A plan can play a vital role in helping to avoid mistakes or recognize hidden opportunities, preparing a satisfactory plan of the organization is essential. The planners knows the business and they have thought through its development in terms of products and management finances and most importantly markets and competition, planning helps in forecasting the future, makes the future visible to some extent, it bridges between where we are and where we want to go. Planning is looking ahead.

1.8 OBJECTIVES AND POLICIES

1.8.1 The Objectives

The objectives are generally parts of the planning process. They are true end results towards which all business activities are directed. They are needed in every aspects for the survival and success of the firm. In other words, the objective of the firm justifies its existence. It is useful to think of objectives as the result we want to achieve. An objective comes from long range specific department goals and short term individual assignment also.

1.8.2 Policies

Policies are specific guidelines and constraint for managerial thinking and decision making and action. Policies provide the framework within which decision makers are expected to operate while making organizational decision. They are the basic guides to be consistent in decision making.

1.9 FORECASTING

A plan must include forecasting to be affective. Forecasting is not synonymous with planning. Forecasting means predicting future events that will have a positive or negative effect on the organization. An organization major may not have control over the events that are forecast. Once the forecast has been made managers can develop plans to capitalize an positive aspect of the cast or to cape with negative aspects.

Forecasting can be derived into two types; qualitative and quantitative. Qualitative forecasting makes prediction based on subjective managerial judgments and institution. This type of forecasting is often used when a company is trying to make decision about activities when a company is trying to make decisions about activities with much they have no prior experience. Quantitative forecasting makes prediction based on trends and patterns found in statistical data. A company that has been selling a certain products for a long term will have much statistical data that can be used to help forecast future sales of the product.

Extrapolitan – is the projection of past and present circumstances into the future. Environment have used this approach to predict that pollution is going to overwhelm the earth sophisticated extrapolitan involves the use of a technique called regression analysis to extend post trends into the future.

Correlation involves making a prediction about one outcome based on knowledge of another outcome. For example is a company observers a close relationship between sales volume of its product and consumer disposable income, it might attempt to predict future severs of its producers based on government forecast of future consumer disposable because.

Simulation involves developing a model of an actual situation and working through the simulation to see what kind of income results. The model may be a computer model, an algebraic formula or a miniatures physical model.

Contingency planning involves identifying possible future outcomes and then developing a plan for coping with them. It can be used for both small and large scale problems. M9anagement has not guarantee that future continues will be favorable but they can at least develop plans for what to do if they are unfavorable.

1.10 SUMMARY

Planning in organization is public policy is both the organizational process of relating and maintaining a plan and the psychological process of thinking about the activities required to create a desired goal. It is a fundamental priority of intelligent behaviours. Essential to the creation and retainment of a plan or integration of it with other plan. Note that 2 important issues on one hand we need to be prepared for what may be head, which may mean contingencies and flexible processes on the other hand our future is shaped by consequences of our own planned action.

1.11 CONCLUSION

Planning involves selecting missions and objectives and the action to achieve them; it requires decision making that is, choosing future courses of action from among alternatives. There are various types of plans, ranging from overall purpose and objectives to the most detailed actions to be taken, such as ordering a special stainless steel bolt for an instrument or hiring and training workers for an assembly line. No real plan exists until a decision – a commitment of human or material resources or reputation – has been made, before a decision is made, all that exists is a planning study, an analysis, or a proposal; there is no real plan.

1.12 TUTOR MARKED ASSIGNMENT

- 1. What does the management function of planning involves.
- 2. How and the planning behaviors of top managers and lower level managers differ.
- 3. How does planning benefit an organization? What potential problems exist in planning?
- 4. What are the steps in the planning process? What is the relationship between planning organization performances.

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UNIT II: ORGANIZING

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2.0 INTRODUCTION TO ORGANIZING

After establishing the overall objectives and strategies, managers then translate it into readily organizing according to Starke and Sexty is the process of creating a structure of authority that helps the organization reach its objective. It involves activities such as describing the task that must be accomplished, assigning individual workers to their specific task, grouping related task into department and allocating resources to the departments.

2.1 LEARNING OBJECTIVES

At the end of this unit student should be able to;

- 1. Describe Organizing;
- 2. Know the dimensions of organizational structure.
- 3. Point out the advantages and disadvantages of specialization of labour.
- 4. List the Process of Organizing.

2.2 TYPES OF ORGANIZATION

Many types of organizational structures result form this process. Some are very rigid i.e. employee are strictly controlled in their ward, while others are quite flexible the nature of an organizations activity obviously has a strong influence on its structure.

2.2.1 Dimensions of organizational structure.

Organizational structure can be analyzed along several dimensions: formalization, centralization, complexity and specialization which are briefly explain below:

Formalization refers to the amount of written job description, rules, policies and procedures that guide employee behaviour. In small firms, the degree of formalization is low and most of the direction that employees secure in oral, whereas in large organization particularly those are highly bureaucratic in nature. Organization with a high degree of formalization is a firm that requires all potential employees to go through a standardized set of interview and test, or a university that requires faculty members to submit documentation of their teaching and research activities employed. Organizations formalize activities to ensure that they are correctly done.

2.2.2 Centralization

Centralization deals with the issue of how much authority is held at the various management levels in the organizational hierarchy. In a centralized organization, top management makes decisions for most areas of operation. Workers at lower levels are allowed to make decision and initiate action only in limited areas. In a decentralized operation on the other hand, authority is dispersed throughout the organization, and lower level employees are given the authority to make many decision without consulting top management.

2.2.3 Complexity

Complexity concerns the number of distinctly different job titles and departments in an organization with many different department and job titles are more complex than organizations with only a few job titles and departments.

2.2.4 Specialization

Specialization means breaking a complex task into simple parts so that the individual or group performing the task can focus on specific parts of it.

Adams smith in his classical book the wealth of Nations demonstrated how ten men doing no specialized work might produce only 20 point a day. But one those same ten men divided the work so that one person cut line, one person sharpened the wire and so forth they cared produce thousands of pins each day. Specialization is widely used in modern organization far both managerial and operative jobs.

2.2.5 Advantages and Disadvantages of specialization of labour

2.2.3 Advantages and Disadvantages of specialization of labour					
Advantages	Disadvantages				
1. Workers became very efficient when doing	1. Workers fare to develop any sense of pride				
the same portion of a carped task over and over	for the product and service that thy are				
again	producing				
2. One manager can supervise large numbers of	2. Motivation among workers erodes and a				
workers doing identical tasks	sense of alienation from work may develop				
3. Workers can learn specialized jobs much	3. Workers may feel that they are not using				
faster than jobs requiring many different skills.	valued skills to do their work				
4. Quantity may improve because workers	4. Banedam, abserntism, adturnaver among				
know their job excellently	workers may cause quality to decline				
5. The coordination of many specific tasks may	5. Workers may be unaware of how their area				
be the only way for the organization to achieve	of specialization fits into the overall goal of the				
it complex overall goals	organization				

2.2.6 The organizing process

The process of organizing includes four steps

- 1. Determining the total amount of work that must be done for the organization to reach its goals.
- 2. Dividing the total work into function that can be performed by groups or individuals.
- 3. Grouping together those individuals whose work is closely related.
- 4. Coordinating the work of the different groups and individuals.

2.3 SUMMARY

People working together in groups to achieve some goal have roles to play. Much like the part actors fill in a drama, whether those roles are ones they develop themselves or haphazard or are defined and structured bys someone who wants to make sure that people of (do have a definite purpose) people contribute in a specific way to group effort. The concept of a "role" implies that what people do has a definite purpose or objective; they know how their jobs objective fits into group effort and they have the necessary authority, tools and information to accomplish the task. The purpose of a organization structure is to help in creating an environment for human performance. It is then a management too and not an end in itself. Although the structure must define the tasks to be done the roles so established must also be designed in the light of the abilities and motivation of the employees.

2.4 CONCLUSION

It can be concluded that organizing is the part of managing that involves establishing an intention structure of roles for people to fill in an organization. It is intentional in the sense of making sure that all the tasks necessary to accomplish goals are assigned and it is hoped, assigned to people who can do them best.

2.5 TUTOR MARKED ASSIGNMENT

- 1. Briefly describe organizing.
- 2. What are the managerial functions in organizing.
- 3. Why do organization adopt specialization
 - a. List the organizing process.
 - b. What are the advantages and disadvantages of specialization of labor.

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UNIT III: MOTIVATION

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3.0 INTRODUCTION TO MOTIVATION

Motivation has always been an important and puzzling subject for managers it use to sustain people's behaviours manager by definition work with and through people, hence they need understanding of why people behave as they do so that they can influence people to perform in ways that the managers find desirable. Motivation is a puzzling subject because motives cannot be directly observed or measured they must be inferred from people's behaviour. In addition there are many theories, both old and new, about why people are motivated to behave as they do; these theories differ in what they implicitly suggest managers should do to obtain effective performance from the people around them.

It is important to note that motivation is not the only influence to personnel performance level. The other factors that influence how well a person performs in a given situation are the individual's abilities and the individuals understanding of what behaviours are necessary in order to achieve high performance which can be called role perceptions.

The relationships of all three factors to performance can be shown by the following equation.

Performance = (Motivation, ability role perception)

If any one factor has a low value performance level is likely to be low, even if the other factors are high.

3.1 LEARNING OBJECTIVES

Upon completing this unit you should be able to

- 1. Identify and describe three theoretical approaches to motivation.
- 2. State how views of motivation in organization have evolve.
- 3. Explain the system views of motivation in organization.
- 4. Describe the contribution of various theorists on motivation and state how their work is related to motivation in organizations.
- 5. Explain the behaviour modification approach to influencing behaviour in organization.
- 6. Describe two integrations approaches to motivation.

3.2 WAYS OF LOOKING AT MOTIVATION

It will be useful to review some of the major ways of looking at and classifying motivation theories. Since each of the various theoretical perspectives will shed light on how motivation influences work performance. One distinction that can be made is between content theories, which focus on "what" of motivation and process theories, which focus on the "how" of motivation.

Reinforcement theories represent a third approach which emphasizes the way in which behaviour is learned. Here the approach are introduce and indicate other basic similarities and differences.

The content perspective stresses the importance of understanding the factors within individuals that cause them to act in a certain way. It attempts to answer such questions as; what needs do people try to satisfy? What impels them towards action? In this view, individuals have inner needs that they are driven pressured, or motivated to reduce or fulfill. They may be motivated for example by the need for food, sex, security, achievement or self fulfillment. The particular need they have will determine the action which they take. That is individuals will act or behave in ways that will lead to the satisfaction of their need. For example, an employee who has a strong achievement need may be motivated to work extra hours in order to complete a difficult task on time, an employee with a strong need for self esteem might be motivated to work very careful in order to produce work of high quality.

3.2.1 Process theories

Rather than emphasizing the content of needs and driving nature of those needs, the process approach emphasizes how and by what goals makes individuals motivated. In this view needs are just one element in a process by which individuals decide how to behave. For example, individuals might see the strong possibility of receiving some reward (say a salary increased) if they act in a certain way (say by working hard). This reward will become an incentive or motive for their behaviour.

Basic to process theories on motivation is the notion of expectancy. That is what the individual believes is likely to occur as a result of his or her behaviour. For instance, if the individual expects that meeting deadline will earn praise from superiors and meeting deadlines will earn disapproval, and if that individual prefer praise, then the individual will be motivated to meet deadline.

3.2.2 Reinforcement Theories

Reinforcement theories are associated with B. FSK inner operant conditioning and behaviour modification. These theories do not utilize the concept of motive or a process of motivation. Instead, they deal with how the consequences of a past action influence future action in a cyclical learning process. In this view, people behave the way they do because, in past circumstances they learned that certain behaviours were associated with pleasant, outcome and that certain other behaviour were associated with unpleasant outcomes, because people generally prefer pleasant outcomes they are likely to repeat behaviours that they have learned will have pleasant consequences.

3.2.3 System view of motivation in Organization

Motivation is obviously a complex issue that has been the subject of a number of conflicting theories and views. Layman pattern and Raymond miles have suggested that a system perspective on motivation will be most useful to managers. By "system perspective" they mean that there are three major variables in organizations that affect motivation, and that it is the relationship among these variables that ultimately determines the degree of motivation an employee will feel. This they argue, it is necessary to take into account the "system", or whole, of the forces operating on the employees before the employee's motivation can be adequately understood.

The three variables that pattern and miles identifying as affecting motivation in organization are individual characteristics, job characteristics and work situation characteristics.

Individual characteristics refer to the interests' attitude and needs that an individual brings to the work situation. It is obvious those individuals differ in their characteristics and that their motivations will therefore differ. For example, one individual might desire prestige and so might be motivated by a job with an impressive title. Another individual might desire money and so might be motivated by a car or a high salary.

Job characteristics refer to the attributes of the employee tasks. These characteristics include the amount of responsibility the individual is given. The variety of task the individual can perform and the extent to which the job itself is satisfying. Presumably, a job that is intrinsically satisfying for example will be more motivating for many individuals than a job that is not.

Work situation characteristics refer to what happens to the individual in his or her work environment. Do colleagues encourage the individuals to perform a high standard, or do they encourage low productivity? Do superiors reward high performance or do they ignore it does the organization itself manifest a concern for employees through attractive fringe benefits and a genuinely informal and cooperative atmosphere for example – or does the organization seem could out indifferent to employees? These characteristics, too can affect the motivation of employees.

3.3 CHARACTERISTICS OF THE INDIVIDUAL

Each individual brings his or her own interest, attitudes and needs to the work situation. In this section we will discuss some of the contributions made by writers such as Maslow, McGregor and McClelland to our understanding of needs and motivation.

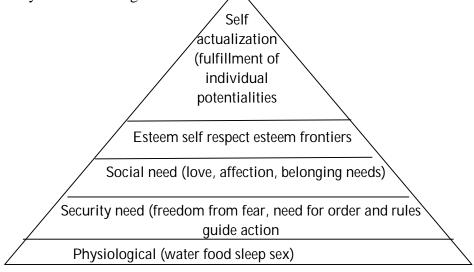
The Hierarchy of Human Needs: Maslow is hierarchy of needs was probably received more attention application to organizational environment than any other theory of motivation. One of the reasons for this is that Maslow provides us with a theory that not only classifies human needs in a convenient way but also has direct implications for managing human behaviour in organization.

Maslow views human motivation in term of hierarchy of five needs which may be categorized as follows:

1. Physiological need; which include the need for air, water, food and sex.

- 2. Security need; which include the need for safety order, and freedom from fear or thread.
- 3. Belongingness and love needs (or social needs); which include the need for love affection, feelings of belonging and human contact.
- 4. Esteem needs; which include the need for self respect, self esteem, achievement and respect from others.
- 5. The need for self actualization which includes the need to grow, to feel self fulfilled to realize one's potential.

According to Maslow, individuals will be motivated to fulfill the need that proponents, or most powerful for them at a given time. The prepotency of a need will depend on the individual's current situation and recent experiences starting with the physiological needs, which are most basic, each need must be at least partially need satisfied by the individual before he or she makes up the hierarchy to the next stage.



The practical implications of this theory for motivation in organizations are many. For example unless employees are provided with the means to gratify their basics, physiological needs with a wage sufficient to feed, shelter and protect their families satisfactorily and with a safe working environment, managers will get little result from incentives designed to provide employees with esteems, feelings of belonging or opportunity to grow and where their basic body need we taken care of employees still must have their safety needs we taken care of employees still must have that safety needs gratified with job security and freedom from coercion or feelings of arbitrary treatment.

Clearly defined regulations, units of responsibility knowing exactly what is expected to them are other examples of security gratifying measures.

When all these have been adequately met according to Maslow, employees will become motivated by the desire for self actualization. Employees motivated by self actualization needs to try to find measuring and personal gratitude in their work and actively seek out new responsibilities.

Douglass McGregor related Maslow's hierarchy to the management of work groups. He pointed out that mangers often regard informal work groups as hostile and a threat to the organization.

They therefore try to over-direct and over-central employees and try to discourage the formation of information groups.

As a result suggests McGregor, the social needs of employees are thwarted, causing the employees to feel uncooperative and resentful. In addition, the employees are unlikely to move beyond the belongingness level in the need hierarchy, and so will not be motivated to contribute more to the achievement of their aim and the organizations goal.

3.4 THE IMPACT OF PAST CONSEQUENCES ON BEHAVIOUR

Here we will describe the operant conditioning/behaviour modification approach to influencing behaviour in organization. This appreciation is associated with the name B.F Skinner and is the source of much controversy and emotional tension on the part of some commentators' operant conditioning or behaviour modification techniques are based on the observation that the consequences of an individual in a given situation influence that individuals' behaviour in a future similar situation. This implied that individual behaviors can be predicted from that individual past experiences and present environment is disturbing to those who strongly believe in the notion that people freely choose how to behave.

In addition operant conditioning on behaviour modification techniques attempt to arrange the consequences of a person's future behaviour will be influenced.

Studies on operant conditioning or behaviour modification have been done. The result offer guides to what a manager should or should not do to help subordinates learn effective work habits.

3.4.1 Operant conditioning

The operant's conditioning or learning approach to the management of organization behaviour is based on the law of effect". In brief the low states that behaviours that is followed directly by a rewarding consequences tends to be repeated, while behaviour that leads to a negative or pursuing consequences tends not to be repeated. Thus, the frequency of the various kinds of behaviour in the organization can be seen as contingent in the immediate consequences of that behaviour. If for example, employees work hard to achieve organizational objectives and are directly rewarded with bonuses or extra privilege, they will tend to repeat their effort when new objective are set.

The operant condition process may be illustrated as follows;

S → R (voluntary behaviour) → consequences response to stimulus future voluntary

Stimulus Response

For our purpose, the stimulus would be a factor in the work environment, such as a task. The individual's response or lack of it) to that task will lead to certain consequences/praise or disapproval). These consequences or reinforce will influence the individual's response the time he or she is confronted with the same or a very similar stimulus.

3.5 TYPES OF REINFORCEMENT

There are various types of reinforcement or techniques that mangers can use to modify the behaviour of subordinates. Positive reinforcement, avoidance learning extinction and punishment.

Positive reinforcement: By definition, a consequence that is positively reinforcing in one that makes it more likely that a given behaviour will review. Rein forcers may be either primary or secondary. Primary reinforces consist of biological satisfiers such as water and food. They are rewarding, regardless of a person past experience. Secondary reinforces are those that are rewarding because of an individuals past experiences. Common secondary reinforces are praise, promotion and money. Most individuals regard these are pleasant, and are therefore likely to repeat those behaviours that earn these rewards.

Avoidance learning: Avoidance learning, or negative reinforcement takes place when individuals learn to behave in ways that help them avoid or expect from unpleasant consequences. In the work place avoidance learning usually taken place when peers or supervision criticize individual's actions.

Extinction: Extinction and punishment are designed to reduce undesired behaviour, rather than reinforce desired behaviour extinction is the withstanding of reward for undesired behaviour so that the behaviour will eventually disappear.

Punishment: Through punishment, managers try to change the behaviour of subordinates by making sure that undesirable behaviour leads to negative consequences. Giving harsh criticism, denying privileges, demoting and reducing an individuals freedom to do his or her job are common forms of punishment in the workplace.

3.6 RULES FOR USING OPERANT CONDITONING

- 1. Don't reward all individuals the same
- 2. be aware that failure to respond can also modify behaviour.
- 3. be sure to tell individual what they can do to get reinforcement
- 4. be sure to tell individuals what they are doing wrong.
- 5. Don't punish in front of others.
- 6. be fair.

3.7 **SUMMARY**

Motivation is an extremely significant subject for mangers, since mangers need to influence the motivation of people to achieve personal and organizational goals. However, people abilities and role perceptions are so important factors din how well they will perform.

Theories of motivation can be characterized on content process, or reinforcement. Content Theories Street the importance of drives or needs with the individual as motives for the individuals are motivated. Reinforcement or learning theories focus on how the consequences of an individuals actions in the past affect his or behaviour in the future the systems perspective a motivation identifies three variable that affect motivation in the workplace; individual characteristics which include the interest, attitudes and the needs of the individual. Job characteristics which refer to the attributes inherent in the task; and work situation

characteristics. Which include the organizations personnel and reward, punishment, organizational climate, and the attitudes and action of peer's supervisions?

3.8 CONCLUSION

Characteristics of the work situation, particularly the action of managers have been shown to have a strong impact on motivation. Proper application of behaviors modification techniques which are based on learning theories are operant conditioning principles has been found effective in leading to improved employee performance and satisfaction.

3.9 TUTOR MARKED ASSIGNMENT

- 1. Describe the 3 theoretical approaches to motivation.
- 2. Describe the contribution of various theorists on motivation and relate their work to motivation in organisation.
- 3. Explain the behaviour modification approach to influencing behaviour in organisation.

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UNIT IV: CONTROL

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4.0 INTRODUCTION

Control is one of the managerial functions like planning organizing, staffing and directing. It is an important function because it helps to check the errors and to take the corrective action so the deviation from standards are minimized and stated goals of the organization are achieved in desired manner. According to modern concept, control is a foreseeing action whereas earlier concept of control was used only when errors were detected. Control in management means meeting standards, measuring actual performance and taking corrective action. Thus, control comprises these three main activities.

4.1 LEARNING OBJECTIVES

After studying this unit student should be able to

- 1. Define control and understand its concept.
- 2. Know the characteristics elements of control.
- 3. Know the relationship between elements of control and information.
- 4. Understand the process of control and its kinds.
- 5. To understand the elements of control in man and machine.

- 6. To understand types of control and understand control in budget, non budgetary audit and accounting.
- 7. Know the problems of control and how to handle them.
- 8. Know how to measure output wider control.

4.2 CONTROL MANAGEMENT

According to *Henri Fayol*, control of an undertaking consists of seeing that everything is being carried out in accordance with the plan which has been adopted or given and the principle lay down. Its Objective is to point out mistakes in order that they may be rectified and prevented from recurring.

According to *EFL Breach*, control is checking current performance against pre-determined standards contained in the plans with a view to ensure adequate progress and satisfactory performance.

According to *Harold Koontz*, controlling is the measurement and correction of performance in order to make sure that enterprise objectives and the plans devised to attain them are accomplished.

According to *Stafford Beer*, Management is the profession of control.

In 1916, Henri Fayol formulates one of the first definitions of control as it pertains to management:

Controls consist of verifying whether everything occurs in conformity with the plan adapted to the instructions issued, and principled established. Its objective is to point out weaknesses and errors in order to rectify them and prevent recurrence.

Robert J. Meckler presented a more comprehensive definition of managerial control:

Management control can be defined as a systematic effort by business management to compare performance to predetermined standards plans or objective in order to determine whether performance is in line with these standards and presumably in order to take any remedial action required to see that human and other corporate resources are being used in the most effective and efficient way possible in achieving corporate objectives.

Also control can be defined as "that function of the system that adjusts operations as needed, to achieve the plan, or to maintain variation from system objectives within allowable limits" The controls subsystem functions in close harmony with the operating system. The degree to which they interact depends on the nature of the operation system and its objectives. Stability concerns a system's ability to maintain a pattern of output without wide fluctuations. Rapidity of response pertains to the speed with which a system can correct variations and return to expected out put. A political election can illustrate the concept of control and the importance of feed back. Each party organizes a campaign to get its candidates selected and outlines a plan to inform the public about both the candidate's credentials and the party's platform. As the election nears, opinion polls furnish feed back about the effectiveness of the campaign and about each candidate's chances to win. Depending on the nature of this feed back, certain adjustment in strategy and /or tactics can be made in an attempt to achieve the desired result.

From these definitions it can be stated that there is close link between planning and controlling. Planning is a process by which an organization's objectives and the methods to achieve the objectives are established, and controlling is a process which measures and directs the actual performance against the planned objectives of the organization. Thus planning and control are often referred to as Siamese twins of management. Controlling is the managerial function of management and correction of performance in order to make sure that enterprises objectives and the plans devised to attain them being accomplished.

4.3 CHARACTERISTICS OF CONTROL

- Control is a continuous process
- Control is a management process
- Control is embedded in each level of organization hierarchy
- Control is forward looking
- Control is closely linked with planning
- Control is a tool for achieving organizational activities

4.4 THE ELEMENTS OF CONTROL

The four basic elements in a control system are:-

- 1. The characteristic or condition to be controlled,
- 2. The sensor.
- 3. The comparator and
- 4. The activator occurs in the same sequence and maintains a consistent relationship to each other in every system.

The first element is the characteristic or condition of the operating system which is to be measured. We select a specific characteristic because a correlation exists between it and how the system is performing. The characteristic may be the output of the system during any stage of processing or it may be a condition that has resulted from the output of the system. For example, it may be the heat energy produced by the furnace or the temperature in the room which has changed because of the heat generated by the furnace. In an elementary school system, the hours a teacher works or the gain in knowledge demonstrated by the students on a national examination are examples of characteristic that may be selected for measurement or control. The second element of control, the Sensor is a means for measuring the characteristics or conditions. The control subsystem must be designed to include a sensory device or method of measurement. In a home heating system this device would be the thermostat, and in a quality-control system this measurement might be performed by a visual inspection of the product.

The third element of control, the comparator, determines the need for correction by comparing what is occurring with what has been planned. Some deviation from plan is usual and expected, but when variations are beyond those considered acceptable, corrective action is required. It is often possible to identify trends in performance and to take action before an unacceptable variation from the norm occurs. This sort of preventative action indicates that good control is being achieved.

The Fourth element of control, the activator is the corrective action taken to return the system to expected output. The actual person, device or method used to direct corrective inputs into the

operating system may take a variety of forms. It may be a hydraulic controller positioned by a solenoid or electric motor in response to an electronic error signal an employee directed to rework the parts that failed to pass quality inspection, or a school principal who decides to buy additional books to provide for an increased number of students. As long as a plan is performed within allowable limits, corrective action is not necessary; this seldom occurs in practice, however.

Information is the medium of control, because the flow of sensory data and later the flow of corrective information allow a characteristic or condition of the system to be controlled. To illustrate how information flow facilitates control, let us review the element of control in the context of information.

4.5 RELATIONSHIP BETWEEN THE ELEMENTS OF CONTROL AND INFORMATION

Controlled characteristic or condition The primary requirement of a control system is that it maintains the level and kind of output necessary to achieve the system's objectives. It is usually impractical to control every feature and condition associated with the system's output. Therefore the choice of the controlled item (and appropriate information about it) is extremely important there should be a direct correlation between the controlled item and the system's operation. In other words control of the selected characteristic should have a direct relationship to the goal or objective of the system.

Sensor: After the characteristic is sensed, or measured, information pertinent to control is feed back. Exactly what information needs to be transmitted and also the language that will best facilitate the communication process and reduce the possibility of distortion in transmission must be carefully considered.

Information that is to be compared with the standard, or plan should be expressed in the same terms or language as in the original plan to facilitate decision making. Using machine methods (computers) May require extensive translation of the information. Since optimal languages for computation and for human review are not always the same, the relative ease of translation may be a significant factor in selecting the units of measurements or the language unit in the sensing element.

In many instances, the measurement may be sampled rather than providing a complete and continuous feed back of information about the operation. A sampling procedure suggests measuring some segment or portion or the operation that will represent the total.

Comparison with standard

In a social system the norms for acceptable behavior become the standard against which socalled deviant behavior may be judged. Regulations and laws provide a more formal collection of information for society. Social norms change but very slowly. In contrast, the standards outlined by a formal law can be changed from one day to the next through revision, discontinuations, or replacement by another. Information about deviant behavior becomes the basis for controlling social activity. Out put information is compared with the standard or norm and significant deviation are noted. In an industrial example, frequency distribution (a tabulation of the number of times a given characteristic occurs within the sample of products being checked) may be used to show the average quality, the spread and the comparison of output with a standard.

If there is significant and uncorrectable difference between out put and plan, the systems is "out of control "This means that the objectives of the system are not feasible in relation to the capabilities of the present design. Either the objectives must be re evaluated or the system redesigned to add new capacity or capability. For example the traffic in drugs has been increasing in some cities at an alarming rate. The citizens must decide whether to revise the police system so as to regain control or whether to modify the law to reflect a different norm of acceptable behavior.

Implementer

The activator unit responds to the information received from the comparator and initiatives corrective action. If the system is a machine —to- system the corrective inputs (decision rules) are designed into the network when the control relate to a man-to-machine or man —to- man system, however the individual is charge must evaluate

- 1. The accuracy of the feedback information
- 2. The significance of the variation and
- 3. What corrective inputs will restore the system to a reasonable degree of stability?

Once the decision has been made to direct new input into the system, the actual process may be relatively easy. A small amount of energy can change the operation of jet airplanes, automatics steel mills, and hydroelectric power plants. The pilot presses a button and the landing gear of the airplane goes up or down; the operator of a steel mill pushes a lever and a ribbon of white-hot-steel races through the plant; a worker at a control board directs the flow of electrical energy throughout a regional network of stations and substations. It takes but a small amount of control energy to release or stop large quantities of inputs.

The comparator may be located far from the operation system although at least some of the element must be in close proximity to operations. For example, the measure (the sensory element) is usually at eh point of operations. The measurement information can be transmitted to a distant point for comparison with the standard (comparator), and when deviations occur, the correcting inputs can be released from the distance point. However, the input (activator) will be located at the operating system. This ability to control from afar means that can aircraft can be flown by remote control, dangerous manufacturing processes can be operated from a safe distance, and national organizational can be directed from centralized headquarters.

4.6 PROCESS OF CONTROLLING

- Setting performance standards
- Measurement of actual performance
- Comparing actual performance with standards
- Analyzing deviations
- Correcting deviations

4.7 KINDS OF CONTROL

Control may be grouped according to three general classifications

- 1. The nature of the information flow designed into the system (that is, open –or closed loop control)
- 2. The load of components includes in the design (that is man or machine control systems)
- 3. The relationship of control to the decision process (that is, organizational or operational control).

4.7.1 Open-And Closed –Loop Control

A Street- lighting system controlled by a timing device is an example of an open-loop system. At a certain time each evening a mechanical device close the circuit and energy flows through the electric lines to light the lamps. Note however that the timing mechanism is an independent unit and is not measuring the objective function of the lighting system. If the light should be needed on a dark, stormy day the timing device would not recognize this need and therefore would not activate energy inputs. Correctives properties may sometimes be built into the controller (for example, to modify the time the lights are turned on as the days grow shorter or longer), but this would close the loop. In another instance, the sensing comparison or adjustment may be made through action taken by an individual who is not part of the system for example; the light may be turned on by someone who happens to pass by and recognizes the need for additional light.

If control is exercised as a result of the operation rather than because of outside or predetermined arrangements, it is a closed-loop system. The home thermostat is the classic example of a control device in a closed-loop system. When the room temperature drops below the desired point the control mechanism closes the circuit to start the finance and the temperature rises. The furnace – activating circuit is turned of systems and an open-loop system is that the control device is an element of the system it serves and measures the performance of the systems. In other words all four control elements are integral to the specific system.

An essential part of a closed-loop system is feed back; that is the output of the system is measured continually through the item controlled, and the input is modified to reduce and difference or error toward zero. Many of the patterns of information flow in organizations are found to have the nature of clued loops which use feedback. The reason for such a condition is apparent when one recognizes that any system, if it is to achieve a predetermined goal, must have available to it all times an indication of its degree of attainment. In general, every goal-seeking system employs feed back.

4.7.2 Man and Machine Control

The elements of control are easy to identify in machine systems for examples, the characteristic to be controlled might be some variable like speed or temperature and the sensing device could be a speedometer or thermometer. An expectation of precision exists because the characteristic is quantifiable and the standard and the normal variation to be expected can be described in exact terms. In automatic machine systems, inputs of information are used in a process of continual adjustment to achieve output specifications. When even a small variation from the standard occurs the correction process begins. The automatic system is highly structured designed to accept certain kinds of input and produce specific out put, and programmed to regulate the transformation of inputs within a narrow range of variation. For an illustration of mechanical

control as the load on a steam engine increase and the engine starts to slow down, the regulator reacts by opening a valve that release additional inputs of steam energy. This new input returns the engine to the desired number of revolution per minute. This type of mechanical control is crude in comparison to the more sophisticated electronic control systems in every day use consider the complex missile –guidance systems that measure the actual course according to predetermined mathematical calculations and make almost instantaneous corrections to direct the missiles to its target.

Machine systems can be complex because of the sophisticated technology, whereas control systems, the relationship between objectives and associated characteristics is often vague; the measurement of the characteristic may be extremely subjective; the expected standard is difficult to define and the amount of new inputs required is impossible to quantify. To illustrate, let us refer once more to a formalized social system in which deviant behavior is controlled through a process of observed violation of he existing law (sensing) court hearing and trial (comparison with standard). Incarceration when the accused is found guilty (correction), and release from custody after rehabilitation of the prisoner has occurred.

The speed limit established for freeway driving is one standard of performance that is quantifiable, but even in this instance, the degree of permissible variation and the amount of the actual variation are often a subject of disagreement between the patrolman and the suspected violator. The complexity of our society is reflected in many of our laws and regulations, which establish the general standards for economic, political, and social operations. A citizen may not know or understand the law and consequently would not know whether or not he was guilty of a violation.

Most organized systems are some combination of man and machine: some standards may be precisely structured whereas other may be little more than general guidelines with wide variations expected in output. Man must act as the controller when measurement is subjective and judgment is required. Machines such as computers are incapable of making exceptions from the specified control criteria regardless of how much a particular case might warrant special consideration. A pilot acts in conjunction with computers and automatic pilots to fly large jets. In the event of unexpected weather changes, or possible collision with another plane, he must intercede and assume direct control.

4.7.3 Organizational and Operational Control

The concept of organizational control is implicit in the bureaucratic theory of Max Weber. Associated with this theory are such concepts as "span of control", closeness of supervision", and "hierarchical authority". Weber's view tends to include all levels or types of organizational control as being the same. More recently, writers have tended to differentiate the control process between that which emphasized the nature of the organizational or systems design and that which deals with daily operations. To illustrate the differences, we "evaluate" the performance of a system to see how effective and efficient the design proved to be or to discover why it failed. in contrast, we operate and "control" the system with respect o the daily inputs of material, information, and energy. In both instances, the elements of feedback are present, but organizational control tends to review and evaluate the nature and arrangement of components in the system, whereas operational control tends to adjust the daily inputs.

The direction for organization control comes from the goals and strategic plans of the organization. General plans are translated into specific performance measures such as share of the market, earnings, return on investment, and budgets. The process of organizational control is to review and evaluate the performance of the system against these established norms, rewards for meeting or exceeding standards may range from special recognition to salary increases or promotions. On the other hand, a failure to meet expectations ma signal the need to reorganize or redesign.

In organizational control, the approach used in the program of review and evaluation depends on the reason for the evaluation-that is, is to because the system is not effective (accomplishing its objectives)? Is the system failing to achieve an expected standard of efficiency? Is the evaluation being conducted because of a break down or failure in operations? Merely a periodic audit-and – review process?

When a system has failed or is in great difficulty, special diagnostic techniques may be required to isolate the trouble areas and to identify the causes of eh difficulty. It is appropriate to investigate areas that have been troublesome before or areas where some measure of performance can be quickly identified. For example, if an organization's output backlog builds rapidly, it is logical to check first to see if the problem is due to such readily obtainable measure as increased demand or to a drop in available man hours. When a more detailed analysis is necessary, systematic procedures should be followed.

In contrast to organizational control, operational control serves to regulate the day-to-day out put relative to schedules, specifications and costs. Is the output of product or service the proper quality and is it available as scheduled? Are inventories of raw materials, goods-in-process and finished produced being purchased and produced in the desired quantities? Are the costs associated with the process available in the right form and at the right time? Is the energy resource being utilized efficiently?

The most difficult task of management concerns monitoring the behavior of individuals, comparing performance to some standard and providing rewards or punishment as indicated. Sometimes this control over people relates entirely to their output. For example, a manager might not be concerned with the behavior of a salesman as long as sales were as high as expected. In other instances, close supervision of the salesman as long as the salesman might be appropriate if achieving customer satisfaction were one of the sales organizations.

The larger the unit, the more likely that the control characteristics will be related to some output goal. It also follows that if it is difficult or impossible to identify the actual output of individuals, it is better to measure the performance of he entire group. This means that individuals' levels of motivation and the measurement of their performance become subjective judgment made by the supervisor. Controlling out put also suggests the difficulty of controlling individuals' performance and relating this to the total system's objectives

4.8 PROBLEMS OF CONTROL

The perfects plans could be outlined if every possible variation of input could be anticipated and if the system would operate as predicted. This kind of planning is neither realistic, economical

nor feasible for most business systems. If it were feasible, planning requirement would be so complex that the system would be out of date before it could be operated. There fore, we design control into systems. This requires operator to operate a system using unpredictable components and undetermined input. Still the design and effective operation of control are not with out problems.

The objective of the system is to perform some specified function. The purpose of organizational control is to see that the specified function is achieved; the objective of operational controls is to ensure that variations in daily output are maintained within prescribed limits. It is one thing to design a system that contains all of the elements of control and quite another to make it operate true to he best objectives of design. Operating" in control "or "with plan" does not guarantee optimum performance. For example, the plan may not make the best use of the inputs of materials, energy, or information –in other words the system may not be designed to operate efficiently. Some of the more typical problems relating to controls include the difficulty of measurement, the problem of timing information flow, and the setting of proper standards.

4.8.1 Measurement of Output

When objectives are not limited to quantitative output, the measurement of system effectiveness is difficult to make and subsequently perplexing to evaluate. Many of the characteristics pertaining to output do not lend themselves to quantitative measurement. This is true particularly when inputs of human energy can not be related directly to output. The same situation applies to machines and other equipment associated with human involvement, when output is not in specific units. In evaluating man-machine or human-oriented systems, psychological and sociological factors obviously do not easily translate into quantifiable terms. For example, how does mental fatigue affect the quality or quantity of output and If it does, is mental fatigue a function of the lack of a challenging assignment or the fear of a potential injury?

Subjective inputs may be transferred into numerical data, but there is always the danger of an incorrect appraisal and transfer and the danger that the analyst may assume undue confidence in such data after they have been quantified. Let us suppose, for example that the decisions made by an executive are rated from 1to 10, 10 being the perfect decision. After determining the ranking for each decision, adding these and dividing by the total number of decisions made, the average ranking would indicate a particular executive's score in his decision making role. On the basis of this score, Judgment –which could be quite erroneous –might be made effective than another who had a ranking of 6.25, and yet the two managers may have made decision under different circumstances and conditions. External factors over which neither executives had any control ma have influence the differences in "effectiveness"

Quantifying human behaviour, despite its extreme difficult, subjectivity, and imprecision in relation to measuring physical characteristics is the most prevalent and important measurement made in large systems. The behavior of individuals ultimately dictates the success or failure of every man-made system.

4.8.2 Information Flow

Another problem of control relates to the improper timing of information introduced into the feedback channel. Improper timing can occur in both computerized and 2human control systems,

either by mistakes in measurement or in judgment. The more rapid the system's response to an error signal, the more likely it is that the system could over adjust; the need for prompt action is important because any delay in providing corrective input could also be crucial. A system generating feedback inconsistent with current need will tend to fluctuate and will not adjust in the desired manner.

The most serious problem in information flow arises when the delay in feedback is exactly one-half cycle, for then the corrective action is superimposed on a variation from norm which, at that moment, is in the some direction as that of the correction. This causes the system to overcorrect, and then if the reverse adjustment is made out of cycle, to correct too much in the other direction, and so on until the system fluctuates ("oscillates") out of control. This phenomenon is illustrated in Figure 1. "Oscillation and Feedback". If, at point A, the trend below standard is recognized and new inputs are added, but not until Point B, the system will overreact and go beyond the allowable limits. Again, if this is recognized at Point C, but inputs are not withdrawn until Point D, it will cause the system to drop below the lower limit of allowable variation.

One solution to this problem rests in anticipation, which involves measuring not only the change but also the rate of change. The correction is outlined as a factor of the type and rate of the error. The difficult also might be overcome b reducing the time lag between the measurement of the output and the adjustment to input. If a trend can be indicated, a time lead can be introduced to compensate for the time lag, bringing about consistency between the need for correction and the type and magnitude of the indicated action, it is usually more effective for an organization to maintain continuous measurement of its performance and to make small adjustments in operations constantly (this assumes a highly sensitive control system). Information feedback, consequently, should be timely and correct to be effective. That is, the information should provide an accurate indication of the status of the system.

4.8.3 Setting Standards

Setting the proper standards or control limits is a problem in man systems. Parents are confronted with this dilemma in expressing what the except of their children, and business managers face the same issue in establishing standards that will be acceptable to employees. Some theorists have proposed that workers be allowed to set their own standards, on the assumption that when people establish their own goals, they are more apt to accept and achieve them.

Standards should be as possible and communicated to all persons concerned. Moreover, communication alone is not sufficient; understanding is necessary. In human system, standards tend to be poorly defined and the allowable range of deviation from standard also indefinite. For example, how many hours each day should a professor is expected to be available for student consultation? Or, what kind of behavior should be expected of students in the classroom? Discretion and personal judgment play a large part in such systems, to determine whether corrective action should be taken.

Perhaps the most difficult problem in human systems is the unresponsiveness of individuals to indicated correction. This ma take the form of opposition and subversion to control, or it ma be related to the lack of defined responsibility or authority to take action. Leadership and positive motivation then become vital ingredients in achieving the proper response to input requirements.

Most control problems relate to design; thus the solution to these problems must start at the point. Automatic control systems, provided that human intervention is possible to handle exceptions, offer the greatest promise. There is a danger, however, that we may measure characteristics that do not represent effective performance (as in the case of the speaker who requested that all of the people who could not hear what he was saying should raise their hands), or that improper information may be communicated.

4.9 PRINCIPLES OF EFFECTIVE CONTROL

To maintain effective control, certain principles must be adhered to;

- 1. Controls must be set according to the nature of the job to be performed small firms need different systems of control from large firms.
- 2. Deviation should be reported immediately.
- 3. Control must conform to the pattern of the organisation.
- 4. Controls should show exception at selected points
- 5. Control should be flexible and economical in operation.
- 6. Controls should be simple to understand and should indicate corrective action.

4.10 TYPES OF CONTROL

Budgeting is the word given to the formulation of plans for a given future period expressed in quantitative terms. Budgets can be stated in financial terms e.g capital and revenue expenditure budgets or in non financial terms e.g. units of production.

4.10.1 Purpose of Budgeting

Taking the structure of the organisation into consideration, one then breaks down the numerical statements of plans into constituents' parts; this enables the budgets to correlate planning and allows authority to be delegated without loss of control.

Plan reduced to specific figures shown were many is giving or where physical input and output have take place. With this knowledge, a manager can delegate authority more easily in order to make plans effective within the budget limit.

4.10.2 Budgeting Control

Standards of performance need to be set to act as guidelines in order to reach successfully the budget plan. The annual plan is divided into shorter periods, month or week, for control purposes. For each period, the budget is compared with the actual and reasons for any deviation are noted. Any corrective action needed is thereby taken. The aim of monitoring shorter period plan is to see what steps must be taken so that land term objectives are still possible. Similarly budgetary control is geared towards the achievement of the long range plan.

Budgetary control concerns itself with the total costs for each department. If the plan is to be fulfilled, the responsibility for doing this must be assigned to person responsible e.g. supervisors and managers of sections. Each manager must feel that the budget for his section is realistic and relevant and not imposed upon him.

4.10.3 Non Budgetary Control

There are many devices for control which are not directly connected with budgets. Brief consideration will be given to ratio analysis, break even charts and statistical data.

Ratio Analysis: this term is used to describe significant relationships which exist between various figures shown in the accounts. Ratio analysis can serve many purposes.

- 1. They provide a means of showing interrelationships between groups of figures and can be used as a measure of efficiently.
- 2. They enable a large volume of data to be conveniently summarized.
- 3. They can be used in forecasting and planning.
- 4. They can serve as an aid to communication, as people can more easily see changes in a business.
- 5. The can be used to asses solvency, ever trading and profitability.

Break Even Point Analysis: the break even point coincides with the volume of output at which neither profit nor loss appears in a relationship of sales and expenses. At a volume were revenues exactly cover expenses. At a lower volume losses occurred and at higher value a profit.

Problems which may be solved by break even analysis.

- 1. The determination of the price which gives the desired break even point and profit.
- 2. The volume of sales needed to cover return on capital employed, dividends and reserves.
- 3. The calculation of costs and revenues for all possible volumes of output and the calculation of variable cost per unit.

4.10.4 Control by Audit

External Audit: The role of the external audit is traditional, the independent appraisal of an organisations financial records and statement. Assets and liabilities are verified by qualified accounting personnel employed by external accountancy firms.

The purpose of the audit is to verify that the organisation in preparing its own financial statements has followed acceptable accounting principles and has applied them in a correct manner. The external audit is a check against fraud within the organisation and provides people in financial and other institution (e.g. bankers, and potential investors with evidence that statements have been prepared in an honest and consistent manner.

The external audit is not very helpful in controlling the everyday operations of an organisation as it concentrates upon a limited number of statements and transactions. It is however, a deterrent to fraud.

Internal Audit: is an effective tool of managerial control. The term is often limited to the auditing of accounts. It should be considered in a wider aspect, that is involving the appraisal of all operations e.g. appraisal of policies, procedures, quality of management. The concept of internal auditing could be broadened as there is no reason why the actions of management should not be audited.

The Term Management Audit: can be regarded as a procedure for systematically examining and appraising a management' overall performance. The object is to determine the present position of the business by assessing the results of its operation in specified areas, in relation to accepted standards imperfection found can be remedied.

Accounting: According to Glautier and Hinded own in the book accounting theory and practices, Pitman 1986. It is defined as the process of identifying, measuring and communicating socio economic information to permit informed judgments and decision by the users of the information.

Accounting is not only concerned with keeping records preparing budgets and final accounts. The boundaries of accounting have been extended by the changing environment. Accounting is concerned with collecting data of the activities of an enterprise and the use of its resources, it also analyses the data for the purpose of decision making and helps to control" the use of resources.

An accountant must draw upon a range of disciplines example;

Economics; concepts of income, capital, pricing, foreign currency fluctuation and inflation. **Low**; all operations are within a framework of regulation e.g. the requirement of company low.

Organisational Behaviour: how people in an organisation may respond to information and control.

Data Processing Systems: for the efficient manipulation of data. **Quantitative Technique:** to assist analysis of data in planning.

Uses Of Accounting As An Information System

Raw data is selected by the accountant by the conventions of accounting. Selected data forms the input to the accounting system, once raw data is selected it becomes input data processing the information (output) is used by management and passed to users.

Persons interested in the output of accounting information system are;

Equity Investor Group- shareholders and investor are concerned with the value of their investment and nay income they expect to derive from shareholdings.

Loan Creditor Group- long term investors who have committed or may be prepared to commit funds to the company by way of debentures or other loan stock. The ability of the company to repay borrowings if it went into liquidation is of interest to all creditors.

The Employee Group- this includes trade unions who act on their behalf. Reports may indicate future prospects of the company and its ability to pay increase wages.

Analyst Adviser Group- this includes members of the financial press and others advising on the purchase of company security.

The Government- the accounts of an organization are used on basis for deciding the amount of taxation to be paid in addition to regulatory aspects on mergers of companies which might create monopolies. The accounts give an indication also of the state of the economy.

The Public: this includes any member of the community who may interact in some with the company, e.g. tax payers, rate payers, consumers' political parties and environmental protection societies.

4.11 THE ACCOUNTING PROCESS

Glautier and Underdown define accounting as being concerned with the process of;-

- Identifying and selecting information which intended users will need,
- Evaluating the information in the manner which is mot useful to intended users.
- Communicating the information selected and processed in the form most appropriate to the requirements of its user.

The nature and methods of financial accounting are determined to a large extent by accounting conventions. It is important that the rules regarding the selection, measurement and communication of information to external users should all be the same conventions provide for uniformity and comparability of information.

4.12 **SUMMARY**

Control in management means meeting standards, measuring actual performance and taking corrective action. Some characteristics of control are listed which enable us understand the control elements. Four elements were listed the first element is the characteristics and condition of the operating system which is to be measured. The fourth being the attributor is the corrective action taken to return the system to expected output.

In any social system the norms for acceptable behaviour become the standard against which so called deviate may be judged. Regulations and laws provide a more formal collection of information for society. Output information about deviant behaviour becomes the basis for controlling social activity output information is compared to with the standard norm and significant deviation are noted.

Five process of controlling are listed this are; setting standards, measurement of actual performance, comparing actual performance with standard, analyzing deviation and correcting deviation. The element of control are easy to identify in machine system e.g. characteristics like speed or temperature and the sensing device could be a speedometer, or thermometer, when a small variation from the standard occurs the correction process begins the speed limit established for freeway driving is one standard performance that is quantifiable, but even in this, the degree of permissible variation and the amount of the actual variation are often subject of disagreement. The complexity of an society is reflected in many of our laws and regulations which established a general standard. A citizen may not know or understand the law and subsequently would not know whether or not he was guilty of violation.

4.13 CONCLUSION

The propose of organisational control is to see the specific function is achieved and the objective of operational control is to ensure that variation is daily output area maintained with prescribed limits. Controlling is an important function of management and has an its aim the measurement of performance against standards so that corrective action can be taken to keep plan on course this unit consider principles of effective control, budgetary and non budgetary and examines advanced control techniques. Financial accounting conventions are considered as they form the basic of general control system.

4.14 TUTOR MARKED ASSIGNMENT

- 1. Explain the term control and control process.
- 2. Define control and enumerate why control is necessary in every organisation.
- 3. What is budgeting control? Discuss the position that budgetary control is of limited use to managers in that it;
 - a. Indicate the existence of some problem rather than suggesting their solution.
 - b. May concentrate on expenditure while neglect income.
- 4. What are the principles of effective control?
- 5. List and explain the main persons requiring information from an accounting system.
- 6. What are the problems of control and explain how to measure output in control.
- 7. List the characteristics of control and explain how control can be implements in man and machine.

4.15 REFERENCES

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UNIT V: STAFFING

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5.0 INTRODUCTION TO STAFFING

Staffing may refer to:

- Employment agency
- Human resources

Note that the word "hiring" is sometimes use interchangeably with "staffing", which does an injustice to the broad scope of activities involved in staffing. Hiring might be thought more specifically as the selection phase of the overall process of staffing. Also note that the word "Recruitment" is sometimes used interchangeable with "staffing" although many see "recruiting" as referring more specifically to the sourcing and advertising phases of the overall process of staffing. In a US military context. "staffing" is used as a shorthand phrase meaning the routing, concurrence, recommendations, and approvals for official documents and memorandum. e.g. "I stated the new policy memo up the chin for approval"

5.1 LEARNING OBJECTIVES

After studying the unit learner should be able to know

- 1. What staffing means
- 2. The ability and responsibility of employment agency.
- 3. What human resources means
- 4. The key functions of human resources
- 5. The different human resource development

5.2 EMPLOYMENT AGENCY

An **employment agency** is an organization which matches employees. In all developed countries there is a publicly funded employment agency and multiple businesses which also act as employment agencies.

5.2.1 Public Employment Agencies

Since the beginning of the twentieth century, every developed country has created a public employment agency as a way to combat unemployment and help people find work.

In the United Kingdom the first agency began in London, through the Labour Bureau (London) Act 1902, and subsequently nationwide by the Liberal government through the Labour Exchange Act 1909. The present public proveder of job search help is called Job centre plus.

In the United State, a federal programmed of employment services was rolled out in the New Deal. The initial legislation was called the Wagner-parser Act of 11933 and more recently job services happen through one-stop centers established by the Workforce Investment Act of 1998.

5.2.2 Private employment agencies

The first private employment agency in the United States was opened by Fred Winslow who opened Engineering Agency in 1893 later became part of General Employment enterprises who also owned Businessmen's Clearing House (est. 1902). Another of the oldest agencies was developed by Katharine Felton as a response to the problems brought on by the 1906 San Francisco earthquake and fire.

Many temporary agencies specialize in a particular profession of field of business, such as accounting health care, technical, or secretarial.

5.2.3 Legal Status

For most of the twentieth century, private employment agencies were considered quasi illegal entities under international law. The international Labour Organization instead called for the establishment of public employment agencies. To prevent the abusive practices of private were either to fully abolished, or tightly regulated. In most countries the are legal but regulated.

Probably inspired by the dissenting judgments in a US Supreme Court case called *Adams v. Tanner*, the international Labor Organization's first ever Recommendation was targeted at fee charging agencies the Unemployment Recommendation, 1919 (No.1), Art. 1 called for each member to,

"take measures to prohibit the establishment of employment agencies which charge fees or carry on their business for profit. Where such agencies already exist, it is further recommended they be permitted to operate only under government licenses, and that all practicable measures be taken to abolish such agencies as soon as possible."

In 1933 the Fee-Charging Employment Agencies Conversion (No.34) formally called for abolition. The exception was if the agencies were licensed and a fee scale was agreed in advance. In 1949 a new revises Convention (No.96) was produced. This kept the same scheme, but secured an 'opt out' (Art .2) for members that did not wish to sign up, agencies were an increasingly entrenched part o the labour market. The United States did not sign up to the Conventions. The latest Convention, the Private Employment Agencies Convention 1997 (No.181) takes a much softer stance and calls merely for regulation.

5.2.4 Executive Recruitment

An executive-search firm is a type of employment agency that specializes in recruiting executive personnel for companies in various industries. This term may apply to job-search-consulting firms who charge job candidates a fee and who specialize in mid-to-upper-level executive. In the United States, some states require job-search-consulting firms to be licensed as employment agencies.

Some third-party recruiters work on their own, while others operate thought an agency, acting as direct contacts between client companies and the job candidates they recruit. They can specialize in client relationships only (sales or business development), in finding candidates (recruiting or sourcing), or in both areas. Most recruiters tend to specialize in either permanent, full-time, direct-hire positions, or in contract positions, but occasionally in both. In an executive-search assignment, the employee-gaining client company-not the person being hired-pays the search firm its fee.

5.3 HUMAN RESOURCES

Human resource is a term used to describe the individuals who make up the workforce of an organization, although it is also applied in labor economics to, for example, business sectors or even whole nations. Human resource is also the name of the function within an organization charged with the overall responsibility for implementing strategies and polices relating to the management of individuals (i.e. the human resources). This function title is often abbreviated to the initials "HR".

Human resourced is a relatively modern management term, coined as early as the 1960s-when humanity took a shift as human rights came to a brighter light during the Vietnam Era.-^[1] The origins of the function arose in organizations that introduced 'welfare management' practices and also in those that adopted the principles of 'scientific management'. From these terms emerged a largely administrative management activity, coordinating a range of worker related processes and becoming known, in time, as the 'personnel function'. Human resources progressively became the more usual name for this function, in the first instance in the United States as well as multinational or international corporations, reflecting the adoption of a more quantitative as well as strategic approach to t workforce management, demanded by corporate management to gain a competitive advantage, utilizing limited skilled and highly skilled workers.

5.3.1 Human Resources Purpose and Role

In simple terms, an organization's resource management strategy should maximize return on investment in the organization's human capital and minimize financial risk.

Human resource managers seek to achieve this by aligning the supply of skilled and qualified individuals and the capabilities of the current workforce, with the organization's ongoing and future business plans and requirements to maximize return on investment and secure future survival and success.

In ensuring such objectives are achieved, the human resource function is to implement an organization's human resource requirements effectively, taking into account federal state and local labor laws and regulations; ethical business practices; and net cost, in a manner that maximizes, as far as possible, employee motivation, commitment and productivity.

Key functions

Human Resources may set strategies and develop policies, standards, systems, and processes that implement these strategies in a whole range of areas. The following are type of a wide range of organizations:

- Maintaining a awareness of and compliance with local, state and. federal labor laws (Department of Labor law information) (http://www.dol.gov/).
- Recruitment, selection, and on boarding (resourcing).
- Employee recordkeeping and confidentiality.
- Organizational design and development.
- Performance, conduct and behavior management.
- Industrial and employee relations.
- Human resources (workforce) analysis and workforce personnel data management.
- Compensation and employee benefit management.
- Training and development (learning management).
- Employee motivation and morale-building (employee retention and loyalty.

Implementation of such policies, processes or standards may be directly managed by the HR function itself, or the function may indirectly supervise the implementation of such activities by managers, other business functions or via third-party external partner organizations. Applicable legal issues, such as the potential for disparate treatment and disparate impact, are also extremely important to HR managers.

5.3.2 Human Resources Management Trends And Influences

In organizations, it is important to determine both current and future organizational requirements for both core employees and the contingent work force in terms of their skills/technical abilities, competencies, flexibility etc. the analysis requires consideration of the internal and external factors that can have an effect on the resourcing, development, motivation and retention of employees and other workers.

External factors are those largely outside the control of the organization. These include issues such as economic climate and current and future labor market trends (e.g., skills, education level, government investment into industries etc.) On the other hand, internal influences are broadly controlled by the organization to predict, determine, and monitor – for example – the organizational culture, underpinned by management style, environmental climate, and the approach to the ethical and corporate social responsibilities.

Major trends

To know the business environment an organization operates in, the major trends must be considered:

- 1. Demographics: the characteristics of population/workforce, for example, age, gender or social class. This type of trend may have an effect in relation to pension offerings, insurance packages etc.
- 2. Diversity: the variation within the population/workplace. Changes in society now mean that a larger proportion of organizations are made up of "baby-boomers" or older employees in comparison to thirty years ago. Advocates of "workplace diversity" simply advocate and employee base that is a mirror reflection of the make-up of society insofar as race, gender, sexual orientation etc.

3. Skills and qualifications: the industries move from manual to more managerial professions so dies the need for more highly skilled graduate. If the market is "tight" (i.e. not enough staff for the jobs), employers must compete for employees by offering financial rewards, community investment, etc.

Individual responses

In regard to how individual respond to the changes in a labor market, the following must be understood:

- Geographical spread: how far is the job from the individual? The distance to travel to work should be 9in line with the pay offered, and the transportation and infrastructure of the area also influence who applies for a post.
- Occupational structure: the norms and values of the different careers within an organization. Mahoney 1989 developed 3 different types of occupational structure, namely, craft (loyalty to the profession), organization career (promotion through the firm) and unstructured (lower/unskilled workers who work when needed).
- Generation difference: different age categories of employees have certain characteristics, for example, their behavior and their expectations of the organization.

5.4 FRAMEWORK

Human Resources Development is a framework for the expansion of human capital within an organization or (in new approaches) a municipality, region, or nation. Human Resources De4velopment is a combination of training and education, in a broad context of adequate health and employment policies that ensures the continual improvement and growth of the individual, the organization, and the national human resourcefulness. Adam smith states, "the capacities of individuals depended on their access to education" Human Resources Development is the medium that drives the process between training and learning in a broadly fostering environment. Human Resources development is not a defined object, but a series of organized processes, "with a specific learning objective" (Nadler, 1984) within a national context, it becomes a strategic approach to inter sectoral linkages between health, education and employment.

5.5 STRUCTURE

Human Resources Development is the structure that allows for individual development, potentially satisfying the organizations, or the nation's goals. Development of the individual benefits the individual, the organization- and the nation and its citizens. In the corporate vision, the Human Resources Development framework views employees as an asset to the enterprise, whose value is enhance by development, "Its primary focus is on growth and employee development...it emphasizes developing individual potential and skills" (Elwood, Olton and Trott 1996) Human Resources Development in this treatment can be in-room group training, tertiary or vocation courses or mentoring and coaching by senior employees with the aim for a desired outcome that develops the individual's performance. At the level of a national strategy, it can be a broad inter-sect oral approach to fostering creative contributions to national productivity.

Training and Development

AT the organizational level, a successful Human Resources Development program prepares the individual to undertake a higher level of work, "organized learning over a given period of time,

to provide the possibility of performance change" (Nadler 1984). In these settings, Human resources Development is the framework that focuses on the organization's competencies at the first stage, training, and then developing the employee, through education, to satisfy the organization's long-term need and the individual's career goals and employee value to their present and future employers. Human Resources Development can be defined simply as developing the most important section of any business, its human resources, by attaining or upgrading employee skills and attitudes at all levels to maximize enterprise effectiveness. The people with an organization are its human resource. Human Resources Development from a business perspective is not entirely focused on the individual's growth and development; "development occurs to enhance the organization's value, not solely for individual improvement. Individual education and development is a tool and means to an end, not the end goal itself" (Elwood F. Holton II, James W. Trott). The broader concept of national and more strategic attention to the development of human resources is beginning to emerge as newly independent countries face strong competition for their skilled professionals and the accompanying braindrain they experience.

Recruitment and Selection

Applicant recruitment and employee selection form a major part of an organization's overall resourcing strategies, which identify and secure people need for the organization to survive and succeed in the short-to medium-term. Recruitment activities need to be responsive to the increasingly competitive market to secure suitably qualified and capable recruits at all levels. To be effective, these initiatives need to include how and when to source the best recruits, internally or externally. Common to the success of either are: well-defined organizational structures with sound job design, robust task and person specification and versatile selection processes, reward, reemployment relations and human resource policies, under pinned by a commitment for strong employer branding and employee engagement and on boarding strategies.

Internal recruitment can provide the most cost-effective source for recruits if the potential of the existing pool of employees has been enhanced through training, development and other performance-enhancing activities such as performance appraisal, succession planning and development centers to review performance and assess employee development needs and promotional potential.

Increasingly, securing the best quality candidates for almost all organizations relies, at least occasionally if not substantially, on external recruitment methods. Rapidly changing business models demand skill and experience than cannot be sourced or rapidly enough developed from the existing employee base. It from third-party dedicated recruitment firms. This may involve a range of support services, such as: provision of CVs or re3sumes, identifying recruitment media, advertisement design and media placement for job vacancies, candidate response handling, and short listing, conducting aptitude testing, preliminary interviews or reference and qualification verification. Typically, small organizations may not have in-house resources or, in common with larger organizations, may not possess the particular skill-set required to undertake a specific recruitment assignment. Where requirements arise, these are referred on an ad hoe basis to government job centers or commercially-run employment agencies.

Except in sectors where high-volume recruitment is the norm, an organization faced with sudden, unexpected requirements for an unusually large number of new recruits often delegate the task to

a specialist external recruiter. Sourcing executive-level and senior management as well as the acquisition of scarce or 'high-potential' recruits has been a long-established market serviced by a wide range of 'search and selection' or 'headhunting' consultancies, which typically form long-standing relationships with their client organizations. Finally, certain organizations with sophisticated HR practices have identified a strategic advantage in outsourcing complete responsibility for all workforce procurement to one or more third-party recruitment agencies or consultancies. In the most sophisticated of these arrangements the external recruitment service provider may not only physically locate, or 'embed' their resourcing team(s) in the client organization's offices, but work in tandem with the senior human resource management team in developing the longer-term HR resourcing strategy and plan.

Other Considerations

Despite its more everyday use, terms such as "human resources" and, similarly, "human capital" continue to be considered insulting. They create the impression that people are merely commodities, like office machines or vehicles, despite assurances to the contrary.

Modern analysis emphasizes that human beings are not "commodities" or "resources", but are creative and social beings in a productive enterprise. The 2000 revision of ISO 9001, in contrast, requires identifying the processes, their sequence and interaction, and to define and communicate responsibilities and authorities. In general, heavily unionized nations such as France and Germany have adopted and encouraged such approaches. Also, in 2001, the International Labour Organization decided to revisit and revise its 1975 Recommendation 150 on Human Resources Development. ^[7] one view of these trends is that a strong social consensus on political economy and a good social welfare system facilitates labor mobility and tends to make the entire economy more productive, as labor can develop skills and experience in various ways, and move from one enterprise to another with little controversy or difficulty in adapting. Another view is that governments should become more aware of their national role in facilitating human resource development across all sectors, which includes following

Trans-national Labor Mobility

An important controversy regarding labor mobility illustrates the broader philosophical issue with usage of the phrase "human resources". Governments of developing nations often regard developed nations that encourage immigration or "guest workers" as appropriating human capital that is more rightfully part of the developing nation and required to further its economic growth.

Over time, the United Nations have come to more generally support the developing nations' point of view, and have requested significant offsetting "foreign aid" contributions so that a developing nation losing human capital does not lose the capacity to continue to train new people in trades, professions, and the arts. [8]

Ethical management

In the very narrow context of corporate "human resources" management, there is a contrasting pull to reflect and require workplace diversity that echoes the diversity of a global customer base. Such programs require foreign language and culture skills, ingenuity, humor, and careful listening. These indicate a general shift through the human capital point of view to an acknowledgment that human beings contribute more to a productive more to a productive enterprise than just "work": they bring their character, ethics, creativity, social connection and, in

some cases, pets and children, and alter the character of a workplace. The term corporate culture is used to characterize such processes at the organizational level.

5.6 SUMMARY

From the unit we can see that staffing may refer to employment agency and human resources. An employment is an organization which matches employees to employees there are publicity funded employment agency and multiple private businesses which also act as employment agencies. An executive research firm is a type of employment agency that specializes in recruiting executive personnel for companies in various industries.

Human resources management can be said to be the responsibility of all those who manage people as well as a description of person who are employed as specialists. It is that part of management that involves planning for human resources needs, including recruitment selection training and development, promotion and transfer, redundancy and administration collective bargaining and dealing with almost all aspects of industrial relations.

5.7 CONCLUSION

The cooperation of workers must be obtained if the business is to run smoothly. The workers have confidence in the firm and this may not be easy when technical advances produce fear of unemployment and unrest policy must be determined by the board and must be clearly defined and those employees who have to administer the policy should be given an opportunity to contribute.

5.8 TUTOR MARKED ASSIGNMENT

- 1. Explain how effective human resource management contributes to the accomplishment of organisational objectives.
- 2. Enumerate the legal status of both private and public employment agencies.
- 3. Explain five key functions of human resources management.
- 4. Explain what human resource devel0opment is all about.
- 5. Explain the following terms
 - a. Executive recruitment
 - b. Staffing
 - c. Ethical management.

5.9 REFERENCES

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UNIT VI: CO-ORDINATION

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6.0 INTRODUCTION TO COORDINATION

As we have seen each organization must decide on the use of specialization of labour that it will use to reach its goals. While specialization of labour is necessary for the achievement of objectives, it can also create problems. The major pitfalls is that member of difference department often come to believe that their way is the only way of looking at a certain situation. This may lead to competition or conflict among department;

6.1 LEARNING OBJECTIVES

At the end of this unit student should be able to;

- 1. Understand and describe coordination.
- 2. Know the different style of coordination such as differentiation and integration.
- 3. The strategies for achieving integration.

6.2 DIFFERENTIATION

This may lead to competition or conflict among department;

Departments develop their own distinct characteristics because each one is engaged in specialized work. Differentiation refers to the differences that exist across departments at the same level in the hierarchy. "Vertical differentiation" refers to differences among departments at different levels in the hierarchy; differentiation can be measured by looking at four specific factors:

- 1. Differences in goals; Separate departments set separate goals. For example production people may strive for low unit cash which they feel can be achieved by having a variety of products that cater to many consumer preferences.
- 2. Differences in structures; Different department use different structures to achieve their goals, in sail departments, all work is rigidly controlled cell don "by the book" in orders a less rigid structure may exist.
- 3. Differences in time orientation: Different departments have different time horizons that in their work. For example, in the production area, a sense of urgency may be felt about what will be produced in the next hour, while in the research and development department, the concern may be that the current research project be completed in six months.
- 4. Differences in the interpersonal relation: The nature of interpersonal relation varies across departments. Where a hierarchy of authority is strictly followed, there is likely to be very little showing of ideas among personnel, but where the input of all members is encouraged, there is likely to be a great deal of discussion and sharing of ideas.

In combination, these four factors can lead to marked difference s among departments. In a research lab there may be a very loose structure, along time horizon, extensive sharing of ideas, and goals that are stated in very general terms. In a production department on the other hand, there may be a rigid hierarchical structure, a short time horizon little sharing of ideas and goals that are stated in very specific term.

While differentiation allows each department to develop the atmosphere that is necessary to attain its on goal the dissimilarities may lead to conflict among departments.

6.1.2 Integration

While an organization must divide its overall goals into specific for each department, it also has to make sure that the variations differentiated departments are coordinated (integrated) so that their work contribute to the overall organizational goals integration is the state of collaboration that exists among the various departments in an organization. Integration must be achieved if an organization is to be successful.

Vertical and lateral strategies can be used to achieve coordination in organization.

Vertical coordination strategies rely on tradition and management techniques and vertical information systems to coordinate the activities of the various departments in the organization.

Individual management techniques; their some organization try to coordinates their activities by relying solely on traditional management techniques like the chain of command procedure, policies, goals and plans. These systems may work well if the organization does not have to cope with rapid changes in its external environment or in the technology it uses to produce goods and services.

Vertical information system: A vertical information system sends information up and down the hierarchy so that more informal decisions can be made. Vertical information systems include written reports, teleconferences, computer networks, electronic maul, and so forth. This system allows management to access large amounts of data that are needed to make decisions. They also tend to centralize decision making because the data need to make decisions can be easily generated for top management.

6.1.3 Lateral Strategies for Achieving Integration

Lateral relationships develop between organizational members who do not interact through formal lives of authority on the organizational chart. Lateral relationship help break down the barriers that develop between departments because of the division of labour. These relationships may either complement formal authority relationship or conflict with them. Because communication is so vital in lateral relationships integration may be view on mainly problem of information processing.

Although lateral relationships are not formally recognized on organization charts, it is imperative that they take place commonly used lateral coordination system include direct contact, boundary spanning roles, tasks forces, standing committees and integration roles.

Direct contact: one of the simplest ways to resolve coordination problems is to have the relevant individuals yet together to see if they can develop a solution to the problem. This contact often result the fast, high quality decision.

Boundary spanning roles; when contract between two departments is necessary on a regular basis, a boundary spinning may be created. Boundary spanners facilitate coordination between two departments that have an ongoing need to coordinate their work. A boundary spanner works in one department but has regular contact which another department. Thus a person in the systems and proceeding department may be assigned to consumer questions from individual who use computing services. The person must have technical knowledge about the computer, but must also be able to understand the needs of the various users of the computer.

Tasks forces: a tasks force is a temporary team of specialists who are organized to solve a problem involving two or more department. Each members of the task force is expected to represent his or her area and make well reasoned, unbiased suggestions about how to solve the problem for the good of the organization. The task force is desisted once it has developed a southern to the problem.

Standing committee; standing committee meet on a regular basis and are relatively permanent features of the organization's structure. Like taskforces, they are usually composed of individuals from various departments in the organization. Unlike taskforce, however, standing committees work on problems that recur with some regularity,

Integrators: an integrators is a person who is assigned responsibility for coordinating the ongoing work of several departments whose work is highly independent, unlike any of the coordinating positions described above the integration may have considerable authority over the various areas that he or she is coordinating.

6.2 SUMMARY

We noted that an organizational structure is the pattern of formal relationships that exists among groups and individuals in an organization. The dimension of structure include formalization i.e. written job description, rules, policies and procedures that guide employee behaviour, centralization i.e. how much authencity is held at the various management levels in the organizational hierarchy meanwhile the organizational chart is pictorial representation of formal authority relationship in an organization. It shows vertical authority relationships, the types of work performed, the different departments that do the work, the formal communication channel and the various levels of management.

6.3 CONCLUSION

We also try to relay differentiation and integration and identify the strategies for achieving in organization. Differentiation refers to the different work done. Different department have differences in goals structure time orientation and interpersonal relations. These differences require coordination if the organization is to reach it goals. Integration (coordination's) is the state of collaboration that exists among the various department of an organization. The two main strategies used to achieve coordination are also observed which are vertical and lateral coordinators. Vertical strategies include traditional management technique (rules, policies,

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producers etc) and vertical information system (written reports if teleconferences, computer networks etc.)

6.4 TUTOR MARKED ASSIGNMENT

Give a brief description of integration and strategies for achieving effective coordination in organization.

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UNIT VII: LEADERSHIP

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7.0 INTRODUCTION TO LEADERSHIP

Leadership has been described as the process of social influence in which one person can enlist the aid and support of others in the accomplishment of a common task" Alan Kerh Describe that leadership is ultimately about creating a way for people to contribute to making something extraordinary happen According to Ken "SKC Ogbonna" effective leadership in the ability to successfully integrate and maximize available resources within the internal and external environment for the attainment of leader's job is to create a vision. Until a few years ago vision was not a word one heard managers alter. But today having a vision for the future communicating that vision to others are known to be essential components of great leadership. If there is no vision there is no business, maintain entrepreneur Markleshe.

7.1 LEADERSHIP

After studying this module you will know

- 1. What it means to be a leader
- 2. The different leadership theories
- 3. The 5 leadership style

- 4. Leadership in organization and management
- 5. Group leadership and team management
- 6. What it means to be a charismatic and transformation leader

7.1.1 Theories

Leadership is "organizing a group of people to achieve a common goal". The leader may not have any formal authority. Students of leadership have produced theories involving traits, situation interaction and intelligence among others. Arien. A, defines a leader as a person capable of inspiring and associate other with a dream. It is therefore important that organization have a visionary mission; since it is a powerful way to strengthen the leadership of its directors.

7.1.2 Early History

The search for the characteristics or traits of leaders has been going for centuries, philosophical writings from Plato's Republic have explains the question of what qualifies or distinguish an individual as a leader? "Underlying this search was the early recognition of the importance and the assumption that leadership in rated in the characteristics that certain individuals possess. This idea that leadership is based on individual attributes is known as the trait theory of leadership.

The trait theory was explained at length in a number of works in the previous century. Most notable once are Thomas Carlyle whose works have prompted decades of research, in Herres and Heroworship (1941) Carlyle identified the talents, skills, and physical characteristics of men who rose to power. In Galton's (1869) Hereditary Genius, he examines leadership qualities in the families of powerful men. After sharing that the numbers of eminent relatives dropped off when making from first degree to second degree relatives, Galton concluded that leadership was inherited. In other words, leaders were born not developed. Both of these notable works lent great initial supports for the nation that leadership in rated in characteristics of the leader.

Using early research techniques, researchers conducted over a hundred studies proposing a number characteristic that distinguished leaders form non leaders. Intelligence, dominance, adaptability, persistence, integrity, social, economic status, and self confidence just to name a few.

7.1.3 Rise of alternating theories

In the late 1940s and early 1950s, however, a series of qualitative reviews of these studies e.g. Bird 1940, Stogdill, 1948 and Mann 1959 prompted researchers to take a drastically different view of the driven forces behind leadership. Stogdill and Mann found that while some traits were common across a number of studies the overall evidence suggested that a persons who are leaders in one situation may not necessary be leaders in other situations. Subsequently leadership was no longer characterized as an enduring individual trait as situational approaches posited that individuals can be effective in certain situation but not others.

While the trait theory of leadership has certainly regard popularity, its reemergence has not been accompanied by a corresponding increase in sophisticated conceptual framework Specifically, Zaccard 2007 noted that trait theories still.

- 1. Focus on a small set of individual attributes such as big five personality trait, to the neglect of cognitive abilities.
- 2. Fail to consider pattern of integrations of multiple attribute.

- 3. Do not distinguish between those leaders' attributes that are generally not malleable overtime and those that are shaped by, and bound to, situational influences.
- 4. Do not consider how stable leader attributes account for the behavioural diversity necessary for effective leadership.

7.1.4 Behavioural and Style Theories

In response to the early criticisms of the trait approach theorists began to research leadership as a set of behaviours evaluating the behaviour of "successful" leaders, determining behaviour taxonomy and identifying broad leadership styles. According to David McClelland, for example, leadership takes a strange personality with a well developed positive ego. Not so much as a pattern of motives but a set of traits is crucial. To lead, self confidence and high self – esteem is useful, perhaps very essential B.F Skinner is the father of behaviour modification and developed the concept of positive reinforcement. Positive reinforcement occurs when a positive stimulus is presented in response to behaviours, increasing the likelihood of that behaviour in the future. The following is an example of how positive reinforcement can be used in a business setting. Assume praise is a positive reinforce for a particular employee. This employee does not show up to work as time everyday. Manager of this employees decides to praise the employee for showing up on time everyday the employee actually shows up to work on time. As a result, the employee causes to work on time more often because the employee likes to be praised. In this example, praise (i.e. stimulus) is a positive reinforce for this employee because the employee arrives (i.e behaviour) to work on time more frequently after being praised for showing up to work on time.

The use of positive reinforcement is a successful and growing technique used by leaders to motivate and attain desired behaviour from subordinates' organization such as Frito-lay, Goodrich, Michigan etc used reinforcement to increase productivity. Empirical research for the last 20 years suggests that reinforcement theory has a 17 percent increase in performance. Additionally, many reinforcement techniques such as the use of praise are inexpensive, i.e. providing higher performance for lower cost.

7.1.5 Situational and Contingency Theories

Situational theory also appeared as a reaction to the trait theory of leadership. Social scientists argued that history was more than the result of intervention of great men as Calyle suggest. Herbert Spencer (1884) said that the time produces the person and not the other way round. This theory assumes that different situation call for different characteristics, according to this group of theories, no single optimal psychographic profile of a leader exists. According to the theory "what an individual actually does when acting as a leader is highly dependent upon characteristics of the situation in which he function.

Some theorists started to synthesize the trait and situational approaches. Building upon the research of Lewin et al academics began to develop the descriptive models of leadership climates defining three leadership styles and identifying which situation each style works better in. the authoritarian leadership styles, for example is approved in periods of crises but fares to win the "hearts and minds of other followers in the day-to-day management. The democratic leadership style is more adequate in situations that require consensus building. Finally, the Laissez faire leadership style is appreciated by the degree of freedom it provides, but as the leader does not "take charge", he can be perceived as a failure in protracted or sharing organizational problems.

7.1.6 Leadership Function

There are several ways of classifying the leadership functions based on the perspective of the individual writers. Adair (1984) notes that leadership functions include, planning, initiating, controlling, supporting, informing and evaluating activities.

Kotter (2001) sums up leadership function under three broad categories, these are (1) the leadership is about coping with change and setting direction of change. That direction setting creates vision and strategies (2) leadership is aligning people – it involves credibility getting people to believe the message (3) motivating and inspiring keeping people moving in the right direction despite major obstacles to change by appealing to basic untapped needs, values and emotion. The more that change characterizes the environment the more the leaders must motivate people provide leadership as well. This will tend to reproduce leadership across the entire organization (Kotter, 2001).

Sherlekar (2001) notes, that managerial leadership performs two vital functions. These (1) guidance and motivation and (2) understanding problems and feelings of subordinates.

Guidance and Motivation: accomplishing goals requires guidance and motivation subordinates by the leader. This will reflect the impact of leader on subordinates. It also represents downward communication (2) **understanding problems and a feeling of subordination refers** to empathy and stimulating the subordinates feelings and attitude of the subordinates. This will involve both downward and upward communication process.

There are several theories of leadership, ranging from those that have the leader as the focus those that have subordinates as the point of focus and also to those that are focused task/situation. It is to be noted that several research studies have been conducted and reported the varying approaches to the study of leadership. We shall here, discuss a few of them namely;

- 1. Fiedler's leader-match theory
- 2. Vroom's contingency theory
- 3. Hersey and Blanchard's situational leadership theory
- 4. House and Mitchell's path-goal theory and
- 5. Agris's model I and II on leader behaviour. Let us, briefly examine each of these set of theories of leadership.

7.1.7 Fielder's Leader-Match Theory-Focus on Leader Match

For many years, fielder, at the University of Illinois has been studying the relationship between leadership patterns and group effectiveness in a variety of types of groups, tasks and situation first developed a measure of the leader's basic orientation, called LPC (Least Preference Worker). The leader is asked to think of the people with whom he or she eve worked with an think of the person with whom he or she "could work least well". The leader is then as describe the person on 18 bipolar dimensions such as "pleasant-unpleasant", trusty untrustworthy". The adjectives are scored in terms of the degree to which the leader sees the preferred co-worker (LPC) as showing negative or positive characteristics. A low LPC (mainly negative rating) is seen as primarily task oriented, and a high LPC leader is seen as primarily relationship oriented. Fiedler considers low LPC leader to be concerned about task performance because they perceive anyone who contributes to poor performance in very negative terms. High LPC leaders are

considered to be relationship oriented, because even their least preferred co-worker is seen as worthwhile person. In his early studies Fielder attempted to show that absolute LPC scores correlated with team performance, but the correlation tended to be very low (Schein 1983).

In situational factors related to leadership "Fielder, (1971) reviews his research and develops a model, to integrate in terms of the group-task-situation, or "job environments" within which leaders have to operate. The factors he considers are leader-member relations, task structure and position power. The findings lead to provocative view that knowledge of these situational factors may provide some basis for modifying jobs to fit an individuals leadership patterns with situation ranging from favorable to unfavorable.

Schein (1983) observed that Fielder's LPC construct is a leader trait, an orientation or value, which is fairly stable and which produces consistent biases in the way the leader behaves. He also noted that in as much as LPC is an orientation that is supposed to be relatively stable, the implications of this theory are that leaders should discover their own orientation and then seek situation optimally matched to this style. Low LPC leaders should seek highly favorable or highly unfavorable situations, or should work to change situations, into the degree of favorableness which produces the best results for them. Similarly high LPC relationship oriented leader should seek moderately favorable situation or develop them.

On the practical side Fielder, Chemers, and Mahar, (1976) developed a self administered training booklet which allows the leader to test and score himself or herself on LPC. The booklet asks the person to diagnose situation favorableness in terms of leader member relation, task structure and position power, and that of a match between the person and situation. If the match is poor the programme offers guidelines on how to create a more favorable situation.

A Schein (1983) state that the strength of this model is that it gives explicit attention to each of the necessary components: - the leaders, the subordinates and the task. The weaknesses of the model are:-

- 1. That the diagnostic categories are complex and often difficult to assess.
- 2. Little attention is devoted to the diagnostic categories of subordinates.
- 3. The technical competence of the leader receives no attention.
- 4. The correlation evidence for matching concepts if relatively weak.
- 5. The concept of LPC itself is vague and the characteristics of high and low LPC people are only gradually beginning to be understood.

7.1.8 Vroom's Contingency Theory: Focus on Tasks/Situation:

Vroom has been more concerned with tasks and subordinates, in contrast with Fielders' theory which began with a measurement of leaders (LPC). Vroom, (1960) showed that subordinates with certain kinds of personalities and working on certain kinds of tasks preferred autocratic leaders. Based on this he asserted that leaders have the ability to vary their behaviour along a scale from highly autocratic to highly participative. Thus leadership problem can be examined by developing relevant criteria that would help leaders decide in which situation to use which kind of behaviour (Schein 1983).

Vroom listed five points, each of which reflects behavioural options for leaders (Vroom and Yelton 1973). They are decision dimensions as shown below:

Types of Management Decision Styles

- i. You solve the problem or make the decision yourself using information available to you at that time.
- ii. You obtain the necessary information from your subordinates, and then decide on the solution to the problem yourself. The role played by your subordinates in making the decision is clearly one of providing the necessary information to you rather than generating or evaluating alternative solution
- iii. You share the problem with subordinate individually getting their ideas without bringing them together as a group. Then you make decision which may not reflect subordinates influence.
- iv. You share the problem with your subordinate as a group, collectively obtaining their ideas and suggestions. Then you make the decision which may or may not reflect subordinates influence.
- v. You share the problem with your subordinates as a group. Together you generate, and evaluate alternatives and attempt to reach agreement on solution. Your role is much like that of a chairperson. You don't try to influence the group to accept your solution you are willing to accept and implement any solution which has the support of the entire group.

It is to be observed that this decision dimension is similar to the continuum of leadership behaviour first proposed by Tannenbuam and Schmidt (1958) but in addition it suggests specific ways of analyzing problems by means of eight ordered criterion questions which the leader can ask himself or herself and a set of decision rules put in the form of decision tree, figure 4 which leads to the most desirable option to be employed (Schein 1983).

The seven questions are arranged so that the leader can analyze his or her immediate problem situation and by answering yes or no to each, arrive at feasible decision alternatives. Schein (1983) noted that for many paths through the decision tree, the answer generated may still reflect a viable choice between an essentially autocratic or essentially participative alternative.

The underlying decisions rules that lead to the feasible alternative:

a. Rule Designed to Protect the Quality of the Decision

- (1) The information rule. If the quality of the decision is important and if the leader does not possess enough information or expertise to solve the problem alone. AI is eliminated from the feasible set its use risks a low-quality (Schein 1983).
- (2) The trust rule, here GII above is eliminated from the feasible set of option.
- (3) The unstructured problem rule. Under this condition, AI, AII and CI above are eliminated from feasible set.

b. Rule Designed to Protect the Acceptance of Decision

(4) The acceptance rule. If acceptance of decision by subordinates is critical to effective implementation and if it is not certain that an autocratic decision made by the leader would receive that acceptance. AI and AII are eliminated from the feasible set. Both do not provide opportunity for subordinates to participate in the decision and both risk the necessary acceptance.

- (5) The conflict rule: for appropriate solution AI, AII and CI above are eliminated from the feasible set. Their uses run the risk of crating conflict.
- (6) The fairness rule when acceptance is critical and not certain to result in automatic decision, AI, AII, CI and CII are eliminated from the feasible set.
- (7) The acceptance primitive rule, if acceptance is critical and subordinate can be trusted; AI, AII, CI, and CII are eliminated from the set. The uses of any methods other than GII, results in an unnecessary risk that decision will not be fully accepted or receive the necessary commitment on the part of subordinates.

By means of these set of rules and decision tree, Vroom has provided a logical and clear basis for diagnosing, task situation. The basic unresolved research questions, however, is whether or not leaders do in fact have, the flexibility to vary their behaviour across the set of alternatives. Studies carried our by Vroom (1976) could not resolve the issue of actual flexibility in real decision situations.

On the practical side, Vroom developed training program which asks group of managers to work through a set of standardized problem to select their won decision alternatives. These are fed into computers for rapid feedback to trainees on;

- a. Correct solution based on theory
- b. Pattern of solution by other trainees and
- c. Analysis of trainees own solution that reveals his biases and decision rules violation.

The feedback are discussed in groups that have been working together and have built up a joint understanding of the theory. The discussions in small groups are essential to correct biases people have about their own behaviour (Schein 1983).

Vroom is highly specific in his criteria and described leader behaviour and offers a broader range of specific behavioural options to the leader, than did Fiedler. His training program based on small groups work and specific feedback to trainees on their diagnostic ability is equally more powerful.

7.1.9 Hersey and Blanchard's Situational Leadership Theory-Focus on Subordinates

Another major leadership research program started its beginning in the 1940s at Ohio State University, where researchers sought to define precisely what kind of behaviours I actually exhibited by leaders. The basic problems in this area are;

- (a) The identification of meaningful leadership pattern and
- (b) The development of methods to ensure these patterns.

The Ohio State University leadership studies made these problems major research objectives. Focusing on the kinds of behaviour engaged in by people in leadership roles, these investigators Hemphill (1950), Stogdill and Coons (1957) developed over 1,800 items (for example; he calls the group together to talk things over. He knows about it when something goes wrong), descriptive of what supervisors do in their leadership roles. These items were then classified into ten categories of leader behaviour (e.g. initiation, domination, evaluation, communication). Questionnaires were developed by means of which leader behaviour could be described and

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scored on these ten dimensions. Repeated use of these questionnaires in a variety of leaders group situations, showed that these ten categories overlapped with one another and that the items could be grouped into two more basic dimensions of leader behaviour. These were labeled, consideration and initiating structure.

Consideration: includes behaviour indicating mutual trust, respect and a certain warmth and rapport between the leader and his group (basically relationship orientation)

Initiating Structure: include behaviour in which the leader organizes and defines group activities and his relation to the group (basically task orientation).

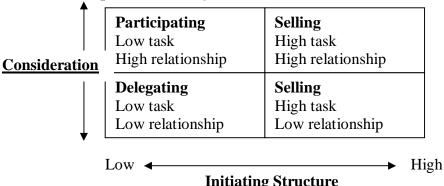
Hersey and Blanchard, (1977), begin their work by rejecting the idea that there is one ideal managerial style, because all of the research on the various dimensions of leadership indicates that productive and satisfied group can be found under virtually any kind of leadership behaviour; for example the work of Fleishman (1973) in complex industrial setting; and that of (Larson, Hunt and Osborn 1975).

Their Basic Proposition is:

The more managers adapt their style of leader behaviour to meet the particular situation and needs of their followers, the more effective they will be reaching personal and organizational goals. Hersey and Blanchard focus on subordinates needs in contrast to both Fieldman and Vroom whose focus were on leaders and task/situation respectively. They defined four basic leadership styles as shown in Figure 5 below labeling them as;

- 1. Telling (high task and low relationship behaviour
- 2. Selling (high task and high relationship behaviour
- 3. Participating (low task and high relationship behaviour and
- 4. Delegating (low task and low relationship behaviour. '

Basic leadership Behaviour Styles



Sources: Schein, E.H (1983 p 124) organizational Psychology, New Delhi: Prentice-Hall of India.

They also introduce a key dimension of the environment- the maturity of the subordinate or their readiness to tackle task facing the group. Maturity, the defined as "the capacity to set high but attainable goals (achievement motivation), willingness and ability to take responsibility and education and experience of an individual or a group".

The definition emphasizes both motivation and competence, and refers to both job maturity ability and technical knowledge to be the job-and psychological maturity- the feelings of self-confidence and self respect (Schein 1983).

The Basic Theory is as Follows:

- 1. If maturity is low, the leader should be high in task and low in relationship behaviour to help the group to achieve some success and begin to learn.
- 2. As the level of maturity of followers' increase leader should begin to reduce both task and relationship behaviour because the group is developing self confidence and ability to work on its own.
- 3. As the level of maturity continues to increase leader should begin to reduce both task and relationship behaviour because the group is developing self confidence and ability to work on its own.
- 4. As the group achieves maturity the leader can continue to reduce both task and relationship behaviour by delegating task and expecting accomplishment.

On the practical side, in order to help train leaders, Hershey and Blanchard designed a questionnaire which involves 12 situations representing different level of subordinate maturity. As in fielder's programme there is self-scoring and analysis, however, the grouping training program is not as structured as Vroom programme.

The strengths of this theory are conceptual rather then empirical (Schein, 1983). The analysis of subordinate skill and self confidence levels is an important addition to leadership theory. The theory also has dynamic, developmental aspect lacking in other models.

The critical weakness in the theory is that there is yet no systematic measurement of device developed to measure actual follower "maturity".

7.1.10 House and Mitchell's Path-Goal Theory of Leadership

House and Mitchell, (1974) stated that their theory is an integrated body of conjecture by students of leadership. According to the theory leaders are effective because of their impact on subordinates motivation, ability to perform effectively and satisfactions. It is called path-goal because its major concern is how leader influences the subordinates' perception of their work goals, personal goals, and paths to goal attainment. The theory suggests that leader behaviour is motivating or satisfying to the degree that the behaviour increases subordinate goal attainment and clarifies the paths to these goals. The path-goal theory has its roots in the more general motivation theory called expectancy theory (Mitchell 1974).

7.2 GENERAL PROPOSITIONS

- (1) That leader behaviour is acceptable and satisfying to subordinates to the extent that the subordinates sees such behaviour as either an immediate source of satisfaction or on instrument of future satisfaction.
- (2) That leader's behaviour will be motivational i.e. increase efforts to the extent that:
 - (a) It makes satisfaction of subordinate's needs contingent on effective performance and
 - (b) It complements the environment of subordinates by providing the coaching, guidance, support and rewards necessary for effective performance.

These propositions suggest that leader's strategic functions are to enhance subordinates motivation to perform, satisfaction with job and acceptance of leader.

7.3 CONTINGENCY FACTORS

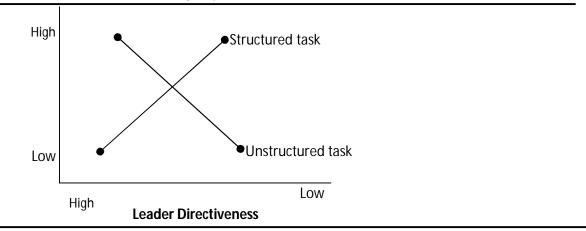
House and Mitchell (1974) state that there are two contingency variables:

- (a) Personal characteristics of the subordinates and
- (b) The environmental pressures and demands with which subordinates must cope in order to accomplish the work goals and satisfy their needs.

A contingency factor is a variable which moderates the relationship between two other variables such as leader behaviour and subordinates satisfaction.

Fig. 6 shows how such relationship might look.

Fig 6: Hypothetical Relationship between Directive Leadership and Subordinates satisfaction with task structure as a contingency factor.



The subordinates are satisfied with directive behaviour in an unstructured task and are satisfied with non directive behaviour in structural task. Therefore, the relationship between leader directives and subordinates satisfaction is contingent upon the structure of the task.

7.4 EMPIRICAL SUPPORT

House and Mitchell (1974) stated that their theory has been tested in a limited number of places which have generated considerable empirical support for their stand and also suggest areas in which the theory requires revision. In summary these studies shows that;

- (1) Leader's defectiveness has positive correlation with those engaged in clear tasks.
- (2) Supportive leadership will have best effect on subordinates working in stressful, frustrating and dissatisfying tasks.
- (3) Achievement oriented leader will cause subordinate to strive for higher standard of performance and to have confidence in the ability to meet challenging goals especially for these performing ambiguous non repetitive tasks.
- (4) Participative leadership should impact subordinates in four ways:-
 - (1) Clarity of organizational contingencies
 - (2) Subordinates should select goals they value.

- (3) Increases the individual control over his job and
- (4) Pressure to higher performance should come from or between others than from leader's e.g. social peers and self.

In summary it is to be observed that House and Mitchell's attempted to describe what is a useful theoretical framework for understanding the effect of leadership behaviour on subordinate satisfaction and motivation. Other researchers have presented rather complex attempts at matching certain types of leaders with certain types situations e.g. Fiedler (1967) and (Vroom 1960). Path-goal theory is offered as a tool for directing research and stimulating insight than as a proven guide for managerial action.

7.4.1 "Argris" Model I and Model II: Focus on Leader Behaviour

Argris has always been concerned with improving the level of psychological functioning in organization on the assumption that if both the manager and subordinate could act in a more psychologically nature fashion, the organization and the people within it would benefit (Schein 1983). Agris (1957, 1964) found that the values by which most organizations operated tended either to assume or produce a level of psychological immaturity in employee by treating them as dependent and irresponsible.

- (a) An espoused theory consisting of goals, assumption and values that the person says guide his or her behaviour and
- (b) A theory in use, consisting of the implicit assumptions that actually guide displayed behaviour (Agris, 1976).

Espoused theories vary widely from autocratic to participate, when leaders are actually observed in group; their theories in use almost uniformly reflect what Agris called Model I (Schein, 1983). This model of behaviour is built on four basic assumptions.

- (1) That one must achieve ones won goal as one sees them.;
- (2) That one must win rather than loose.
- (3) That one must minimize eliciting negative feelings in relationship and
- (4) That one must be rational and minimize emotionality.

It is to be noted that studies carried cut on the basis of this assumption indicated that model I behaviour is on the autocratic of leadership behaviour scale.

Participation requires a degree of openness to ones own and others feelings. Agris, therefore, proposes that organizations would be better off if leaders could learn how to behave according to Model II, which is governed by a different set of assumptions:

- (1) That action should be based on valid information.
- (2) That action should be based on free and informed choice.
- (3) That action should be based on internal commitment to the choice and constant monitoring of efforts to implement one's choice.

The theory builds on the basic learning how to learn assumptions which underlie group dynamic training.

On the practical side Agris proposes training program intended to help people reach Model II behaviour which is a kind of mutual exploration and feedback common to sensitivity training

groups. The trainee must first discuss what they would do in given situation so as to learn how their assumption in model I enter into their thinking. Trainees are then asked to invent new solutions to the issues involved to become consultants to each other on the success in applying collaborative, confrontational open assumption of model II.

It is to be noted that most consultant who work from behavioural science principles acce0t this model as fundamental and attempt to change their client basic assumption through various kind of diagnostic and interventionist activities (Schein 1969). If we compare the Agris model of leader behaviour with those of Fiedler, Vroom, Hersey and Blanchard and House and Mitchellwe see that the other four models are much more static in their orientation and assume the leadership behaviour can be improved simply by properly diagnosing ones own style and the characteristics of ones task and subordinates(Schein, 1983).

7.5 GENERAL REMARKS

It is important to note that the theories discussed here are a few samples from the work of several writers on leadership. There are several other writers on varying aspect at leadership. Misumi and Peterson (1985) provides an overview of research on performance maintenance theory of leadership covering its basic conceptual and methodological structure and the key studies that contributed to its development. Also Criffing Skinington and Moorhead (1987) present the development of a symbolic interactional model of leadership. The model integrates three streams of thought, symbolic interaction, reciprocal interaction and interaction psychology into a fresh approach which offers considerable advancement over simple, uni-directional bivariate static models.

The basic weaknesses of the theories discussed here have been pointed out. Fiedler's theory has been subjected to much criticism. Kabaneff (1981) stated that Fielder and Mahar's (1979) conclusion that leader match a promising method for improving leadership effectiveness is unjustified. Shiflett (1981) raised the issue regard8hg the adequacy of Fiedler and Mahar LPC norms used to define high and low LPC in the leadership match mutual (Fiedler et al, 1976). These weaknesses are pointed out here before we present a summary of the basic approaches to leadership theory, research and practices where we shall point out the general weaknesses of each approach and its strengths.

7.6 SUMMARY OF SELECTED LEADERSHIP THEORIES

It is best to consider the approaches discussed above as having many similarities and differences. In general term three broad approaches have emerged from our discussion of the theories of leadership. Namely;

- 1. The trait or qualities theories of approaches
- 2. The behavioural followers of functional theories or approaches and
- 3. Situational contingency theories or approaches
- 1. Total or Qualities Approach: this is based on the assumption that "leaders are born note made". It is assume that leaders have certain inborn qualities such as initiatives, courage, intelligence and humour which together predestine a person to be a leader. By the existence of will-power-itself seen as an important leadership trait or by the rough tutorial of

experience, some of these qualities might be developed. But the essential pattern is given at birth (Adair, 1984).

Although this approach has positive contribution to our understanding of leadership, but it suffers from several disadvantages as far as training for leadership is concerned.

- (1) There is no agreement upon what these qualities are.
- (2) Besides this lack of consensus, the qualities approach is ill-suited to act as a basis for leadership training. It hardly favours the idea of training at all, and instead encourages a concentration on selection.

Its advantages are that;

- (1) It reminds us that natural potential for leadership varies in individuals.
- (2) Many of us need the language of qualities to transfer our knowledge of a persons leadership ability to some one else and
- (3) It emphasizes the importance of what the leader is in person.
- **2. Behavioural/Follower of Functional Approach:** Studies starting from the late 1930s into the behaviour of actual small groups both in the "laboratory" and "in the field" attempt to bring scientific methods of observation, hypotheses, verification by experiment to bear upon the phenomenon of social life that needs do exist for the group satisfaction.

Certainly, for the group to fulfill its task and be held together as a working team, certain functions will have to be performed. By "function" we mean any behaviour, words or action which meets one or more spheres of the group needs or areas of leadership responsibility as they may also be called (Adair, 1984). Defining the aim, planning and encouraging the group, are examples of what is meant by the word, function.

The functional approach stresses that leadership is essentially an interaction between leaders group members and the situation. Yet personality of leaders is not ignored in this functions approach. The functional approach lays emphasis not upon what the leader is in terms of trait, or upon what he knows or the appropriate technical knowledge but upon his ability to provide the necessary functions in manner acceptable to the group i.e what he actually does to lead in response to the three overlapping areas of tasks, team maintenance and individual needs (Adair, 1984).

Tannenbuam and Schmitt, (1985), in considering how the designated leader should share his leadership function suggested three possible determinants; the leader himself, his subordinates and the situation.

The basic weakness that is often associated with functional theories of leadership is that they are static in nature. However, the work of Agris, (1976) and House and Mitchell (1974) have provided some dynamic approach to the use of leadership training and development.

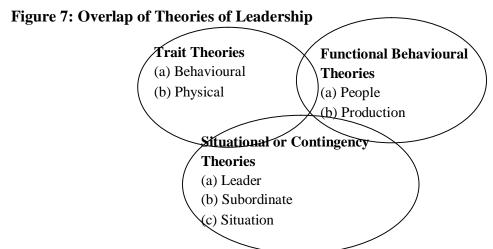
3. Situational/Contingency Approach: With the inadequacies of the traits analysis of leadership, the social scientists investigating the subjects in the 1940s began to underline the importance of the situation in determining who would become a leader in a given group.

Fiedler's (1967) research has shown that the style of an effective leader must be matched to the demand of the situation. That leadership is specific to particular situation under investigation. Who becomes the leader of a particular group, engaging in a particular activity, and what the leadership characteristics are, in a given case, is a function of the specific situation (Adair, 1984). The only common factor appeared to be that leaders in a particular field need and tend to posses superior general or technical competence or knowledge in that area. General intelligence does not seem to be the answer.

The Drawbacks of the Contingency Theories are:

- 1. It is unsatisfactory in most organization for leadership to change hand in this manner.
- 2. An explanation is needed for the fact that certain men seemed to posses a general leadership competence which enables them to exercise an influence over their fellow in a whole range of situations.

The advantages of this approach are in seeing leadership not as a quality but as a relationship, and in gasping the importance of the leader possessing, the appropriate technical or professional knowledge required in the given situation. In this respects proponents of this approach made a most valuable contribution to our understanding of the subject of leadership (Adair 1984). As point out at beginning of this segment, these three approaches have some similarities and differences and this should best be shown as depicted in figure 7.



Sources: Developed by Author from several sources

Figure 7 illustrates that the trait and behavioural approaches can be integrated to some degree to yield the situational approaches. Some situational theories emerging have borrowed from trait approaches and from various behavioural approaches, as noted at the beginning of this segment of the chapter, it is best to consider each of the approaches as having many similarities and some differences.

Cole (2002) provides a tabular summary of comparison between various theories of leadership as shown in table 8, below

Table 8: Summary of Leadership Theory

Source	Title (if any)	Characteristics	Dimensions
D. McGregor	Theory X/theory Y	Authoritarian versus democratic	"either/or"
R. Likert	System 1 – 4	Authoritarian versus democratic	"either/or"
Tanenbuarm and Schmidt	Leader Continuum	Authoritarian versus democratic	"either/or"
Michigan Studies		Employee centered versus production centered	"either/or"
Ohio Studies		Consideration and initiating structure	Both
Blake & Mouton	Managerial grid	Concern for people concern for production.	Both
W. Reddin	3-D Theory	Relationship and task consideration, effectiveness	All three
Harvard studies		Task leaders' socio-emotional leaders.	'either/or'
J. Adair	Functional theory	Task, group and individual needs; adaptive behaviour	Multiple
F.E Fiedler	Theory of leader- ship effectiveness	Favourableness of the situation adaptive behaviour	Multiple

Source: Adapted from Cole, G.A (2003, p.57) Management Theory and Practice London: Martins the Printers Ltd.

Also Kazmi (2003 produces an essential feature of the historical development of leadership theory shown in table 9 below. He identifies nine evolutional eras. Each of the era focuses on specific theme of leaders.

Table 2: Theory and Practice of Leadership					
Era	Focus				
1. Personality	Traits and qualities and great personalities				
2. Influence	Relationship between individuals				
3. Behaviour	Actins of leaders				
4. Situation	Situational in which the leaders operates.				
5. Contingency	Dependence on behaviour, personality influence exerted by leader				
	on subordinate and situation.				
6. Transactional	Role-differentiation and social interaction between the leader and				
	subordinates				
7. Anti-leadership	Absence of real concepts of leadership				
8. Culture	Culture of entire organization				
9. Transformational	Use of influence to create intrinsic motivation				
The tenth era tagged the integrative era may focus on an integration of the different					
approaches.					

Sources: Adapted from Kazami, A (2003) Business Policy and Strategic Management New Delhi, Tata McGraw-Hill Publishing Company Ltd.

From the above two tables it could be seen that leadership has proved to be an elusive concept. However, the differing attempts at explaining the concept of leadership have increased our understanding of the issues involved, thus giving rise to insights into its complexities.

Kazmi (2003) notes that on the basis of the present state of knowledge, it can be said that leader must;

- develop new qualities to perform effectively
- be a visionary willing to take risks, and be highly adaptable to change.
- Amplify the values, goals and culture of the organization and be aware of the environmental factors affecting the organization.
- Pay attention to strategic thinking and intellectual activities.
- Adopt a collective view of leadership in which the leader's influence is dispersed across levels of the organizations.
- Lead by empowering others and place an increasing emphasis on statesmanship,
- Adopt a new perspective of power to build subordinates' skills and confidence to make then agent of change.
- Create leadership at lower levels and facilitate the transformation of followers to leaders
- Delegate authority and place emphasis on innovation.

The items listed above should constitute components of strategic leadership development programme.

7.6.1 Leadership Styles

If the influencing function is to be effective, it is desirable that subordinates accept their leaders. This is where leadership style comes in, in three categories, autocratic, democratic and free rein and transactional and transformational leadership.

7.6.2 Autocratic

Autocratic leadership reflects a narrow span of management, high supervision and high degree of centralization. Those who utilize the autocratic style tend to be repressive and to withhold communication other than that which is absolutely necessary fro doing the job. The unilaterally make decision with little if any participative rights in the group. This style tends to minimize the degree of involvement of groups and individual in the job decision making process.

7.6.3 Democratic

Democratic leadership emphasizes a non pressure orientation that maximizes group and individual participation in the decision. A free flow of communication is encouraged among all members of a department to that a climate of understanding can be built on the basis of honesty and trust. Democratic style is associated with decentralized organization and a wide span of management.

7.6.4 Free Rein

Under the free rein of Laissez-faire style of leadership, the organizational climate is such that people assumed to be self-motivated to their work virtually without supervision. The individual with authority leaves the group to its devices and provides little specific direction. The leader is available in a consultative capacity to help if requested.

7.6.5 Transactional and Transformation Leadership

Leadership researchers and theories have evolved through various stages. They have departed from leadership as a trait, through style and contingency models. The studies did not depart markedly from the dimensions of task and relationship oriented behaviour until the coming up of the new leadership studies (Richards, Chen and Monger, 2001).

The new leadership approach is marked by emphasis on transformational leadership (Brgman, 1996). In transformational leadership, Richard, Chen and Monger (2001) the leader tends to be inspirational, relying on personal charisma and on gaining trust in the leader's abilities. It also involves empowering team members who act out of self-generated enthusiasm and interest. Closely related to transformational leadership is transactional leadership. This style by which the leader tends to keep the team in focus on tasks necessary for success, using implicit and explicit instrumental rewards as motivation and control mechanisms.

All the researchers into various dimensions of leadership indicate that productive and satisfied group can be found under virtually all kind of leadership behaviour. Each of these styles has its place in management practice and a good leader knows how and when to use them.

7.6.6 Leadership Development

It is to be noted that the objective of our study of leadership theory, research and practice is to know how leader can improve on their performance so as to be able to motivate followers to a higher level of performance (Misumi and Peterson, 1985) also both qualitative and quantitative researches Bryman, Bresnen, Beadsworth and Keil (1988) have been employed in the understanding of and improvement in the performance of the leadership phenomenon.

Any leadership development programme has to take into account improvement in the four fundamental behavioural skills namely: delegation of authority, interpretational relations, decision making and communication, (Ekpo Ufot, 1979) for any leadership government to be effective it has to be organized on the bases of these behaviour skills as target for improvement.

Any meaningful training will have to be based on the theories discussed earlier on and around the key leadership functions. The key leadership functions includes:-

- 1. Planning concerned with, among others seeking information, defining group task, purpose and goal and making workable plan (Adair 1984)
- 2. Initiating; briefing group on aims and plans, allocating group members and setting group standards.
- 3. Controlling; maintaining group standards influencing group, directing action towards objectives.
- 4. Supporting; expressing acceptance of persons and their contributions, encouraging group and individuals, disciplining group and individual, creating team spirit, relieving tension, reconciling disagreement.
- 5. Information: clarifying task and plan, giving new information to group, receiving information from group, summarizing, suggestions and ideas coherently.
- 6. Evaluating: checking feasibility of ideas testing the consequence of proposed solution evaluating group performance against standards.

Looking at the functions performed by those in leadership position listed above, it could be seen that any meaningful and effective leadership development programme will have to be centered on the four fundamental behavioural skills listed below.

Adair, (1984) states that, leadership lies in the provision of the necessary functions for group to achieve its tasks and be held together as working team. He noted that leadership development programmes should concentrate on action and awareness necessary to improve leadership performance. It is these actions, these functions of leaders which are capable of being learned and developed, to improve managers' performance in maximizing his human resources. Both the awareness and skills which combine to produce this ability can be developed and from time to time need to be refreshed (Adair, 1984). Thus any development programme on leadership should be focused, apart form the functional areas on:

- 1. Awareness of self: leaders should be aware of their impact upon these they lead.
- 2. Confidence: leaders who lack confidence would have difficulty in diagnosing different situations and coping adequately with these situations and
- 3. Ability to communicate; the leader who fails to communicate with subordinates may become ineffective as in influence of others.

7.7 SUMMARY

Thus far we have attempted to define leadership as the process by which people are directed, guided and influenced in choosing and achieving goals. We have also presented five broad theories of leadership namely;-

- 1. Fielder's leader match theory
- 2. Vroom's contingency theory
- 3. Harsey and Flanchard's situational leadership theory
- 4. House and Mitchell's path goal theory of leadership and
- 5. Argris model I and model II on leader behaviour.

Based on those theories we pointed out three broad approaches or theories of leadership. These are trait theories, behavioural theories and situational and contingency theories of leadership. We have also pointed out the similarities and differences in all these theories of approaches by diagrammatically illustrating their overlapping nature. There is also a brief discussion of three leadership styles, autocratic, democratic and free rein. This is followed by a discussion on the importance of leadership development and what it involves.

One may question the relevance of this exercise in the light of the Nigeria situation If it is accepted that is a group is as effective as its leader. And that organizations required leaders to utilize the abilities of their followers so that goal may be accomplished, if it is also accepted that Nigerians are good followers given the right leadership as had been demonstrated during the Buhari Idiagbon regime, then knowledge of what good leaders or effective leadership involves, is paramount for decision makers or leaders in various organizations.

It is said to note that those in leadership positions in most organizations in Nigeria do not by their actions show that they understand what it takes to be an effective leader. This is so because in most cases the actions of these leaders contradict their words. They say one thing and practice and entirely different thing. It is therefore necessary that a deliberate policy of massive

leadership development programme be embarked upon at all levels, locals, state and federal so as to develop, in those that aspire for leadership position, or those that are already in leadership position, the appropriate disposition. Nigeria urgently needs those who could lead by example and those whose words match their actions. The nations should be relieved of cosmetic leadership, who says one thing and practice the contrary.

7.8 CONCLUSION

A common view of leaders is that they are heroes phenometically talented, they step forward in difficult times and save the day. But in these complex times one should not assume that any great top executive can solve all problems by himself or herself. No one person can deal with all of today's rapid changes, competitive treats and escalating customer demands.

To hope that a single leader can save the firm is usually a prescription for disappointment. Effective leadership must permeate the organization not to rely on one or two super stars at the top. A leader is require to coach, develop, and challenge every individual to continually improve his or her abilities to make greater contribution.

Grant leader is impossible without the full involvement, cooperation and initiatives of followers. The leader's job becomes one of spreading leadership abilities throughout the firm. Make people responsible for their aim performance. Create an environment in which each person can figure out what needs to be done and then do it well. Point the way and clear the path so people can succeed. Give them the credit they desired and make heroes out of them.

7.9 TUTOR MARKED ASSIGNMENT

- 1. (a) What is leadership?
 - (b) What are the functions of leadership?
 - (c) Provide necessary distinctions between a manager and a leader.
- 2. Identify the various theories of leadership and provide a convenient broad classification for these theories.
- 3. (a) What do you understand by Transactional and transformational leadership?
 - (b) Leadership emergence is conditioned by a number of factors: provide the most important ones known to you.
- 4. What are the features of autocratic, democratic and free rein styles of leadership? What are their usefulness in organizations?
- 5. Provide the basis for leadership development especially in the third world countries.

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MODULE IV MANAGEMENT TECHNIQUES USE IN ORGANIZATION

Unit I Concept of Management by Objectives
Unit II Total Quality Management (TQM).

Unit III Project Management

Unit IV Programme Budgeting System

Unit V Criteria for Locating Bad Management Practice in Nigerian Organizations.

1.1 INTRODUCTION CONCEPT OF MANAGEMENT AND TECHNIQUE

Management is often defined as the process of getting things done through people. It is also called the main organ or organization or society that activates its wealth producing resources for the attainment of organization's or societal specific objectives (Ogundele, Olayemi and Akosile 2004).

Management, as an organ of society is used in any situation where there are goals to be achieved, there are resources to be utilized, there are groups of people who are given specific functions and responsibilities to be performed, available resources are limited and individuals contribution is necessary for goals attainment. The main function of management is to organize human efforts and other resources to achieve specified objectives of an organization. Management therefore refers to the group of individuals who are responsible for the efficient and effective running of an organization whether public or private. However it is customary to think of management as synonymous with business organization. The focus of attention here is conceptualization of management as the process of getting thing done through people for the attainment of organization objectives. In order to achieve set objectives, several human skills their resources and the environmental issue are involved. The managing efforts require expert balancing, sequencing and pacing of the activities within the structure of an organization. This naturally leads to the functional approach in management discussion. In the functional approach, management is concerned with the processes of planning, organizing, staffing, controlling and coordination of the efforts of organization members. It also involves utilization of resources to achieve stated organizational goals. Management becomes necessary due to scarcity of resources, which have to be utilized to achieve specified goals.

Techniques refer to methods or procedures of doing things when applied to management they are those procedures or approached that are employed in the process of getting things done efficiently and effectively. It is necessary to note that major emphasis is on the approaches that are likely to produce efficient and effective organizational performance. There are several approaches to management as there are practitioners, organization and nations. Individual managers or team of managers, organizations and nations introduce variations when they employ new or existing approaches, which are relevant and consistent with their perceptions and situations. There are some of these techniques that are employed commonly in the management of both the private and public sectors organizations are examined hereunder.

CONTENT

1.10

1.11

UNIT I: MANAGEMENT BY OBJECTIVES

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1.0 INTRODUCTION TO MANAGEMENT BY OBJECTIVES

Management by objectives is a technique, which is result-oriented. It can be described as participative management (PMC) or control by self-control. Drucker (1964), and Odiorne (1965) coined the term management by objectives to emphasize the importance of focusing on objectives at all levels an organizational setting.

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In the practice of management the term management by objective (MBO) was first applied by Peter Drucker in 1954 as an approach to planning detailed in his book "The practice of management. Since then MBO has attracted a great deal of discuss has evaluation and research. It believe that through MBO manager can avoid some of barriers to and put falls of planning.

Drucker contrasted management by objectives with management. The latter refers to the attempt to control an organization by responding to sudden financial or market pressures with an "economy drive" or a "production drive". In practice it produces a temporary improvement and more after it results in an increase in efficiency and dissatisfaction.

1.1 LEARNING OBJECTIVES

Tutor Marked Assignment

References

By the end of this unit student should be call to know

What management by objectives is

- 1. The philosophy behind MBO
- 2. The system hindering MBO system
- 3. The evaluation of MBO
- 4. What are the strengths of MBO
- 5. What all the weaknesses of MBO
- 6. How to make MBO effective

In MBO, effective planning depends on every manager having it early defined objectives that apply specifically to his or her individual functions within the company, each manager's objectives must also contribute to the objectives of higher management and of the company as a whole.

A different emphasis is stressed by another leading exponent of MBO, Douglas McGregor. He favors MBO because of its value as a performance appraisal programme. He recommends that individual managers, after agreeing to their basic job responsibilities with their immediate superior set their own performance objectives for the immediate short term period, such as six month. They would also be responsible for outlining specific plans for achieving these goals. At the end of the period, each manager would then be discussed with his or her superior and new objectives set for the next period in this way, the ambiguities and tensions that usually accompany most other appraisal programmes can be reduced.

1.2 THE PHILOSOPHY BEHIND MBO

McGregor suggested that there are two sets of assumptions about how people are motivated to work. The assumptions are based on the traditional view that human beings regard work only as something that must be done to survive. Thus, they will avoid work whenever possible. According to this view, managers have to be strict or authoritarian with subordinates, otherwise subordinates would accomplish very little work.

Theory Y assumptions represents a much more positive assessment of human behaviour. In this view people do not recently dislike work but can find it a great source of satisfaction.

If some people avoid responsibility, lack ambition are only concerned with security, it is because of their particular life experience or work situation.

Obviously, the extent to which managers subscribe to one theory or another will radically affect their attitudes towards subordinates. Managers in organization believe that if employees do not have to punch clocks they will not report to work on time. Similarly many managers periodically complain about the difficulty of maintaining high productivity. The complain is usually based on theory X assumptions that workers are stubborn and unambiguous.

Every Y offers no such convenient rationalization for failing to reach organizations goals. If there is a lack of motivation among employees a theory Y managers will assume that there has been a failure on management's part to provide a proper environment for realizing the full potential of employments. The face of a manager, according to theory Y assumptions is nor to control subordinates but to help them achieve their fullest capabilities within the organization these theory Y assumption underline the MBO system.

1.3 SUMMARY OF THEORY X AND THEORY Y ASSUMPTIONS

1.3.1 Theory X:

- 1. An average human being has an inherent dislike of work and will avoid it if he can.
- 2. Because of these human characteristics of dislike of work, most people must be coerced, controlled, threatened with punishment to get them put adequate effort towards the achievement of organizational objectives.

3. The average human being prefers to be directed, wishes to avoid responsibility, and has relatively little ambition, wants security above all.

1.3.2 Theory Y:

Theory Y:

- (1) the expenditure of physical and mental effort in work is as natural on play or rest
- (2) External control and the threat of punishment are not only means for bringing about effort towards organizational objective man will exercise self-direction and self-control in the services of objectives to when it is committed.
- (3) Commitment to objectives is a function of the rewards associated with their achievement.
- (4) The average human being learns, under proper calculations is not only to accept but to seek responsibility.
- (5) The capacity to exercise with relatively high degree of imagination, and creativity in the solution of organizational problems is widely not narrowly distributed in the population.
- (6) Under the conditions of modern industrial life, the intellectual potentialities of the average human being already partially utilized.

1.4 THE MBO SYSTEM

Management by objective (MBO) is a systematic and organized approach that allows management to focus on achievable goals and to attain the best possible result from available resources. MBO programs can vary enormously; some are designed for use in a small sub unit of an organization while others are used for the organization on a whole. The emphasis is on efficiency in reaching company objectives.

Managers concentrate on human needs and on increasing subordinate participation in goal setting rather than any strategy. Nevertheless in most effective MBO systems, there are;

1.4.1 Top Level Goal Setting

Effective planning programs for an organization usually on with top managers setting preliminary goals after consultation with other managers in the organization. As much as possible these goals are stated in specific term a 5 percent increase in sales for the year or a 15 percent explain in the number of customers attended to .No increase in the organization will have a clearer idea of what top management hopes to accomplish. They will also be better able to plan realistically for achieving there goals.

1.4.2 Individual Goal Setting

One of the Basic characteristics of effective MBO program is that each manager of subordinate will have clearly defined job description and objective-for example "The manager of submit .A will be responsible for increasing sales by 15 percent over a twelve month period. Again, the purpose of making objective at every level of the organizations specific as possible is to help manager and subordinate understanding clearly what they should accomplish. In this way, their effect will be purposeful and efficient, instead of being dispersed in too many directions.

To be most efficient, the objectives for each individual are reached by joint manager-subordinate consultations. Subordinate help manager develop realistic objective, since they kwon best what they are capable of achieving.

Joint consultation is important, because individual will be most committed to objectives that they have helped develop and that reflect their an interest and abilities

Participation: the degree of subordinate participation in the setting of objectives can vary enormously, at one extreme; subordinate might participate only by being present when objectives are land down by management. At the other extreme, subordinates might be completely free to set their objectives and methods for achieving them. Neither of these extremes is likely to be effective. Manager might set objective without knowledge of the practical constraints under which their subordinates must operate: subordinates might select objectives that are inconsistent with the organization goals. As a general rule, the greater the national participation of managers and subordinates in the setting of goals, the likely will the goal be realised

Autonomy in implementation: once the objective have been set and agreed upon. The individual has a wide range of discretions in choosing the means for achieving the objectives. Within the normal constants of organization policies, managers should have the freedom to develop and implements program to achieve their goals.

Review of per female; regular at periodic interviews are held between manager and subordinate to review progress toward the previously set objectives. To be fair and meaningful, the review is based on specific measurable performances result rather than the subjective writer, such as animal or ability for example rather than attempting to review and imagine a sales person has been in the field, emphasis would be placed on actual sales figure and detailed knowledge of specific accounts.

During the review process manager and subordinates decide what if any problem exist and what they can mutually do to help resolve them. If necessary, the objectives will be modified for the ext review period.

Commitment to the program; it requires a great deal of time and energy to implement a successful MBO program, managers must meet within each subordinates, not only to set objective, but to review progress toward these objectives. For this reason effective MBO programs require the full support of every one in the organization from top management down. There are no easy shortcuts; setting objectives. Reviewing the progress of subordinates in an fairly judgmental way will result in resentment when properly introduced into the organization, MBO can be highly maltreating, managers at subordinate can see their individual position within the organization more clearly and will be motivated to contribute more towards the organization goals as well as their aim.

1.5 THE M.B.O PROCESS

Although emphasis and methods vary considerably most effective MBO program include the following elements.

- 1. Effective goal setting and planning by top management
- 2. Setting of individual goals by managers and subordinates that are related to the organizational goals
- 3. Considerable autonomy in developing and selecting means for achieving objectives.

- 4. Frequent review of performance as it relates to objectives
- 5. Commitment to the approach at all levels of the organization

1.6 EVALUTATION OF MBO

We have implied those MBO programs that include:

- 1. The establishment and acceptance of specific goals
- 2. Timely and accurate feedback on performance against those goals
- 3. The active involvement of individuals in the goal setting and review process improve the individuals and the organization performance

Stephen J. and L. Tosi have reviewed the research on these three MBO concepts goal setting, feedback on perform once and participation to determine if optimum about MBO is justified.

Goal setting: one of the main conclusion reached from research into goal setting was that, individuals setting their and goals tend to and for an improvement as past performance if they achieve this improvement they again set themselves a higher goal. If they found to reach their target, however they tend to set more conservation levels of aspiration for the next period. The research also suggests that employees who are given specific goals, do reach a significantly higher performance level than those who are merely asked to do their best.

Feedback and performance: Not surprisingly, providing employees with feedback will generally lead to improvements in their performance. In addition feedback has been shown to have positive effects and employee's attitudes creating feelings of friendliness, confidence in management and a mark tolerant acceptance of criticism

Goal Setting: one of the main conclusions reached from research into goal setting was that, nothing succeeds like success. Individuals setting their own goals tend to aim for an improvement on past performance. If they achieve this improvement, they can set themselves a higher goal. If they fail to reach their target however, they tend to set more conservative levels of aspiration for the next period.

The research also suggests that employees who are given specific goals do reach a significantly higher performance level than those who are merely asked to do their best. However, if employees feel that goals are impossible rather than challenging, their performance is likely to decrease.

Although most of the research Carroll and Tosi reviewed was not performed in organizations with establishment MBO programs, the research does indicate that MBO should improved performance if the goals are realistic and accepted by the employees involved. The actual degree of improvement however, will depend on many factors, such as the individual employee's past experience with success or failure in reaching goals and how difficult the actual goals are "

Feedback on performance: Not surprisingly, providing employees with feedback will generally lead to improvements in their performance. In addition, feedback has been shown to have positive effects on employees' attitudes, creating feelings of friendliness, confidence in management, and a more tolerant acceptance of criticism.

Several studies showed a relationship between the quantity of the feedback and the degree of improvement: the more specific and timely the feedback, the more positive the effect. Also, the manner in which the feedback is provided also affects performance. The feedback should be given in a tactful manner, particularly if it conveys a failure to meet objectives. Otherwise, hospitality and reduced performance can result.

Participation: Most research studies on participation indicate that subordinates who set or participate in setting their own goals are likely to show higher performance levels than subordinates who have goals set for them. In one well-known study of an MBO program at general electric. Subordinates who had more influence in setting objectives showed more favorable attitudes and higher levels of achievement. On the other hand, subordinates who had little influence and were dominated by their superiors showed defensive behaviour and in some cases lower level of achievement.

Carrol and Tosi concluded from their research that participation will lead to greater employee acceptance of performance goals and management decisions. (see also our discussion of participation in decision making in the next chapter.) the very process of participations their studies suggest, invariably leads to increased communication and understanding between managers and subordinates.

A survey of managers about their experience with MBO found that MBO's major advantages were in the order mentioned as follows:

- 1. It lets individuals know what is expected of them.
- 2. It aids in planning by making managers establish goals and target dates
- 3. It improves communication between managers and subordinates.
- 4. It makes individuals more aware of the organization's goals
- 5. It makes the evaluation process more equitable by focusing on specific accomplishments. It also lets subordinates know how well they are doing in relation to the organization's goals

From this survey and other analyses of MBO, it seems clear that MBO allows them to gain an understanding of a superior's expectations. This will allow them to concentrate their efforts where they are most needed and mot likely to be rewarded. In addition, individuals will have to worry less about being evaluated on their personal traits or attitudes-which a particular superior may dislike. Rather, they will be evaluated on how well they have accomplished the specific objective that they have helped to establish. The result is that individuals in the MBO process are more likely than others to perform their responsibilities willingly and well.

All these individuals benefits will, at least indirectly, benefit the organization as well. In addition, there are advantages to a successfully implemented MBO program that apply directly to the organization. Since all levels of the organization help in setting objectives, the organization's goal and objectives will be more realistically based. This is particularly important in the planning process, when future goals for the organization are established. In addition, the improved communication that results from MBO can help the organization achieve its goals, since its activities will be better coordinated. Finally, the entire organization has an increased sense of unity: lower-level employees are more aware of

Top management's expectations and in turn assist in establishing attainable objectives.

MBO does not, of course, solve all the organization's problems. Appraisal of subordinates is a particularly difficult area. Because it involves status, salaries, and promotions. The review process might well involve tensions and resentments even in the best MBO program. Not all the accomplishments of a subordinate can be quantified or measured. Even if achievements for (or their lack) are measurable-such as the total number of sales in a subordinate's area-the subordinate might not be responsible for them. For example sales might drop by a competitor. The changes MBO requires in a manager's reluctance to do the considerable paperwork usually required. In the second category are weakness that theoretically should not exist but that frequently seem to develop in even properly implemented MBO programs.

This second category includes several key recurring problems in MBO that must be controlled if the program is to be successful.

- 1. **Management style and support:** if top managers prefer a strong authoritarian approach with centralized decision making, they will require considerable reeducation before they can implement an MBO program. MBO stands little chance without the full understanding and support or top managers
- 2. **Adaptation and change**: MBO may require many changes in organizational structure authority patterns, and control procedures. They require the full support of the managers involved. Those who participate only because they are forced to go along with the organization may easily doom the program to failure.
- 3. **Interpersonal and changes:** the manager-subordinate appraisal and goal-setting procedure require a high level of skill in interpersonal relations. Many managers have neither previous experience nor natural ability in these areas. Extensive training in counseling and interviewing is usually required.
- 4. **Job descriptions:** framing a specific list of individual objectives and responsibilities is difficult and time-consuming. Especially when a subordinate's job is complex in addition, job descriptions must be frequently reviewed and revised as conditions within the organization change. This is particularly critical during the implementation stages. When the impact of the MBO system itself may cause changes in duties and responsibilities at every level. Too often, despite a manager's best efforts, subordinates still fail to understand completely what is expected of them.
- 5. **Setting and coordinating objectives:** setting challenging, yet realistic, objectives is frequently a source of confusion for managers in an MBO system. Problems may occur in making the objectives measurably, in finding a happy medium between too easily reached and impossible targets, and in describing the objectives in clear and precise terms. In addition, difficulties may be encountered in coordination objectives not only with the organization's overall aims but also with the personal needs and objectives of the individual.
- 6. **Control of goal achievement methods:** Considerable frustration can result if one manager's efforts to achieve his or her goals are dependent on the achievement of others within the organization. For example, production-line managers cannot be expected to meet a target of assembling 100 units per day if their department is being supplied with parts for only 90 units. Group goal setting and flexibility are needed to minimize this type of problem.

1.7 MAKING MBO

MBO should not be considered a panacea for an organization planning motivation evaluation and control needs. And it is certainly not a simple process that can be quickly and easily implemented. Nevertheless many large organizations are using some form of MBO. There is wide recognition of the advantages of having some mechanism of goal setting and evaluation for managers and of having individual goals integrated within the organization. Many of us will work in organization or subunits within an organization that have some form of formal objectives-setting program for this reason, we will list the elements that are needed to an MBO to succeed, it must be not only supported by management but also used by management. Subordinates must be aware that the system is company policy in practice as well as in name for example. If performance levels are set without consultation with subordinates the system will rapidly fall apart before any appreciable benefit can be achieved.

Clear formulation of objectives, management and subordinates must be satisfied that the objectives are clearly understood and realistic and that they will be used to evaluate performance. If managers do not already know how to set useful goals they may require considerable training to teach them the skill.

Availability of feed back: An MBO system depends on those involved knowing where they stand in relation to their objectives. Setting goals is in itself not sufficient as an incentive regular performance review and feedback of results is necessary to realize the full potential of the program.

Continuing support of program: Initial support and enthusiasm for an MBO program may quickly disappear unless efforts are made to keep the system alive and fully functioning. Managers who find it difficult to set and review objectives may quickly revert to more traditional and authoritarian approaches top managers must be aware of these tendencies and make special efforts to keep the program a vital part of the organization operation procedures. Encouragement of participation managers must realize that participation by subordinates in mutual goal setting may mean a reallocating of power. They must be willing to relinquish some control over the work environment and to encourage subordinate to take a more active role in achieving their objectives. Managers may be some what uncomfortable with this loss of power but only if they accept that loss can make an MBO program effective.

1.8 MANAGEMENT AND ORGANISATION: THEORY AND BEHAVIOUR

As a managerial technique, MBO is to assist the managers attain their objectives. The major tasks which managers have to appreciate and realize are: identify objectives, clarify and communicate objectives to the subordinates, identity activities necessary to achieve objectives and the means of carrying out the activities; find and organize the men, money, material, machines and time necessary to carry out the activities; establish reporting and information systems note performance and variations between plans and results and take corrective action, (Adeleke, 2003).

MBO has several assumptions, Odiorne (1965) that emphasize it relevance in use as a management technique. These are that, people perform better; (1) when they know where they are going and how to get there (2) when they are part of the discussion about where they are

going (3) when they receive feedbacks about their performance (4) when they see others around them attempting to improve their performance (5) when rewards are given base ion performance, implementation of action plan and (6) review of progress. The above framework when followed at all levels in the organization leads to the development of management guide. Adeleke, (2003). Listed the steps that lead to the preparation of management guide as follows:

- i. Each manager must think about all that he needs to do to achieve results to which he commits himself.
- ii. He must examine available, vis-à-vis needed resources
- iii. He must state expected actions from himself, the boss, and other managers
- iv. He must state the feedback information needed and from whom, for effectiveness.

After the above actions have been taken meeting(s) follow(s) to ensure that the manager's goals are consistent with the overall objectives of the organization, and to agree and write down the management guide.

Advantages

The following advantages are attributable to MBO

- i. Managers are made to think objectively.
- ii. Emphasis is on accomplishments rather than talk.
- iii. Resources are matched with objectives
- iv. There is considerable improvement in the control processes.
- v. Delegation of authority naturally flows from the process and becomes effective.
- vi. Decision-making is decentralized.
- vii. Effective control is still retained by top management.
- viii. It leads to self-development and high motivation of management team.

Disadvantages

The main shortcomings of MBO are:

- i. Goals are sometimes difficult to define and there could be an oversight,
- ii. There could be more emphasis on immediate objective to the neglect of long-term objective,
- iii. There could be undue emphasis on quantity to the neglect of other factors, and
- iv. Inability to implement sufficient control and review measures.

1.9 **SUMMARY**

Planning is the first step in managing an organization. To make the planning process effective two major barriers must be overcome internal resistance to goal setting and reluctance to accept plans because of the changes they bring

Resistance to goal setting may result from unwillingness to give up already established goals fear of failure lack of knowledge of the organization and its environment and lack of confidence by 2manager in their own ability. Resistance to change may simply reflect people's desire for the familiar or not may result because people feel their interest will be threatened by change.

These barriers apply to planning is general. There are also barriers that apply to strategies planning in particular. These include the fact that strategic planning may be inappropriate for

certain managers in certain types of organization or under certain conditions. Even if strategic planning is being used it may not be properly implemented for example managers may not participate sufficiently in planning activities or the strategic plan may not be revised to reflect changing conditions

Management by objectives (MBO) is one approach to planning that helps overcome some of these barriers. Essentially MBO involves managers and subordinates meeting to establishing specific objectives and periodically reviewing progress toward those objectives. It is based on a set of assumptions (theory y) that under the proper conditions people will find satisfaction in work and will accept responsibility for their results

The basic elements in effectives MBO programs include

- 1. Goal setting by top managers
- 2. Participation by subordinates in the setting of objectives
- 3. Autonomy in determine how to achieve objectives
- 4. Periodic review of performance and
- 5. Commitment to the program at all levels of the organization. MBO does require a great deal of time and energy to make to work effectively. Properly implemented. However it results in improved performance and higher morale.

1.10 CONCLUSION

It is important to note that new techniques re no better than the people who use them and proper attention must therefore be given to the training and development of management at all levels. Also, advanced methods of performance appraisal are needed to identify areas where managers need help and guidance.

1.11 TUTOR MARKED ASSIGNMENT

- 1. Describe how Drucker and Mc Gregor differ in what they sees as the main purpose of MBO
- 2. Distinguish between "theory x" and "theory Y "assumptions. How might these different assumptions affect a mangers approach to subordinates? Which set of assumptions are you most comfortable with?
- 3. Identify and discuss the live element of effective MBO programs.
- 4. According to available research how are employee achievement and morale affected by specific goal setting performance feedback and subordinate participation in goal setting and review?

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UNIT II: PROJECT MANAGEMENT TECHNIQUE

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2.0 INTRODUCTION

The project management technique is concerned with all tasks and activities related to the carrying out of an on-going project. Thus, it is concerned with actual execution of a project. Adeleke (2003) notes that project management is different from project development, the latter consist of an intention to do something up to the adoption of a specific objective and strategy for its execution, including the analysis of its social, economic, political and administrative feasibility. Thus, project development is at the domain of gestation period of any project. The selection of a project by decision-making authorities ends the gestation period.

2.1 LEARNIG OBJECTIVES

At the end of this unit student should be able to;

- 1. Describe project management as a management technique.
- 2. Analyze the execution stage
- 3. List the project stages and at stage phase
- 4. Know the constraint to project implementation.
- 5. Be able to describe the different step analysis such as;
 - i. Swot Analysis
 - ii. Team Building Technique

The execution phase relates to project management. It consists of:

- i. Establishment of a temporary project organization, within and established organization,
- ii. Identification of project activities
- iii. Determination of performance specification in relation to time, costs, qualities of standard.
- iv. Specification of tasks and responsibilities,
- v. Apportioning authority and information relationships
- vi. Defining patterns of management control of project activities.
- vii. Project wind-down and termination. The above-listed activities are common to management of any on-going activities in general.

Project management's unique features rest in

- i. The temporary nature of the task structure;
- ii. The interdisciplinary nature of the task,
- iii. Concentration of management attention on a limited range of activities. And
- iv. The relative action-impelled autonomy of he project organization. (for detailed discussion of the four element, see Adeleke, (2003) pp. 162-164).

The basic characteristics of a project organization are that it is temporary in nature, created within a parent organization, to accomplish specified tasks. The temporary organizations dissolve s on completion of its objectives.

Project organization are often multidisciplinary in nature; they are thus often referred to as "Task Force" and consist of two type:

- 1. A pure project type organization, and
- 2. Matrix or grid type of organization.

A Pure of project organization: this type is not different from the organization of a department or a branch of an existing organization. Staff are recruited or transferred to the engineering, the accounting or the maintenance department of the project organization. While the main organization's departments are permanent, their project counterparts are temporary and will cease to exist upon completion of a project. This type of organization is simple and uncomplicated, but the main problems are:

- i. Project may not require the services of some specialists on a full-time basis;
- ii. Project may be very short down duration, resulting in frequent reposting of personnel, and
- iii. There is the tendency of professionals preferring to work with their colleagues in the belief that their professional interest and progress are thus secured.

Matrix or Grid Organization: In this type of project organization, the only permanent member of the project is the project manager. The other staff remain members of their respective departments or branches of the parent organization (Adeleke, 2003). These departments and branches agree to "service" the project. The project exists as a "separate task entity" but does not administratively. The most important aspect of any project management relates to authority and the reporting relationship of the project manager and the other personnel of the project. The operational arrangement in project management is outlined below.

2.2 PROJECT PLAN

The project plan presents the various activities involved in a project. The project manage heads a project management team and his authority rests upon the project plan. A formal project plan contains, among others the following

- i. Description of the project
- ii. Project goals and targets.
- iii. Plan of work.
- iv. Time framework.
- v. Positions of personnel and periods of their association with the project.
- vi. Conflict management procedure
- vii. Periodic reporting procedure

- viii. Periodic review and revision of project, and
- ix. Project termination and wind-down.

2.3 REQUIREMENT FOR PROJECT IMPLEMENTATION

Project implementation relates to the series of actions taken to ensure the fulfillment of an intention to do something. For physical implementation to take place, project personnel would develop a comprehensive list of activities, items, facilities and supplies that are necessary for effective implementation. Such list will include;

- 1. Project background
- 2. Resources allocation.
- 3. Project schedule
- 4. Work plan and schedule
- 5. Project implementation schedule, which will state specified time for project completion.
- 6. Network plan for complex projects.
- 7. Project budget and
- 8. Progress control.

2.4 PROJECT PHASE – OUT STAGE

The project phase – out period relates to the completion of assignment. This has to be handled with a lot of human relations skills. The directive/control role must be replaced by a supportive role.

Thus the terminal stage must be adequately planned and timed. Among the activities involved at this stage are;

- 1. The transfer or replacement of surplus personnel.
- 2. Inventories of left over and machineries
- 3. Closure of project of accounts
- 4. Arrangement for maintenance.
- 5. Custody of project documentation.
- 6. Preparation of project termination report and
- 7. Establishment of small project organization to undertake post project activities.

2.5 CONSTRAINTS TO PROJECT IMPLEMENTATION

The implementation of project can be faced with a number of problems. These include;

- (1) Lack of agreement among project implementation personnel.
- (2) Uncooperative attitude of government representatives.
- (3) Poor communication
- (4) Dynamics of technological changes
- (5) Poor motivation
- (6) Withdrawal of technical, financial and other critical partners from the work and,
- (7) Inability of prom others to engage the services of competent personnel.

2.6 STRATEGIC MANAGEMENT

Strategic management is the process of making and implementing strategic decisions. It is about the process of strategic change (Adeleke, Ogundele and Oyenuga, 2004). Bowman and Asch (1987) define it as the match an organization makes between its own resources and threats, risks

and opportunities created by the external environment in which it operates. Strategy can be seen as the key link between what an organization wants to achieve – its objectives and policies adopted to guide it activities and plans for achieving those goals stated in a way as to define the business the organization is engaged or is to be engaged in.

Grant (1995) states that successful strategies consist of four ingredients

- (i) They are directed towards unambiguous long term goals,
- (ii) They are based on insightful understanding of the external environment.
- (iii) They are based on intimate self-knowledge by the individual or organization of internal capabilities, and
- (iv) They are implemented with resolution, coordination, and effective harnessing of the capabilities and commitment of all members of the organization.

The important of Strategic Management is recognized for a number of reasons.

- (1) The concept of strategy is assumed to be concerned with the organization as a whole.
- (2) It is concerned with the long team direction of an organization.
- (3) It is distinguished from operational matters, which are concerned with the day-to-day aspects of running and organisation.
- (4) The skills of strategic management are considered to be a high order and often assumed to be found at the senior leaders within the organisation (Rose and Lawton, 1999).

Strategic Decisions are concerned with the following issues;

- (1) The scope of the organizational activities e.g. market to serve and in which area.
- (2) How an organisation responds to its external environment
- (3) The long-term direction of an organisation rather than the day-to-day issues.
- (4) Matching the organisation activities with its resources capabilities

2.6.1 THE STEP ANALYSIS

A number of techniques which provide a structure of analyzing the external environment are within the reach of managers. The step analysis considers the social, technical, economic and political environments.

Social: this includes demographic features e.g. ageing population.

Technical: this would include new opportunities provided by information technology.

Political: included here is changing legislation and the demands it puts on public service organizations.

2.6.2 THE SWOT ANALYSIS

Another popular and simple tool is the SWOT analysis which examines strength, weaknesses, opportunities and threats.

- (1) Strengths might include quality of staff and reputation of honesty, while weaknesses could include lack of facilities or strategic focus. Opportunities could include the developing segment of the market e.g. adult market or seeking to expand market share while. Threats should be due to increased competition changing legislations, among others. Fundamental tasks of strategic management are;
 - (i) Environmental analysis
 - (ii) Developing corporate vision
 - (iii) Strategy formulation

- (iv) Strategy implementation and
- (v) Strategy control

Ndiokho (1994) states that the ideas those leaders need to energize their organizations to met the challenges posed by the environment and competition. This can be done by finding means of overcoming factors which limit information and prevent innovation which are important factors for business success.

2.7 TEAM BUILDING TECHNIQUE

A team consists of people interacting with one another towards the achievement of a common objective. Membership of a team does vary from one team to another. The smaller the number of people, the better, therefore, for effective management, membership of an ideal manageable small team should be about 20 people.

The following factors should be put into consideration for effective team building as a management technique;

- (1) **Group Goals:** which should have a common goal and specified target for the individual members and the team.
- (2) **Interaction:** where the action of one person is a stimulus to the other person
- (3) **Leadership:** This is a group of phenomenon and the leader should possess necessary leadership qualities that will facilitate group effort to goal attainment.
- (4) Norms, which govern the behaviour of team members.
- (5) Rewards and Punishment: To ensure conformance with norms of the team.

Conditions for Team Building: The following conditions must be present in team-building situations.

- (1) The must exist a common goal.
- (2) Cordial relationship must exist within the team for few expression of opinions by members.
- (3) The objective to be attained must be of a fairly long duration.
- (4) Team goals must be adhered to by members.
- (5) Identification with team is a must for members.
- (6) A common symbol must exist for team members identification.

Advantages of Team Building: As a management technique, team building has the following advantages.

- (1) The pooling of talents for effective management
- (2) It ensures the bringing together of the resources of seasoned, objective and mature jugement into the decision-making.
- (3) The adoption of team management provides more time for management decision making.
- (4) Team management provides for succession, thus ensuring the continuity of top management executives in organizations.
- (5) It removes the isolation of senior executives when they operate as a team.
- (6) It promotes collective responjsibility in organisation.
- (7) Team management brings new ideas to the management decision making process, and
- (8) Team building prospects for better corporate image of an organization (Adeleke, 2003).

Disadvantages of Team Building: These include;

- (1) Difficulty of recruiting the high members into the team
- (2) Difficulty of keeping in constant touch with the team members
- (3) Difficulty of defining the team's role in relation to other organizational members.
- (4) Problem of setting appropriate goals that will be binding on the team members, and
- (5) Correct assessment of the subordinates by the boss so as to bring them into the team.

There could be the problem of effective participation in a team based on the following;

- (1) Lack of relevant knowledge
- (2) Disagreement with methods of goal attainment
- (3) Fear of rejection by the team when a member makes a mistake
- (4) Lack of adequate education.
- (5) Hatred for some team members and societal norms.

Apart from the above listed problems the team may break up due to the following factors;

- (1) Disagreement among members
- (2) Departure from team goals
- (3) Inability to achieve goals;
- (4) Inability to accomplish membership demands
- (5) Irregular attendance at meetings,
- (6) Favoritism in treatment of members; and
- (7) Team failure in satisfying individual members' goals.

Regardless of the unintended consequences stated above, Adeleke (2003) notes that team building is certainly an emerging paradigm in management techniques, which can be adopted and applied as a basis for effective management of organisation. Wisely – conceived and carefully applied team – management techniques will, substantially alleviate the effectiveness and promote well – being of the entire enterprise. Efforts should be made to build up the team for organizational effectiveness.

2.8 SUMMARY

Project management is concerned with actual execution of a project Adeleke (2003) project development is at the domain of gestation period of any project. It has the execution phases such as establishment of a temporary project organization, identification of project activities, specification of task and responsibilities etc. the project plan presents the various activities involved in a project such as; description of the project, project goal and targets plan of work and time frame.

Requirement for project implementation relates to series of action taken to ensure the fulfillment of an intension to do something e.g. project background, resource allocation, schedule work plan. There are different constraint to project implementation which include lack of agreement, incooperative attitude of government communication poor motivation. Concept of swot analysis were analysis, team building techniques also enumerated.

2.9 CONCLUSION

Thus project management is a technique that help management attain its objectives by selecting and implementation of the most viable project. Hence it aids decision making authority make the optimum decision.

2.10 TUTOR MARKED ASSIGNMENT

- 1. What is project management?
- 2. What is the importance of project management in effective management techniques?
- 3. List the project plan.
- 4. Give 5 requirements for project plan.
- 5. Explain the constraint to project management

2.11 REFERENCES

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UNIT III: TOTAL QUALITY MANAGEMENT (TQM)

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3.0 INTRODUCTION

This is a type of management technique that is focused on how of constantly satisfy the customer. Satisfaction could be in terms of product quality, its costs, flexibility and efficiency in deliver. As Ndlokho (1994), notes it involves making constant effort to identify what the customer wants from time to time and determining how to cater for them. This is based on the recognition of the fact that customers needs, desires and wants normally change over time, in relation with changes which may occur in the key aspects of the environment, such as, social, political, economic and technological changes. In particular TQM is a culture of continuous improvement based on continuous learning and adaptation to changes in consumer demand and product or operational methods. The practice of TQM helps organization to please their customers and not only to survive but to prosper in competitive environments.

In addition, TQM takes care of the interests of other stakeholders e.g. the entrepreneurs, labour, shareholders of big organizations and others in the environment. These other factors are also very important for the success of the organisation. If they are neglected it will create problems for the organisation which could led to failure. The most significant aspect of TQM is the placing of more emphasis on customer satisfaction than on short-term profits in its daily operations.

3.2 ELEMENTS AND STRATEGIES OF TOM

The elements refer to service which customers and other stakeholders enjoy under TQM. These are in three categories. First and foremost, TQM addresses the issue that is more important to every customer, which is, how to obtain relevant goods and services at the particular time they are needed, in the right quantity and quality and at the minimum possible cost. The TQM technique identifies that are required, produces and delivers them, and ensures their durability and safety, and also that they are reasonably upto date. Thus, there is constant adaptation to changes and providing customers with information required for the maximum enjoyment of goods and services.

The second element of TQM is that it ensures that owners and shareholders of companies get good return on their investment through improved operational efficiency, labour also will obtain

adequate rewards for their contribution to organizational performance; operatives would be less strained and expose to less danger through constant improvement in work mehods and procedures, in addition to the provision of the necessary training, tools, and materials (Ajayi, 2002).

The environment is also catered for through the adoption of environment friendly models of operation. This is shown in such practice where industries use less air-polluting or noise-producing production methods. People are also provided with the opportunity for enjoyment of employment and the consumption of improved goods and services.

Ajayi (2002) notes that strategies for TQM derive from the realization that output is strictly a function of inputs and that quality is the result of input and their manner of usage. In practical terms, this is interpreted in the issued listed below;

- (i) The quality and sustainability of inputs;
- (ii) The manner in which inputs are delivered sorted and transformed into a product service;
- (iii) The way in which a product or service is delivered to the customer, used and installed (Dtummond, 1994). Thus, strategies for achieving TQM start with customer needs and going out to provide for such neds. It will start with efficient performance of basic management functions of planning, organizing, leading or directing, executing and controlling. Basically, goals are set and the design of actions or activities for goals attained follow.

Based on the principle of TQM, resources would be of the highest quality and their utilization properly coordinated for best result. This means that quality will be observed in all aspects of the operation. Thus, the workforce will be of the optimum size and quality, with requisite skills, attitudes and expertise. All employees at all levels will be quality-conscious. Equipment is suitable and easy to handle and maintain. The quality of ouput would be further guaranteed by the use of high quality materials with constant supply equally guaranteed (Ajayi, 2002). Other strategies include:

- (1) Setting of performance or quality standards and their constant monitoring and evaluation.
- (2) Setting up of an effective public relations outfit or a feedback process for knowing public complaints and taking immediate actions.
- (3) Creating measures aimed at preventing errors or abuses and, whenever they occur, tracing them to their sources for prompt correction. As noted by Ross (1995) TQM is concerned with problem prevention and problem solving particularly the former).
- (4) Proper costing of goods and services produced for consumption.
- (5) Ensuring that all the units operate harmoniously for goal attainment and improve performance.
- (6) Above all, ensuring that the requirements of good management are adhered to. These include, sound decision-making, effective delegation, communication, team building, and change management. With particular reference to the Nigerian organizational environment, the above will have to be combined with virtues like meritocracy, transparency, openness, accountability, loyalty and honesty to organizations and other bodies.

3.3 TARGET SETTING OR TARGET MANAGEMENT

Ndiokho (1994) states that target management requires that each unit of the organization should justify its existence by comparing performance with some other benchmark, such as absolute profit target or intermediate goals like percentage share of market, sales revenue growth, product quality, volume of growth, and the like. Control is exercised through regular reports and briefing. A manager is responsible for his unit targets and as such he is given necessary authority and resources to enable him achieve the set targets. These targets will be subdivided into appropriate units.

It can be seen that target management or target setting is similar to MBO; the major difference being in the ways and processes by which targets are arrived at. In order to motivate people to make effective use of target management, special cash payment is often given to those who achieve or exceed their targets. The major criticism against target management by its opponents is that it encourages short-term vision in organizations, whereas good management of the system should produce both long and short term objectives.

3.4 WORK STUDY

This technique is focus on studying the requirements of a task in order to find better ways of doing it. Time study, which is concerned with ascertaining the time required to do a piece of work, is included in work study. It calls for the application of sensitivity so as to obtain the needed cooperation from all the people involved in its use. Due to the technical and sensitive nature of this method, its practitioners must be well-trained, of high ability and well-paid. Consultants using work-study should have a broad view by considering the utilization of all resources and not just labour. Work study is a technique of wide usage, as such it could be applied in established departments, and products and in the design and layout of new factories for efficient and easy production (Ndiokho, 1994).

3.5 MANAGEMENT SCIENCE (Network, Forecasting, Simulation, Modeling and Games)

Management Sciences (MS) contain several techniques for solving problems in organisation and analytical approaches. There are many approaches, as indicated in the title above. The common feature of all the approaches in the development of a conceptual for model. A problem-solving, stating it in mathematical terms and performing some operations to arrive at a solution.

A common practice of the MS technique is that each of the approaches views the organisation as a system. Once the organizational goals are established, these are seen as the inputs of the system, while goals attainments are equally regarded as the output. Management sciences link the two generating feedbacks while emphasizing the importance of output.

The various techniques of management science, such as modeling, forecasting, the games theory, and network analysis, provide analytical objective and quantitative bases for making better decision. The various techniques recognize the fact that effective performance in an organisation depends on establishing a balance between conflicting interests, normally experienced in various units of an organisation. The systems view recognizes that the effectiveness of the organisation

depends on how each unit functions within the system and that such function depends on how each unit fits into the whole.

3.6 ORGANISATION AND METHODS (O & M) OR SYSTEMS ANALYSIS AND DESIGN

This is concerned with the study of the methods of improving ways of carrying out clerical or administrative work. It is often called work-study in the office, and started with the former British Civil Service. A senior official in the treasury department studied the way some clerical work was done in government departments, starting with such simple problems as addressing envelops. The success of his recommendations encouraged the extension of the methods to other activities. Other government department and industries have since employed the technique. Ndiokho (1994, p.13) notes that few people realize the extent to which greater use of O & M could add to national productivity. The waste and inefficiency that we are currently experiencing in our country could be greatly reduced if effective O & M were put in place, particularly in the public sector.

3.7 THE PLANNING, PROGRAMMING AND BUDGETING SYSTEM (PPBS)

This programme budgeting system was first introduced by the then United States Secretary of Defense Robert S. McNamara in the pentagon in the 1960s. McNamara allegedly wanted to control the many costly weapons development programmes that were plagued by ever increasing costs and delays. He called this new system: Planning, Programming and Budgeting System (PPBS). The system was taught at the john F. Kennedy School of Government of Harvard University but it evoked little interest except from critics.

The new approach introduced an unprecedented transparency into management operations together with a concomitant precise pinpointing of manager's responsibilities, and so was widely resisted throughout the entire public sector. However, in the eighties, the UN Inspectorate General picked up the idea and recommended that United Nations use it to improve its performance. A few institutions tried half heartedly but only the International Atomic Energy Agency (IAEA) went about it seriously and introduced and complete programme budgeting system that is till in place today.

However, over the years, strong opposition by managers and lack of interest by top management as well as member states have taken the sting out of the system and reduced its transparency. A few years later, the Government of New Zealand was the first to introduce it with great success; within a few years it had solved an intractable stagflation problem. More recently, the United Kingdom Government discovered it and now, one government after another is following suit. The need to improve public sector and government performance has worked wonders for programme budgeting.

This is a managerial practice that originated in the United States of America in the 1960s, as an effort aimed at applying the principles of Cost-Benefit Analysis (CBA) to government expenditure decision. The ideas guiding the application of technique are;

- (1) The expenditure programme may cut across agencies and government departments; therefore, this requires a look at the programme and planning unit as a whole.
- (2) Proper evaluation of the expenditure programme demands a critical analysis of more than one-time period and

(3) Expenditure programmes have to be evaluated in terms of Cost-Benefit Analysis to ensure that efficient standards are applied in budgeting.

The central objectives are to clarify the costs and benefits of major areas of expenditure and to encourage the use of the information systematically in public-sector decision-making. Thus, there is an assessment of the total costs and benefits involved in a programme component, which could appear in different parts of the organisation and may belong to different appropriation classifications.

The techniques provide for analyzing the comparative merits and demerits of alternative programmes, and possible trade-offs among them, according to the PPBS approach. Its major problem is how to account for all the costs and benefits that are associated with public-sector expenditure programmes. Ndiokho (1994) expresses the fear that managerial decision-making under this approach is essentially sensitive to this information. Getting relevant data is a major problem confronting managers in the Nigerian economy.

3.8 THE USE OF THE LISTED TECHNIQUES IN THE PUBLIC SECTOR IN NIGERIA AND ELSEWHERE

Ndiokho (1994), notes that the post-independent management practice in Nigeria was that of administering the territory and therefore purely administrative. The public sector was the domain force in the economy, and the private sector, which was insignificant, was dominated by foreigners. Government then was concerned primarily with the provision of infrastructure and education. Since government was the dominant economic actor till the mid 1970s and 1980s, the major management technique adopted could be referred to as autocratic or, better still, administrative.

As a British colony, most of the British civil service practices were inherited by Nigeria. Ndiokho (1994), states that O & M and Work-Study management were introduced in Nigeria in the late 1960s and early 1970s and had been practiced both in the public and private sectors. The private sector widely accepted many of the modern managerial approaches for adoption. PPBS, together with project management and MBO, were recommended by the Udoji Public service of Nigeria and, by implication, the entire public sector. Unamka (1984) reports the application of PPBS and MBO in the public service in Nigeria. Private sector organizations have been practicing and implementing PPBS, to a large extent, as indicated in the annual reports and Ndiokho (1994) states that, with the public sector, PPBS application was problematic because the declaration and actual implementation were usually poles apart.

Unamka (1984) notes that government in transitional societies like Nigeria assumes a large number of responsibilities and detests services provided poorly at too high a price or their coming perilously close to financing ruin. Therefore, the emphasis is on promoting effectiveness and efficiency as is done in a highly modernized environment with the use of PPBS and MBO.

He notes further that the worst handicap to MBO and such other techniques in most African civil service systems is the presence of the political management phenomenon that exhibits the following characteristics;

- (1) Major policy-making positions and key administrative persons are occupied on the basis of political affiliation rather than competence hold posts.
- (2) Access to managerial positions is dominated by political considerations.
- (3) Managerial appointments are regarded as a pay-off for political support.
- (4) Orientation and interest's management are coloured by political goals.
- (5) This type of management is commonly associated with government-owned-and-operated enterprises.
- (6) It is characterized by incapability for coping successfully with the entries of large scale industry (Faroukei Hitami and Mortagy 1978).

Ejiorfor (1984) also reports the application of MBO not only in the public sector, but also in corporations controlled by the sector. MBO was adopted by the Nigerian Ports Authority (NMPA) around 1974 under the headship of Dr. John Iboko, who spent three years installing the techniques at the corporation. However, the use of MBO also fell victim of the environment and could not produce the desired results. This explains part of the reasons for the sack of some top members of the NPA management team (Oritse, 2003).

It should be noted that both public and private sectors place great importance on goal setting (which is the major element of MBO), target management, and management science with its emphasis on input and output. Target management and MBO approaches encourage participative management (Ndiokho, 1994) states that in United Africa Company (UAC) of Nigeria Plc, where the target management approach, is practiced, a cash incentive scheme is in place for those who achieve and surpass their targets. He notes that it is an effective tool for improving overall performance in the organisation. In relation with MBO, Ndiokho (1994) states that the problem of performance appraisals is that a good number of superiors are not honest and courageous in their performance appraisals is that a good number of superiors are not honest and courageous in their performance appraisal, in that, other considerations such as undue influence, ethnicity, political influence, rumors and self-interest becloud sound judgment, also that the society isolates managers who are courageous and honest in taking disciplinary actions. All the above observations pointed out by Ndiokho reflect what, Ogundele and Opeifa (2002) classify as acts of indiscipline, or fraud at the workplace, which should be condemned by people both in the private and public sectors. This is because; appointments and promotions under the techniques is identified above, and even in normal situations, are supposed to be based on professional competence and ability to achieve planned performance. Thus, basing appointment not on performance but on political considerations and ethnicity, as it is common in this country, promotes inefficiency and low productivity. Also, in some cases, promotion is based on quota. All these are demotivators to efficient and dynamic executives.

In situations where competence is not a criterion for appointment and promotion, the person employed may not be effective. In addition, it will tend to discourage experience hands in taking up appointments where the security to tenure cannot be ensured. The 1980 Nigerian Civil Service Reforms require an urgent review.

On the team-building technique, it is normal in the private sector for the production/marketing, engineering, and other department to meet regularly for successful operations to meet targets. This practice was not so common in the old public service. However, the present stand of the

federal government to monetize the operations of government departments is bound to force some form of cooperation among the departments that naturally should work as a team. For example, the Ministry of Finance and the Central Bank will need to work more as a team than seeing each other as contending for position of influence.

In the case of the project management technique, multimillion naira projects like road construction, refinery maintenance, and the like, have forced on some professionals such as engineers, estate values, lawyers and other relevant groups, the need to work together as a team on such projects and to bring their expertise to bear on the projects being handled. However, it should be noted that, in some cases, projects are being politicized, thereby giving no room for effective functioning of the project management team.

In respect of MS, which is very useful in managerial decision-making, there is often the problem of inadequate information. This is a serious problem in the Nigerian public and private sectors. To obtain external information is, in many cases problematic. In the public sector, in the process of obtaining such information may indeed be cumbersome. On TQM, Ajayi (2002) states that the technique could be used as leverage for the poverty alleviation programme of the Federal and State Governments. He notes that TQM reflects efforts to satisfy customers or the relevant public in all situations, just as poverty alleviation reflects a desire to reduce poverty among the people; both aimed at improving the welfare of the people and enabling them to live better. He notes further that the details of the strategies for achieving poverty alleviation also tally with those of TQM. And concludes that the non-adoption of TQM is mainly responsible for the failure of many poverty alleviation programmes fashioned out by past and present governments. Ajayi (2002) assets that poverty will abate if TQM is practiced everywhere within the economy. This, he says, is because TQM will enhance both the amount and quality of goods and services being made available to the general public.

Rose and Lawton (1999), report on a new approach already adopted by the advanced economies in the management of the public sector citing Sweden, France, Australia, Canada, USA, Germany, Japan among others, they note that the new approach called Comparative New Public Management (CNPM), has met with varying degrees of success and problems. It has the following merits.

- (1) Developing authority, providing flexibility;
- (2) Ensuring performance, control and accountability;
- (3) Developing competition and choice
- (4) Providing responsive service;
- (5) Improving the management of human resources;
- (6) Optimizing information technology;
- (7) Improving the quality of regulation; and
- (8) Strengthening steering functions at the centre

The demerits of CNPM include;

- (i) Differences in situation;
- (ii) Lack of uniformity in units being compared; and
- (iii) No best way for public service management

It is believed that no technique however good, will function in our environment except there is a commitment to it by all interested parties. Therefore, it will be necessary to list some useful tips that were suggested by Ndiokho (1994). These include;

- (1) Vision
- (2) Objective assessment of needs
- (3) Ethics, integrity, self-confidence and accountability
- (4) Bench marking
- (5) Communication
- (6) Rewards and sanctions
- (7) People orientation
- (8) Self discipline and example
- (9) Lean and effective structure and
- (10) Innovation
- 1. Vision implies that the manager should be a man with clear idea as to what the organisation is and where it is heading.
- **2. Objective Assessment of Needs** in complex situation managers should critically analyze the problem for practical solutions.
- **3.** Ethnics, Integrity, Self-confidence and Integrity all call for disciplined behaviour on the parts of managers, and other members of the organisation.
- **4. Bench-marking** this is a learning experience and on going investigation that ensures that the best industry practice are analyzed uncovered and adopted and implemented.
- **5.** Communication in Organisation communication increase knowledge, understanding and influences attitudes and perceptions and thus behaviour.
- **6. Reward and Sanction** prompt rewards for meeting targets are necessary for improve performance sanction is negative rewards for undesirable behaviour.
- **7. People Orientation** the managers should endeavour to accurately understand people around him and should be deeply concerned with individual and groups need. He should see the employee as asset.
- **8.** Self-discipline and example this calls for leadership by example. This is one of the best ways of effecting change in organisation.
- **9. Lean and Effective Structure:** this will ensure that chain of command is short, communication made more effective and cost greatly reduce.
- 10. Innovation this is that aspect of striving for new and better thing on a continuous basis.

Quality Improvement Methods

There are generally several methods that are currently being used by firms to increase quality levels. These include statistical quality control, control charts, bench marking, cane and effect diagrams, 1509000 and reengineering.

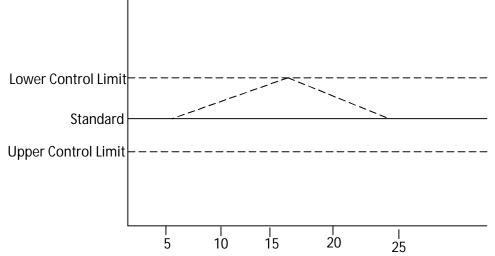
Statistical Quality Control

Even if a company inspected 100 percent of all the items it provided, some defects would go undetected because of human error. In many cases it is impossible to test all the items because such testing would destroy the whole product. For example, if the standard for the life of a light bulb was 200 hours, every bills under such a system would have to be burned for this number of hours to determine if it met standards. Unfortunately doing so would leave the company without

any product to sell. Likewise if the time manufacturer placed each tire on a machine to see if it would run the number of kilometers designated as the standard, no tires would be left to sell. A techniques is available for overcoming many of the problem associated with testing, statistical quality control involves testing just a portion of the total output of a product and then drawing probability based influences about the quality of the remaining items that have not been tested. For example, 10 items might be tested out of a total of 200 that are produced. Based on the characteristics of the 10 items a conclusion is then reached about the quality of the remaining 190 items of course using the approach some error is possible.

When statistical quality is used, one of two basic sampling approaches is sued; variable sampling or attribute sampling. In variable sampling, a product is assessed to determine how closely it adheres to quality standards. For example an auto axle may be acceptance if it is within 0.08mm at varying degree of goodness. Attribute sampling is classifies products as either comply acceptance or completely unacceptable, in attribute sampling no degree of goodness are allowed.

The Control Chart: when tackling the quality level of products, it is helpful to represent pictorially what production quality looks like. A control chart a show has closely the product or service being produce adheres to the quality standards that have been set. The control chart shows the upper and lower limits of products tolerance.



Benchmarking: an organization that uses benchmarking compares the quality of its output with the quality of its output with the quality of the industry leaders. If differences are noted the firm can figure out how the leaders are achieving their quality levels and then pursue the same strategy. Benchmarking can also be used to compare different department or division in the same organization.

Cause and Effect Diagrams: A case and effect diagram summarizes the four possible causes of quality problems materials, manpower, methods and machines.

The cause and effect diagram is used to identify the sources of the problem. Once the 150900 is a quality "scorecard" developed in Egypt. It is fast became a perquisite for selling to the European community whereas TQM embraces production line level.

Reengineering: Reengineering refers to the process of redesigning organizational process to so that both productivity and the quality of products and services are improved. The basic question people engaged in reengineering as themselves are "if we had to design tins work process from scratch, what would be the best way to do so? The goal in reengineering is to redesign work systems so that customer satisfaction increases.

By mid 1990s the emphasis on reengineering had begin to subside, partly because the idea had become closely associated with downsizings.

3.9 SUMMARY/CONCLUSION

In conclusion it is necessary to state that the public sector still has a long way to go in applying successfully, the listed and other know management techniques that are applicable in both public and private sector organizations. The civil service needs to be restructured or re-engineered with emphasis on productivity and customer orientedness. The above listed ten virtues should be part of public sector managers' practice. The on going reforms by the present administration are a welcome development. The commercialization and privatization programmes should positively change the orientation of both the mangers and rank and file in those organizations.

TQM ideas were introduced in Japan in the 1950s and were so powerful that Japan is still the world leader in quality products. The United States and Canada trail behind Japan, but are still more quality. Conscious than countries like Great Britain, France and Germany. The emphasis on quality is not limited to private sector, profit oriented firms. Not for profit organizations are also focusing on the quality of the services they are delivering to customers.

TQM is also used by companies that normally give others advice on how to do business e.g. management consulting firms chief quality officer are introduce to convey the importance of quality to employee the introduction of a TQM program is no guarantee that a company will be successful because on emphasis on quality is just one component. It must be combining with allowing employees to try new ideas and a recognition system that rewards them when they are successful. Some managers have difficulty adapting to TQM because they deal with workers using a leave your brains at home and do what I say management philosophy workers may also resist the move to TQM because they it will lead to a reduction in the number of jobs.

In spite of the increased emphasis that many companies are putting on quality, there is still a gap between the level of quality that customer sees and the level companies think they are delivery.

3.10 CONCLUSION

The quality management products and services are those that satisfy customer need. The total quality management (TQM) concept is based on the idea that no defects are tolerable and that employees are responsible maintaining quality standards. Traditionally, organization formed separate department (quality control) and set up specific jobs (quality control inspector) to monitor quality levels. The workers responsibility was to make the products, and the quality control departments' responsibility was to check the work. TQM does away with this distinction and makes each worker responsible for achieving high quality standards.

3.11 TUTOR MARKED ASSIGNMENT

- 1. What are the problems militating against the use of management techniques in pubic organisation in Nigeria?
- 2. What do you understand by MBO how effective was its application in the Nigerian public sector organisation:
- 3. In what ways can TQM be use in the smoothening of the operations of poverty alleviation programme in developing countries?
- 4. Discuss the similarities and differences in MBO, project management technique, target management and planning, programme and budgeting system.
- 5. Eliminate the importance of Planning Programme Budgeting System (PPBS) and explain how it works.
- 6. What are the steps that could be taken to make various management techniques effective in Nigeria?

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UNIT IV: PROGRAMME BUDGETING SYSTEM

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5.0 INTRODUCTION TO BUDGETING SYSTEM

A budget is a financial blueprint of an organization or work unit with an organization. An important purpose of budgeting is to help an organization perform its operation more effectively which helps to cut down time wastage and consequently increase the profits of the organization. A second important purpose is to assist management in maintaining a programme of cost effectiveness with regard to the organizations operations.

5.1 LEARNING OBJECTIVES

At the end of this unit you should be able to;

- 1. Explain why budgets are one of the most important control devices that managers use.
- 2. Identify the various responsibility centers that exist in organisation.
- 3. Describe the budgeting process.
- 4. Identify the various types of budgets on organization.
- 5. Summarize two special approaches to budgeting.
- 6. Describe the potentially functions and dysfunctional aspects of budgets and how the dysfunctions aspects might be overcome.

Another significant purpose of budgeting is to provide a general sense of direction for the future. When the management of an organization plans for future developments and progress, the budget will assist in achieving the goals and objectives of the organization.

The purpose of budgeting result in several significant advantages;

- a. Budgeting requires management to give adequate consideration to the organ.
- b. Budgeting requires departmental level managers to develop practices that facilitate the attainment of budgeting goals.
- c. Budgeting requires the management to identify the resources necessary for accomplishing the goals of organization.
- d. Budgeting helps determine which functions are not operating effectively.
- e. Budgeting helps management make accurate, timely decisions regarding various organizational operations.
- f. Budgeting helps determine which function are experiencing difficulty in achieving their goals and objectives.

There are limitations about which managers needs to be aware;

- 1. Since the budget is based on estimate, the validity of the budget is to a large extent determined by the accuracy with which the estimates are made.
- 2. The operating effectiveness of an organization is clearly dependent upon how ell management is able to motivate the employees to operate with the budgeted allowances.
- 3. The effectiveness of the budget is to a large extent dependent upon the accuracy with which budget revision are made.

5.2 THE PREREQUISITES FOR SUCCESSFUL BUDGETING

Successful Budgeting does not simply happen without the presence of certain prerequisites. Otherwise, the budgeting efforts will most likely be in vain. Although the prerequisites will not automatically insure success in budgeting, their presence will improve budgeting efforts. The prerequisites include the following;

- 1. Proper organization: Certain organizational characteristic s must be representing if the budgeting process is to be successful. The organizational characteristics include the proper grouping of tasks with functions; define lines of authority and areas of responsibility and lines of communication. The absence of any of these characteristics is likely to result in ineffective budgeting.
- 2. Financial Data: The development of a budget requires the utilization of financial data. Without the availability of financial data, the base of budget development does not exist. The necessary types of financial of financial data include the number of units sold during the previous financial period. The relationship between the units sold and the cost incurred in producing those units. And emerging financial trends. Much of the financial data that are needed can be obtained from the financial records of the previous fiscal period.
- **3. Commitment of Top Management:** Top management must be committed to the utilization of the budget as a control. Mechanism without commitment, the budgeting efforts are likely to produce any minimum worthwhile result. Furthermore, without the commitment of top management, lower management levels are also not likely to be committed to the attainment of the budgetary allowances.

5.3 ELEMENTS INVOLVED IN THE PREPARATION OF BUDGET

Budget preparation consists of several distinct elements, including determination of the budget period, development of the budget, and revision of the budget.

- **Budget Period:** The length of time covered by the office budget generally coincides with the fiscal period of the organization. Thus if the organization's fiscal period start in January of each year, so will it budget. In determining the length of the budget period, the length of time should be sufficiently long to compensate for any seasonal fluctuations.
- **Developing the Budget:** Because of the planning that must go into developing a budget the planning process is likely to consume a considerable amount of time. Employers participation in the planning is very advantageous.

Traditionally, after the organization's <u>Monetary Allocation</u> projected amount of income has been determined, a monetary allocation is made to each of the department. It is from this monetary allocation that each department develops its operating budget. The departmental budgets are then consolidated to provide the basis for the organizations master budget.

Before the actual work on the budget preparation begins, responsibility for budget preparation will have to be assigned. In many large organizations, overall responsibility is assigned to the controller or treasurer of the organization. In other organizations, responsibility may be assigned to the vice president who is concerned with the financial affairs of the organization in smaller organizations, the manager here overall responsibility for the preparation of the budget.

Many organizations currently utilize a budget committee to provide input into the development of the budget. At the organizational level, the budget committee which is headed by the chief budget officer usually consists of departmental mangers. Although the chief financial officer is primacy responsible for the budget, it is of necessity prepared by several different individuals. The prevailing philosophy is that those managers and supervisors who are responsible for various functional areas throughout the organization should have extensive involvedness in the preparation of their departmental budgets.

5.4 PRINCIPLE OF BUDGET PREPARATION

To facilitated budget preparation, certain guiding principle should be followed;

- a. Employee participation in budget preparation is very advantageous, when employers are allowed to participate in the preparation of the departmental budget; they are given an opportunity to participate directly in the affairs of the department in which they work. By giving the employees an opportunity to participate, they generally develop a feeling of greater commitment and are more likely to show greater concern for budgetary allowances.
- b. The budget should reflect realistic estimate of operating costs; some individuals in preparing budgets believe that the mark of good manager is to keep operating costs at a very low level. While this is theoretically desirable, the practical results of this situation are not always desirable. In some instances the amount that operating efficiency is actually impeded. The budget should reflect estimate that are realistic and that take into consideration increases in operating costs because of inflation, greater volume of work and the like.
- c. The budget must provide for unforeseen circumstances; the budget must have built in devices to compensate for circumstances that may have an adverse effects in its operation.
- d. The employees should feel committed to the budget. Unless employees have committed themselves to use the budget as a guide for their actions, there can be only minimum assurance that the budget will be successful. A lack of commitment is likely to result in employees being wasteful, their misusing organization's facilities and their failure to exert the amount of effort for which they are being paid.

5.5 METHODS OF BUDGET REVISION

Even though a considerable amount of effort may be involved in the preparation of the budget, a variety of uncontrollable circumstances may require budget revision from time to time.

1. **Periodic review method:** when periodic review is utilized the budget is revised at predetermined time. For the reminder of its operation depending on the organization, the budget may be reviewed each months or perhaps every quarter for the remainder of the year.

- **2. The progressive review techniques:** these techniques differs form the periodic review technique in that the progressive review technique has definite length time span. For example, with the periodic review technique each time the budget is revised, it is for a shorter period of time. But with the progressive review technique, time spans are constant, perhaps six months time span.
- **3. Moving review technique:** when the moving review technique is used the budget is revised each month and as one month is completed, a new month is added to make twelve's months hence. Therefore, when the moving review technique is used, the budget is revised each month for the following twelve months.

5.6 ZERO BASED BUDGETING

As on alternative to traditional budget preparation zero based budgeting is being used by an increasing number of organizations and government units. Traditionally, budgets have been prepared annually by increasing the current year's budget by a certain amount. This practice assumes that current expenditures are needed and justifiable that only the mount of the budget increase needs to be substantiated. The fallacy of the traditional budget process stems from the fact that certain element of the current year's expenses is likely to be justifiable.

The continued use of an unjustifiable base in developing budgets persuades operating in effectiveness zero based budgeting eliminates the "and on" characteristics of traditional budgeting.

With zero based budgeting all programmes and expenditures are reevaluated each budget period. This budgeting process requires each department manger to justify the department's existence each time a budget is prepared. When justification is insufficient, reductions or even programme elimination are possible.

Zero based budgeting involves three steps;

- a. Describing each discrete organizational activity in a decision package
- b. Evaluating and ranking these decision packages in terms of cost/benefit analysis.
- c. Allocating revenues on the basis of need.

The decision packages management with a mechanism for evaluating and comparing various organizational operations. Decision packages identify and describe a functional activity or departmental structure. They also enable management to evaluate and rank an activity against other activities that are competing for the same limited resources. The preparation of the decision packages begins with a manager analyzing in detail the status of current departmental operations. At this point, the manger considers alternatives that might be available for performing existing functions. Once the alternatives have been evaluated, the manager selects the most appropriate course of action.

Once the preliminary steps have been completed the manager begins to analyze the function from a base to zero. While the most important service/activity is selected and assigned a top priority rating, the less important services/activities are assigned lower priority ratings.

Each department managers ranking are then forwarded to higher level mangers that merge the various rankings. At this point, it is possible to determine which services/activities will be funded and which will not be funded because of inadequate justification only the justifiable services/activities are included in the budget, thus eliminating wasted financial resources.

5.7 **SUMMARY**

An important purpose of budgeting we say is to help an organization perform its operations more effectively which help to cut down time wastages and consequently increase the profits of the organisation. The budgets are also used as cheeks on the actual results of a business, deviation from predetermined plans are seen by comparing actual and budgeted performances and cost. Standards of performance need to be set to act as guidelines in order to reach successfully the budget plan.

The annual plan is derived into shorter periods monthly or weekly for control pruposes for each period, the budget is compared with the actual and reasons for any deviation are noted. Any corrective action needed is thereby taken.

The zero based budgeting eliminate the "act on" characteristics of traditional budgeting, there all programmes and expenditures are re-evaluated each budget period. This budgeting process requires each department manager to justify the departments, existence each time a budget is prepared.

5.8 CONCLUSION

In conclusion, budgeting can this be describe as the formulation to plans for a given period expressed in quantitative terms. Budget can be stated in financial terms e.g. capital and revenue expenditure budget or in non financial terms, e.g. units of production. Most importantly it assist management in maintaining a programme of cost effectiveness with regard to the organizations operations and provide a general sense of direction for the future.

5.9 TUTOR MARKED ASSIGNMENT

- 1. Define budget and discuss the various purpose of budgeting
- 2. List and briefly explain the budgeting process.
- 3a. Describe the potential functional and dysfunctional aspects of budgets.
- b. How can the dysfunctional aspect be overcome.
- 5. Explain the zero based budget concept.

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UNIT V: CRITERIA FOR LOCATING BAD MANAGEMENT PRACTICE AND INDUCING BETTER MANAGEMENT PRACTICE IN NIGERIAN ORGANISATIONS

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5.0 INTRODUCTION

The body of organization theories and the techniques of management discussed earlier on represent various paths of enthroning better management practice. The benefits that are derivable from good management practice in sum total are organizational health, increased productivity and organization growth. It also ensures individuals well being and personal advancement in the organization. However bad management practice are common feature in many Nigerian organizations of various descriptions, private, public, religious, political and other forms of social organizations.

5.1 LEARNING OBJECTIVES

- 1. At the end of this unit you should be able to explain bad management
- 2. List different signs of bad management
- 3. List and explain different causes of bad management.
- 4. Suggest possible remedies to the problems of bad management in Nigeria.

5.2 SIGNS OF BAD MANAGEMENT

Bad management is any behaviour of the management that inhibits the attainment of set goals. There are several symptoms of bad management in organization, which are due, strictly to management practice within the organization, and not product of environment influences, these include;

- Accidents
- Industrial disease
- Absence from work unauthorized
- Strikes and work stoppages
- Labourer turnover
- Industrial fatigue
- Decline in quantity of outputs
- Low quantity of outputs
- Low morale
- Falling profit level
- Falling share of market
- Increasing debt burden

- Communication bottlenecks
- Sharp management practices of all descriptions
- Inadequate stock of raw material etc.

Let us examine how increasing debt burden can be as a result of bad management. The author has privileged knowledge of information about the operation of a moderately successful private indigenous organization located in Ayetoro, Egbado Area of Ogun State. The entrepreneur had an assistant in whom he placed so much trust that he was not subjecting him to sufficient necessary control. The assistant was collecting goods from the organization major suppliers, without paying the money collected for such purchases from the company's purse, to the appropriate suppliers. The debt of the organizations was running to several hundred thousands. This alerted one of the employees of the supplier's organization who paid a visit to the entrepreneur. He asked why he had changed from his past habit of prompt payment. The entrepreneur responded that he did not owe, that all purchased goods were made on cash basis. When data relating to indebtedness of the organization were shown, the subordinate we identified as having corruptly diverted funds for purchases from suppliers. Thus the small organization incurred a big debt. The cause is bad management on the Part of the entrepreneurs, who abandoned his control and supervision of subordinate totally.

5.3 CAUSE OF BAD MANAGEMENT

Several factors are responsible for bad management in Nigeria organizations. These include; lack of skills or managerial incompetence, lack of patriotism, lack of disciplined behaviour, unethical conducts, lack of vision for the organization, ethically, organization politics, gradual erosion of the culture of hard work, poor communication. Our focus here is on the internal causes of bad management within an enterprise. There are several environmental conditions which could be given as explanatory variables for bad management, ranging from political, technological, competition to globalization. Let us examine some of the internal organizational causes of bad management.

Lack of Skills or Management Incompetence: The essence of training and development is to equip organizational management with adequate skills for effective performance. When such skills are lacking managerial functions of planning, organization, directing, controlling up to decision making, which is the essence of management will suffer, thus resulting in bad management.

Lack of Patriotism: Members of every organization who subscribes to its objectives by becoming members, as managers or rank and file workers, owe the organization total loyalty. They are supposed to defend the interest of the organization in all their actions in relation with the organization. In situations where organization members, in both public and private organizations, are prepared to compromise the interests of the organization vis-à-vis external bodies, that reflects lack of patriotism to the organization. The result of such action is bad managerial practice.

Lack of Disciplined Behaviour: To be disciplined means to have self-control and to operate within specified rules and regulations within the organization. The conduct of self-control will ensure orderliness and predictable behaviour. Lack of disciplined behaviour will mean that

people could themselves contrary to acceptable patterns of prescribed behaviour. The result would be that member's actions could become erratic with negative consequences for the organization.

Unethical Conducts: Ogunde and Opelfa (2004) notes that ethics is the discipline dealing with what is good or bad, right or wrong. Unethical conducts means that members of management and other employees are conducting themselves in such manner that violates ethics of their positions. An example is when managers calls for tender for the supply of inputs to the organization and those in authority in the organization submit tender documents under different companies' names. And they also monitor all the various stages, to ensure that one of the companies sponsored by an insider, in the organization, is awarded the contract, often at above market prevailing prices for products quoted. There is the other side to it when members of the management team engage in several fraudulent practices involving misappropriation of funds.

Lack of Vision for the Organization: Kazmi (2003) defines vision as the description of something (an organization, a business, an activity etc) in the future. It is the mental perception of the kind of environment an individual, or an organization, aspires to create within a broad time horizon and the underlying condition for the actualization of this perception. Vision, therefore relates to focus on the future or strategic focus. The lack of vision means disability, to search for alternatives of reaching out in new directions that will ensure future survival and prosperity for the organizations.

Ethnicity: This refers to a situation where ethic consideration, rather than merit, has strong influence in reaching decision that affects the wellbeing of an organization. And management will go out of its way to justify such action this happens in both public and private organization in Nigeria. Ekpo-Ufot (1987) calls it implicit favorite model, a situation where individual managers or organization, had a favored choice or candidate in the process of decision-making, and he/she goes about collecting data to justify such favored choice of candidate. The author has two examples of this model, one in the public and the other in a private organization.

First, is the governmental decision, this was in the former western state of Nigeria. There was a decision to establish burn clay bricks manufacturing company. Feasibilities were carried out on three locations. From the expert point of view Ade-Awaye in Iseyin Local Government was selected as having the best soil for the project. But because the then state commissioner for Trade and Industry was from Ipetumodu in the then Oranmiyan local government, whose soil test was rated 3rd, Ipetumodu was picked as the place where the factory should be located. The project was a failure.

Second was a feasibility study on the locations for the production of its grain requirements for it breweries by the Nigerian breweries plc several years back. Two locations were selected and published in the newspapers as the best. These were Gombe in Bauchi state and Igboho in Oyo state. Work started in the Gombe location. However because the then managing director of the company was from Oyo town, in Oyo state, he used his influence to locate the one ear marked for Igboho, also in Oyo state, Oyo town within the same senatorial district, the implication of this on organizational effectiveness is anybody's guess.

Organization Politics: Organization politics centers on the use of power among contending interest groups within the organization. Managers are expected to maintain objective and neutral positions in conflicts situations, so as minimize personality difference. But once the leadership is identified with one of the groups in a conflict situation, reconciling warning groups becomes difficult, with consequent negative effects on organization performance.

Gradual Erosion of the Culture of Hard work: Organization success of outstanding quality is based partly on the culture of hard work, which as Lawal (2001) notes inspirits workers to excel in their jobs and thus produce high quality products in other parts of the world. The degrees of unethical conducts in organizations of all descriptions in Nigeria, coupled with other managerial causes of bad management have succeeded in gradually eroding the culture of hard work that was distinctively African, consequently, minimizing the amount of zeal and energy that people expend on organization activities.

Poor Communication: Adeleke, Ogundele and Oyenuga (2003) note that communication is the means through which the task and resources needed to carryout an assignment, the roles and duties, and expected results are made known to the subordinates. Poor communication occurs in organization because managers do not listen openly and attentively, they thus reach their conclusions before learning all the facts. Other factors leading to poor communication are bad organizational climate, conflict, lack of feelings, poor attitude by manager etc.

5.4 WAYS IN WHICH BAD MANAGEMENT IS MANIFESTED

Any imaginable set of managerial practice which is inimical to the smooth operations, of an organization or is geared toward serving he self interest of an individual, or a small clique of individuals, to the detriment of the large group, are manifestations of bad management practice. In short any management practice that violates the principles of efficient management including the operating situation constitutes bad management practice. These includes; autocratic style, inappropriate management structure, combining more than one powerful positions, weak board of director, weak finance, succession problem.

Autocratic Style: Kuye, (2001) notes that when the style of management is one-management rule, all decisions, strategic or routine will be made by the boss. There is no consultation for advice, nor is there delegation. The problem with the leadership style is that when major error is committed by the leader it may have disastrous consequences for the organizations.

Inappropriate Management Structure: This relates to an unbalanced management team, a balance one will have both management depth and breath. Depth refers to the balance between old, experienced and careful manager and young brilliant and aggressive manager. Breath relates to the presence of management with varying skills in all relevant functional areas of business. The absences of these are manifestation of poor or bad management.

Combining Two or More Powerful Positions: In situations where the offices of the chairman and managing director are held by one person, in the organization, he/she becomes as powerful as to represent a personalized one-management controlled type of organization. The result is that to represent such an individual could not be checked, by others who have been rendered powerless by such pattern of managing an enterprise.

Weak Board of Directors: In situations where a person becomes a board member by political appointment, not based on competence or when members of the board do not possess necessary knowledge, they cannot make effective contribution to the running of the organizations; the result will be poor management.

Weak Finance: There could be various forms of weak finance. These include inadequate source of funding, poor financial control, inadequate cash flow, poor assets valuation and poor costing system. Each of the above features, when present in any organization shows evidence of poor management.

Succession Problem: The problem of management succession relates to an organizational process of ensuring smooth transition from one management group to another in an orderly and planned pattern. This will reflect an absence of plan to manipulate situation to the advantage of manipulation of situation to suit the interest of an individual or group in an unusual manner it can destabilize succession plans. The result will be bad management practice.

5.5 SOLVING PROBLEM OF BAD MANAGEMENT

There a number of issues that involved in solving the problems of bad management let us examine a few of them in the segment that follows;

Changing the Attitude of People: much of the problems of bad management, are behavioural, consequently, they are the result of the attitudes, which people have developed over a period of time. Therefore, solving the problem of bad management, will require wide spread positive change in people attitudes toward the organizations, organizations members and other relevant constituencies.

Adjustment in Management Team: Appropriate changes will be required the management team of an organization which is not doing well. The change may involve organization wide adjustments including appointing new leaders for the organization such that the organization is given a new lease of life.

Creating New Vision: Organization's leadership has the responsibility of ensuring or providing viable core aspirations which is the vision of organization. It must also fashion out plan and strategy that are focused on making the organization more competitive and effective.

Managing Organization on Ethical Environment: The ethical practice in an organization must be reshaped and influenced by the core values of the organization and its internal and external environments. Ike (2002), notes that the internal environment of the organization is made up of three element. These are the set of norms of behaviour in the place, defined by the code of ethics. The behaviour of top management can reinforce or undermine the code of ethics, the second element. The organizational systems and procedures constitute the third element. All of them must be more rationally managed before any organization can solve the problems of bad management. Ogundele (2004) notes that one method of resolving ethical problem is to have predetermined strict moral principles and stick to them always. This is regardless of the circumstance of the situation. It offers consistency and avoids anxiety over conscience, every time ethical issues arise. There is no violation of moral codes. The alternatives approach it that

managers could consciously vary his or her behaviour, according to the needs of each case. It is a feasible approach requiring changes in the manager's moral outlook depending on the particular situation. Inconsistent decision could result, and managers choice of approach well depend on factors such as (1) the culture of the society in which he/she lives (2) his/her personal experience, education and upbringing and (3) whether the manager is intellectually weak and tends always to accept the states quo. The best way out is for organizations to develop ethical codes that guide the behaviour of their managers and employees and also enforce compliance.

Reorienting Organization Members: Our discussion of solving problems of bad management is people focused. This is because the biggest problem will originate from people, those who take bribes and those who give them, in all forms of organization that we have mentioned in this book. Umoru (2000), notes that any era (organization) that is dominated by the love of money only has a rotten core within it and must perish. All history tells us so, but we no longer accept the lessons of history. That running government organization in the manner it was done in this country between 1986 to June 1998 (possibly to today) is an obvious offence against heaven. He who offends against Heaven has non to whom he can pray. He notes further that unless one recognizes the imperativeness of heaven one can never be noble man. People, in Nigeria organizations, must be reoriented such that the habit or attitude of money for everything is played down if not completely removed. We need to strive for valued anchored on hard work. There is need for a change of behaviour in the positive direction, which will qualify us to pray to the Heaven and for our prayers to be accepted. As Kolade (2000) states the perceived manifestation of corruption at both individual and institutional levels in Nigeria, has cost the country dearly in terms of international reputation, acceptability and ability to achieve our national economic objectives. Nigeria is perceived as one of the most corrupt countries of the world, and those who continue to do business with us come to the negotiation table within proverbial long spoon. The implication of Kolade (2000) assertion is that, as long as high level corruption persists, so long will problems of bad management persist in this country. Therefore, serious reorientation of values and behaviour must take place. Appropriate sanctions must be applied against erring individuals.

Building a Corporate Culture of Excellence: It is not enough to discard bad ways of running an organization; we need to build culture of excellence in our organizations, to be able to stand the competitive stress of globalization. To this end, Lawal (2001) notes that business environment is highly dynamic and competitive, that managers operating within the environment must search for ways of unleashing the creative potentials of employees. One way to do it is the creation of corporate culture that is excellence supportive. This will involve systemic and articulated human resource management, creation of fit between strategy and culture, establishment of ethical standards, building spirit of performance into the culture and bonding the fits through shared values. All these will serve as means of creating and sustaining a corporate culture of excellence.

Other ways of solving problems of bad management include effective communication, sourcing for capital though internally generated funds and externally in financing organizational turnaround use of effective management approaches and so on.

5.6 SUMMARY

The causes of bad management include managerial incompetence, lack of patriotism, indiscipline, unethical conducts, lack of vision for the organization, ethnicity, organization politics, gradual erosion of the culture of hardwork and poor communication. It is noted that bad management manifests itself in autocratic management style, inappropriate management structure, holding double or more posts, weak board of directors, weak finance and succession problem. Some of the ways of solving the problems of bad management including changing the attitudes of people, adjustment in management team, creating new vision for the organization, managing organization ethical environment, re-orientating organization's members and building a corporate culture of excellence have been highlighted.

5.7 CONCLUSION

Bad management has been the bane of social and economic performance in public and private organization in Nigeria. The manifests itself is low morale, falling profit and sharp management practice among others.

5.8 TUTOR MARKED ASSIGNMENT

- 1a. Explain the concept bad management
- b. What are the sings of bad management?
- 2. What are the causes of bad management?
- 3. In what ways does bad management manifest itself?
- 4. What are the influences of corruption on management practice in Nigeria?
- 5. What solutions will you suggest for the problems of bad management in Nigeria?

5.9 REFERENCES

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