NATIONAL OPEN UNIVERSITY OF NIGERIA

SCHOOL OF BUSINESS AND HUMAN RESOURCE

COURSE CODE:BHM 751:

COURSE TITLE:PRINCIPLES AND PRACTICE OF MANAGEMENT

BHM 751: PRINCIPLES AND PRACTICE OF MANAGEMENT

COURSE GUIDE

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COURSE GUIDE

1.0 INTRODUCTION

You are welcome to BHM 751: Principles and Practice of Management. BHM 751 is a two credit unit course at the Post Graduate Diploma in Management (PGDM) level. The course has fifteen units with appropriate local content for the Nigerian learner.

This course guide is intended for the distant learners enrolled in the PGDM Programme of National Open University of Nigeria (NOUN). The guide is one of the diverse resource tools made available to the learner to facilitate timely completion of the programme.

The guide provides quite useful information on the course aims, objectives, what the course is all about, the course materials that the learner will be using, available support services for learning, information guidelines on assignments and examination, such as planning of the timing on the assignments and each unit. This guide also provides answers to questions that you may ask. Thus, it is strongly recommended that the learner goes through this course guide.

The learner is however advised to contact his/her study centre if there are further questions. I wish you all the very best in your experience and successful completion of this study.

Course Aims

This course is intended to acquaint you with basic management principles, concepts and the practices that managers employ or carry out in accomplishing organisational set targets.

Course Objectives

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

   i. Describe the functions that managers perform in organisations
   ii. Describe the principles of management
   iii. Identify the theories of motivation
   iv. List the skills needed for effective management of organisations
   v. Describe basic management practices e.g. decision-making, conflict management, quality and time management
   vi. Identify ethical issues managers face in managing organisations.

Course Materials and Structure

The learner is admonished to read through this course guide to get familiarised with the structure of the course. This is to be done by reading the study units properly and attempting

all self assessment exercises, completing and submitting all tutor   marked assignments for the course and consulting recommended sources for further reading.

Each unit contains   self   assessment exercises and in appropriate   places you are required to submit assignments for assessment purposes. There will be a final examination at the end of the course. Each unit should take you about four (4)   hours to complete, giving you a total of about sixty (60) hours to complete the course. In order to successfully complete the course on time, you are advised to draw up a personal time schedule that will enhance the achievement of this goal.

Find below the components of this course.

Course Guide Study Units

MODULE 1: CONCEPTS, PRINCIPLES AND FUNCTIONS OF MANAGEMENT

UNIT 1: Nature and Theories of Management

UNIT 2: Principles of Management

UNIT 3: An Overview of Functions of Management

MODULE 2:   DEMANDS OF MANAGERIAL DUTIES

UNIT 4: Concept of Motivation

UNIT 5: Managerial Roles

UNIT 6: Managerial Skills

MODULE 3: NATURE OF MANAGERIAL WORK

UNIT 7: Organizational Environment

UNIT 8: The Managerial Planning Process

UNIT 9: Decision Making Process in Organisations

MOGULE 4: MANAGERIAL PRACTICES I

UNIT 10: Managing Organizational Conflicts

UNIT 11: Concept of Time Management

UNIT 12:   The management of change

MODULE 5:   MANAGERIAL PRACTICES II

UNIT 13:   Principles of Total Quality Management

UNIT 14: Approaches to the Management of Quality in Organisations

UNIT 15: Ethical Issues in Managing Organisations

Course Summary

Module 1 introduces   you to the nature, principles and functions of management. Module 2 discusses the theories of motivation, managerial roles and skills. Module three examines the managerial planning process, the decision making process and the management of organisational conflicts. Module 4 analyses   the environment   of business   organisations, the management of change in organisations and ethical issues in managing enterprises. Module 5 explains   the concepts   of time   management, total   quality management   and approaches   to managing quality in organisations.

There are fifteen study units in the course and each unit consists of   one week's   work which requires about three to four hours (3-4 hrs) to complete there are specific objectives, guidance for   the study, reading materials, self assessment exercises and tutor   marked assignments to assist you in achieving the learning objectives in each individual study unit and the course in general.

2.0 STUDY PLAN

Find below   the presentation of the course and how long it takes you to complete each study unit and the assignment that accompany each unit. This is to help you plan your own personal timetable.

Unit/module	Title of study unit	Week/activity	Assignment	
	Course guide	1		Course guide form
Module 1 Concepts,	Principles and Functions of Management			

Unit 1 Nature and	Theories of Management	2	Assignment
Unit 2 Principles of	Management	3	Assignment
Unit 3 Functions of	Management	4	Tutor marked Assignment
Module 2 Demands	of Managerial duties		
Unit 4 Theories of	Motivation	5	Assignment
Unit 5 Managerial Roles 6			Assignment
Unit 6 Managerial Skills 7			Assignment
Module 3 Nature of Managerial Work			
Unit 7 Organisational	Environment	8	Tutor Marked Assignment
Unit 8 The Planning Process 9			Assignment
Unit 9 Decision Making	Process	10	Assignment
Module 4 Managerial Practice I			
Unit 10 Managing	Organisational Change	11	Tutor Marked Assignment
Unit 11 Managing	Organisational Conflicts	12	Assignment
Unit 12 Ethical Issues in Managing Organisations		13	Assignment
Module 5 Managerial Practice II			
Unit 13 Time Management 14			Assignment
Unit 14 Total Quality	Management	15	Assignment
Unit 15 Managerial Approach to Quality in Organisations		16	Tutor Marked Assignment
	Revision 17		
	Examination 18		
	Total 18		

References/Further Readings

Although, the course material is the main text for this course, you are however encouraged to consult other sources as provided in the list of references and further readings below:

Adalikwu, C. (2003).''Total Quality Management and Organizational Change''

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       Business: The Challenge of Global Competition. Boston, McGraw-Hill Irwin

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    Faculty of Administration, Nasarawa State University, Keffi.

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    improving performance; . Butterworth, Heinemann.

Osisioma, H.E. (2003):   "TQM: Application in Nigerian Economy". The

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Http://idearepec.org/p/iim/iimawp/2005-08-06.html Retrieved 15th September, 2009.

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Retrieved: 01-09- 2009

3.0 WHAT YOU WILL LEARN IN THIS COURSE

In distance learning, the study units replace the lecturer. There is   the advantage of   reading and   working through   the   course   material   at the pace   that   suits   the learner   best.   You   are advised to think of it as reading the lecture as against listening to the lecturer. The study units provide exercises   for you to do at appropriate periods   instead of receiving exercises   in the class.

Each unit has common features which are designed purposefully to facilitate your reading. The first feature being an introduction to the unit, the manner in which each unit is integrated with other units and the entire course. The second feature is a set of learning objectives which allows the   learner   to know   what should be done by the time the unit is   completed. These objectives should guide your   study. After   completing the unit, you should go back and check whether   you   have   achieved   the   objectives   or   not.   The   next   feature   is   self assessment exercises, study questions which are found throughout each unit. The exercises are designed basically to help you recall what you have studied and to assess your   learning by yourself. You should do each self   assessment exercise and the study question as   you come to each in the study unit. The next features are conclusion and summary at the end of each unit. These help you to recall all the main topics discussed in the main content of   each unit. There are also tutor-marked assignments   at the end of   appropriate units. Working on these questions will help you to achieve the objectives of the unit and to prepare for the assignments which you will submit and the final examination.

It should take you between three to four hours (3-4 hrs) to complete a study unit including the exercises and assignments. Upon the completion of the first unit, you are advised to note the length of period it took you and use this information to draw up a timetable to guide your study of the remaining units. The margins on either sides of each page are meant for you to make notes on main ideas or key points for your usage when revising the course. These features are for your usage to significantly increase your chances of passing the course.

Course Delivery

There are many ways of learning as an open distant learner. You learn when you interact with the content in your course material just as a student interacts with the teacher in a conventional institution. You also learn when you are guided through the course. Though you are not taught the course, your course material is however your teacher and as such you will not be able to get answers to any questions which may arise from your study of the material. For this reason, apart from the course material which you have received, the delivery of this course is aided by tutorial, facilitation and counselling support services. There services are not compulsory but you are encouraged to maximally take advantage of them.

Tutorial Sessions

A total of eight (8) hours are set aside for this course and they form a part of your learning process as you have an opportunity to receive face-to-face interaction with your informal facilitator and to receive answers to questions or classifications which you may have. Also, you may contact your tutorial facilitator by telephone or e-mail.

As an open and distant learner, you are expected to prepare ahead of time by studying the relevant study units, write your questions so as to gain maximum benefit from tutorial sessions. Information about the location and time schedule for facilitation will be available at your study centre.

Note that tutorial sessions are flexible arrangements between you and your tutorial facilitator. You will need to contact your study centre to arrange the time schedule for the sessions. You will also need to obtain your tutorial facilitator's phone number and e-mail address.

Tutorial sessions are optional however; participating in them provides tremendous benefits because they provide a forum for interaction and group discussions which will maximise the isolation you may experience as an open and distant learner.

Facilitation

This is a learning process that takes place both within and outside of tutorial sessions. Your tutorial facilitator guides your learning by doing the following things.

i. Providing answers to your questions during tutorial sessions on phone or by e-mail
ii. Coordinating group discussions
iii. Providing feedback on your assignments
iv. Posing questions to confirm learning outcomes
v. Coordinating, marking and recording your assignments/examination score(s)
vi. Monitoring your progress.

English language is the language of instruction for this course. The course material is available both in print and in CD. It is also on the National Open University of Nigeria website. However, on your part, you are to prepare ahead of time by studying and writing your questions so as to maximally benefit from facilitation.

Information about the location and time of facilitation will be available at your study course. This is a flexible arrangement between you and your tutorial facilitator. You should contact your tutorial facilitator whenever:

a. You do not understand any part of the study unit
b. You have difficulty with the self assessment exercises
c. You have a question or a problem with an assignment, with your tutorial facilitator's comments on an assignment or with the grading of an assignment.

Counselling

Counselling is your part of learning which helps to facilitate the learning process. This service is available to you at two levels-academic and personal. At the study centre, student counsellors are available to provide guidance for personal issues that may affect your studies. In addition, your tutorial facilitators and study centre manager can assist you with questions

on academic matters such as course materials, grades, facilitation, etc. Endeavour to have the telephone numbers and e-mail addresses of your study centre and these different individuals who provide counselling services to you at an open and distant learning study centre.

Assessment

The self assessment exercise assignments at the end of each unit, the tutor-marked assignments and the final written examination form three components of assessment for this course. In doing these assignments, you are required to use the infor mation gathered during your study of the course. Find below detailed explanations on how to do each assignment.

Self Assessment Exercises (SAEs)

These are several self assessment exercises spread through your course material; you are expected to attempt each immediately after reading the section that precedes it. Possible answers to the exercises are sometimes given at the end of the course book. Nevertheless, you are advised to refer to them only after you must have attempted the exercises. This is because the exercises are meant to evaluate your learning. They are not to be submitted. These are also study questions spread through the study units. You are expected to attempt these questions after reading a study unit. These questions are to aid you assess knowledge of the contents of the unit only. You are not required to submit the answers to them too.

Tutor-Marked Assignm ents (TMAs)

There are four tutor-marked assignments for this course. These TMAs are designed to cover areas treated in the course. You will be assessed on all four, but only the best three will constitute your continuous assessment. Each of these three carries 10% and altogether will court for 30% of your total score for the course. You will be given these assignments and the dates for submitting them at the study centre. The assignments must be submitted to your tutorial facilitator for formal assessment on or before the stipulated dates for submission.

Guidelines for Writing Tutor Marked Assignments

       1. The cover page of your tutor marked assignment, should work like this:

Course code _____

Course title _____

Tutor marked assignment number _____

Name _____

Date of submission _____

Matriculation number _____

2. You should ensure to be course and straight to the point in your answers. Such answers should be based on your course material, further readings and experiences. However, you are NOT to copy from any of these materials. In the event you do so, you will be penalised. You are to give relevant examples and illustrations.

 3. Use ruled foolscap-sized paper for writing your answers. Remember to make and keep a copy of your assignments

4. Your answers are to be hand written by you and using a margin of about 1.5 inches of the left side and about 5 lines before the answer to the next question for your tutorial facilitator's comments.

5. Upon the completion of each assignment, ensure it reaches your tutorial facilitator on or before the deadline.

   You are to contact your study centre manager and tutorial facilitator if for any reason you cannot complete your work on time before the assignment is due to discuss the possibility of any extension Remember that no extension will be granted after the due date unless under exceptional circumstances.

Final Examination and Grading

The final examination for BHM 751 will be for 2½ hours duration and will carry 70% of to the total course grade. The examination will be made up of questions which reflect the kinds of self assessment exercises, study questions and tutor marked assignments which you have previously encountered. Remember that all areas of the course will be assessed. The period between finishing the last unit and taking the examination should be used to revise the entire course. You are advised to review your answers to the self assessment exercises and the tutor marked assignments before the commencement of the examination. You are to note that the following determine your eligibility to sit for the final examination.

a. Your submission of all the tutor-marked assignments
b. Your registration to sit for the examination. The dateline for   this registration will be provided at your   study centre. Where you sit for the examination without having met these conditions means you will not have a score for the course.

Course Marking Scheme

The marks that make up the total score for this course are as shown in the table below:

Assessment	Marks
Assignments (four submitted but the three will be selected	50% of the selected marked assignments, totalling 30%
Final examination	Examination score 70%
Total	Overall course score 100%.

4.0 CONCLUSION

All the features of   this course guide have been designed to facilitate your learning process in order   that you achieve the aims and objectives of this course. These features include the aims, objectives, course summary, course overview, self assessment exercises and study questions. You should endeavour to make   maximum use of   them in your   study to achieve   maximum results.

5.0 SUMMARY

BHM   751   –   Principles   and   Practice   of   Management   provides   you   a   good   and foundation upon which you will develop the full potentials   and understanding of   the field of management. The course is   intended to equip you with the basic and fundamental   ground towards the nature and development of managerial thought and practice.

This is done by introducing you to the theoretical concepts of management and contemporary managerial practices developed to give managers   an edge over   their   competitors. Upon the

completion of this course, you should be able to understand the nature of managerial principles, basic concepts and functions of management, the managerial planning and decision making processes, the environment of business and other key managerial practices such as managing conflicts, change, time, ethical considerations and quality even in managing personal matters.

I wish you success in the course and hope that you will find BHM 751 not only interesting but useful and rewarding.

BHM 751: PRINCIPLES AND PRACTICE OF MANAGEMENT

MAIN COURSE CONTENT

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BHM 751: PRINCIPLES AND PRACTICE OF MANAGEMENT

COURSE DESCRIPTION

Topics to be covered in this course include: basic management concepts and theories, an overview of the functions that managers perform, the principles of management, the theories of motivation open to managers of organisations, the roles that management as a discipline and practice plays in the life of organisations, an overview of managerial skills, and the management of change. Other topics include the following:

- The managerial planning process
- Decision making process in organisations
- Organisational environments
- Approaches to the management of organisational conflicts
- Principles of quality management
- Approaches to the management of quality in organizations
- Concept of time management
- Ethical issues in managing organisations

COURSE AIMS

This course is intended to acquaint you with basic management principles, concepts and the practices that managers employ or carry out in accomplishing organisational set targets.

COURSE OBJECTIVES

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

i. Describe the functions that managers perform in organisations
ii. Describe the principles of management
iii. Identify the theories of motivation
iv. List the skills needed for effective management of organisations
v. Describe basic management practices e.g. decision-making, conflict management, quality and time management
vi. Identify ethical issues managers face in managing organisations.

MODULE 1: CONCEPTS, PRINCIPLES AND FUNCTIONS OF MANAGEMENT

UNIT 1:   Nature and Theories of management

UNIT 2: Principles of Management

UNIT 3: An Overview of Functions of Management

MODULE 2:   DEMANDS OF MANAGERIAL DUTIES

UNIT 4: Concept of Motivation

UNIT 5: Managerial Roles

UNIT 6: Managerial Skills

MODULE 3: NATURE OF MANAGERIAL WORK

UNIT 7: Organisational Environment

UNIT 8: The Managerial Planning Process

UNIT 9: Decision Making Process in Organisations

MOGULE 4: MANAGERIAL PRACTICES I

UNIT 10: Managing Organisational Conflicts

UNIT 11: Concept of Time Management

UNIT 12:   The management of change

MODULE 5:   MANAGERIAL PRACTICES II

UNIT 13:   Principles of Total Quality Management

UNIT 14: Approaches to the Management of Quality in Organisations

UNIT 15: Ethical Issues in Managing Organisations

UNIT I: NATURE AND THEORIES OF MANAGEMENT

CONTENTS

1.0 INTRODUCTION

Resources by their nature are generally scarce, thus there is the compelling need of ensuring prudence in utilising them. The act/process of exercising prudence is what organisational leaders (managers) are engaged in. This process involves an efficient and effective coordination of the activities of organisation's employees with a view to achieving a wide range of goals. Management as a human practice has evolved over time and in recent times has become of great concern to humanity. This has led to the development of a variety of theories to help explain the concept (management). Management is practiced at all levels-low, middle and top - of an organization.

2.0 OBJECTIVES

At the end of this unit, the learner should be able to:

  i. Describe the concept of management
  ii. Analyse the approaches to the study of management
  iii. Identify the various levels of management

3.0 NATURE AND THEORIES OF MANAGEMENT

3.1 Definition of Management

The term management is being loosely understood by a wide variety of people even those in business. This perhaps explains why Drucker (1989:7) posited that management is the least known and the least understood of our basic institutions. Even the people in business often do not know what management does and what it is supposed to be doing, how it acts and why, whether it does a good job or not". He went on to attest that we will only understand management by analyzing the functions of management. Thus, management is said to be the planning, organizing, directing and controlling of human and other resources to achieve organisational goals effectively and efficiently (Jones and George, 203:5). Drucker opined that management is the organisation and coordination of the activities of an enterprise in accordance with certain policies and in the attainment of clearly defined objectives (http://en.wikipedia.org/w/index.php?)

The term effectiveness relates mostly to goal attainment. For example, when managers accomplish set goals, we say they are effective. Effectiveness measures the degree and appropriateness of the attainment of organisational set goals, i.e. when appropriate goals are chosen and are attained. On the other hand, efficiency is concerned with the relationship between inputs and outputs. Because managers deal with scare resources, when a manager is able to get more outputs from given inputs or can get the same output from less input, the manager is efficient. Efficiency measures how well or how productive resources are used in the achievement of set goals. The concern of management is not with either of these concepts, but with both since it is possible to be effective and yet ineffective. This occurs where goals are achieved but at a higher cost.

Self assessm ent exercise

Why is management concerned with both efficiency and effectiveness? Give examples to buttress your position.

3.2 Basic Managerial Thoughts

The practice of management is not a recent phenomenon as there are quite a number of activities or events that indicate principles of management were employed in executing them. For example, the Biblical story of Moses and his father-in-law on delegation of authority to ease work, the building of the Egyptian Pyramids, the Chinese great walls, the early Greek and Roman Army, etc. potent that management as a practice is an old phenomenon.

However, the striking influence of management was perhaps the industrial revolution which began in Great Britain in the seventeenth and eighteenth centuries where machine power virtually replaced human power. This resulted into mass production and rapid expansions. These propelled the emergence of large corporations. These developments necessitated formal management practices to guide managers and perhaps this led to the emergence of what we call management theories. These management theories are:

    i. Scientific Management Theory
    ii. Administrative Management Theory
    iii. Behavioural Management Theory
    iv. Management Science Theory
    v. Organisational Environment Theory

3.2.1 Scientific Management Theory

The scientific management theory is that which seeks the use of scientific methods to fine the "best way" of performing a task or job. Stoner, Freeman and Gilbert (1995:34) assert that this theory arose in part from the need to increase productivity since at the time of the introduction of this theory; skilled labour was in short supply. Its proponents thought that the only way to expand productive capacity was to raise the efficiency of workers. The proponents of the theory are quite numerous. The notable ones include:

Frederick Taylor (1856-1915). Taylor used time study as his base, broke each job down into its components and designed the quickest and best methods for performing each component. He strongly believed that if the amount of time and effort that each worker expended in producing a unit of output should be reduced by increasing specialization and division of labour, the production process would become more efficient. He opined that such best ways could be devised through scientific management techniques rather than intuition or other informal methods. His concern was with management at the shop level – supervisory job.

The application of the scientific approach led to an unprecedented production 'miracle' i.e. faster than Taylor expected. In addition, workers feared that the dramatic increases in productivity and higher pay would exhaust available work and cause layoffs. This made unions to become suspicious of the theory leading to mistrust and strained labour management relations for a long time.

Others include Henry L. Gant (1861-1919), Frank B and Lillian M. Gilbreth (1868-1924) and 1878-1972). Scientific management theories centre on studying personal task mix to increase efficiency in organizations.

3.2.2. Adm inistrative Management Theory

The proponents of this school of thought (theory) believe in studying the entire organisation by developing more general theories of what managers do and what constitutes good management (Robbins and Coulter, 1996:43). The theory grew out of the desire to find appropriate guidelines for managing large and complex enterprises. The two prominent proponents of this theory are:

(i) Henri Fayol (1841 -1925)

Unlike Taylor, Fayol's concern was directed at the activities of managers in general since management is an activity common to all humans. In pursuance of this he postulated or identified 14 principles which he opined are essential to increase the efficiency of the management process. These principles and many others are the subject of unit 3.

Fayol's concept of management is that it could be taught once the principles underlying it are understood since managerial tasks can be identified and analysed. This implies that managerial skills are learned just like any other. This disposition led to the overthrow of the hitherto posture that "managers are born, not made".

(ii) Max Weber (1864-1920).

Weber's concern was the development of carefully contracted regulations of the activities of organisations since they are composed of large number of people. According to Leavitt (1978), Weber developed a theory of bureaucratic management which stresses the need for a strictly defined hierarchy governed by clearly defined regulations and lines of authority. This is so because, Weber considered an idea of organisation to be a bureaucracy whose activities and objectives are rationally thought out and explicitly spelled out.

The concern of Weber was to improve the performance of organisations by making predictable and productive operations. Thus he opined that technical competence be emphasised and that performance evaluations be made purely on the basis of merit Weber' construct of bureaucracy characterised by divisions of labour explicitly defined hierarchies, detailed rules and regulations and formal relationships. An ideal bureaucracy does not exist in

the real sense of it, but merely a basis for postulating a theory about work and how it could be performed in large organizations.

3.2.3 Behavioural Management Theory

Proponents of this theory opined that the best approach to work and productivity is through an understanding of the worker and the work place. It follows that managers need to be equipped with the knowledge of social sciences for better perception of the employee and job performance (Udoh and Akpa, 2007:54). Major contributors to this theory include Chester Bernard, Herbert Simon, Mary Parker Follett, Abraham, Maslow, etc. The behavioural theorists studied a vast array of characteristics or factors in the work setting with a view to finding ways of improving or increasing efficiency. One of such studies is the Hawthorne study which found out that a manager's behaviour or leadership approach can affect workers level of performance i.e. where managers are trained to behave in ways that would elicit cooperative behaviour from subordinates, productivity could increase. This shifted emphasis to managerial behaviour and leadership.

3.2.4 Managem ent Science Theory

This theory to some extent is a contemporary extension of scientific management theory since it also has a quantitative approach to management in raising efficiency/productivity. This school of management thought began when a mixed team of experts from relevant diverse disciplines was called upon to analyse a problem and propose a course of action to management (Jones and George, 2003:59). To solve this problem, the team would rely on mathematical models which showed in symbolic ter ms all the relevant factors in the problem and their interrelationships. By varying the values of these factors and equations, the effects of each changed situations could be deter mined. This scenario helps present management with objective basis for making decisions. The use of mathematical modelling and IT or computers, forecasting became much easier than previous theories could handle.

It could be deduced that this theory paid no emphasis on people and relationships; rather it promotes emphasis on aspects of the organization that can be captured numerically. This school of thought is often times called operations research (OR). The quantitative technique applicable to management includes statistics, optimisation models, information models, computer simulation, linear programming, work scheduling analysis, etc.

Management science was first initiated in solving warfare solutions during the World War II. The military officers who joined business organisations after the war employed OR techniques in solving business problems to improve decision making.

3.2.5 Organisational Environment Theory

The theories described earlier looked at organisations' problems basically as how managers may influence behaviours within the organisation only. The organisation environment theory is an attempt to view how managers relate with the external environment. Two of the views that are important here are the systems and contingency theories.

(i) The Systems Theory

This theory holds that an organization is a diverse and unified system, composed of numerous interrelated parts. Thus, an organization is looked at as a whole and as an integral part of the larger external environment. This situation means that the activity of any sub-system of the larger environment affects in diverse ways the activities of all other segments. The theory opines that managers of each segment must make decisions only after they have identified the impact of such decisions on other sub-systems and on the entire system. This presupposes that the various parts must work together to promote efficiency and effectiveness i.e. an organizational system must create synergy (the whole is greater than the sum of parts) and thus increase efficiency and effectiveness. Synergy implies that units or segments that work together are more productive than they would be if they operated independently.
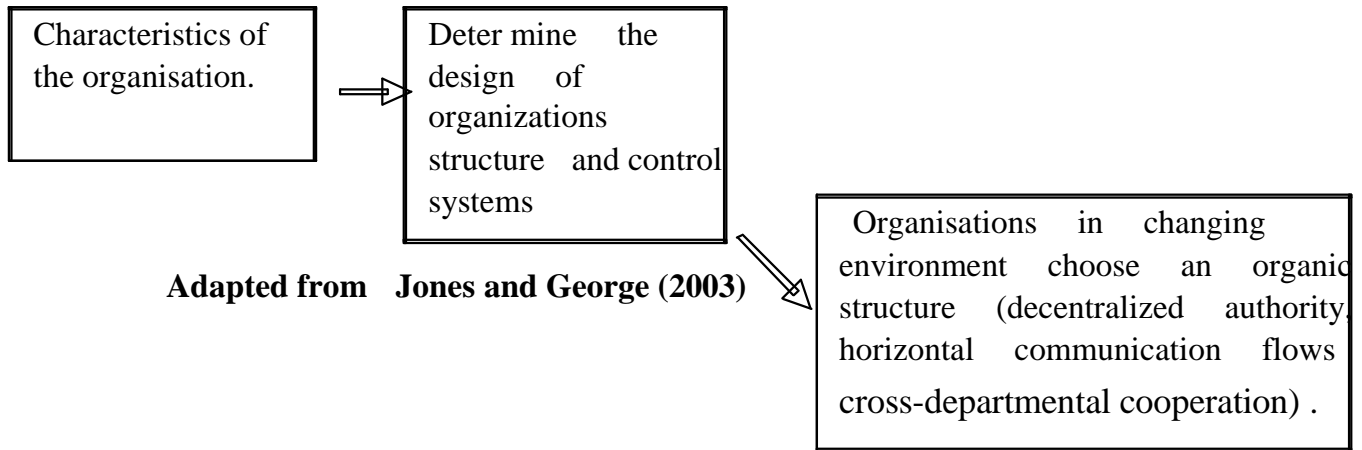
(ii) Contingency Theory

This theory is often called situational theory. It was developed when researchers tried to apply the concepts of the major theories to real life situations. It was discovered that certain methods were highly effective in certain settings but highly ineffective in others. Their logical conclusion was that results differ because situations differ (Stoner, freeman and Gilbert, 1995:48).

An effective and efficient manager is one who identifies which method will in a given situation, under a particular circumstance and at a given time will best contribute to the achievement of organisational goals. In other words, the organizational structures and control systems that a manager chooses are contingent on the characteristic of the external environment in which the enterprise is operating.

It follows therefore that managers may either use a mechanistic structure where the environment is stable or an organic structure where the environment is rapidly changing. Figure 3.1 describes this vividly

FIG. 3.1 Contingency Theory of Organisational Design

Organizations in stable environments choose a mechanistic structure (centralised authority, vertical, communication flows, control

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┌──────────────────┐        ┌──────────────────────┐
│ Characteristics of│        │ Deter mine    the    │
│ the organisation. │  ⇨     │ design    of         │
│                  │        │ organizations        │
│                  │        │ structure  and control│
└──────────────────┘        │ systems              │
                            └──────────────────────┘
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Adapted from   Jones and George (2003)

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                            ┌────────────────────────────────┐
                            │  Organisations   in   changing │
                            │ environment  choose  an  organic│
                            │ structure  (decentralized authority│
                            │ horizontal  communication  flows│
                            │ cross-departmental cooperation) .│
                            └────────────────────────────────┘
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Self   Assessment Exercise

What are the pitfalls in Max Weber's concept of bureaucracy?

3.3 Classification of   Managers

Managers   generally   are   all   those   who   are   responsible   for   performing   the   functions
ofmanagement. However, it is imperative to note that the practice of management is at different
levels   within   an   enterprise,   with   varying   organisational   activities. The   various   levels   are
represented using this diagram.

Top Managers

Middle Managers

First line managers
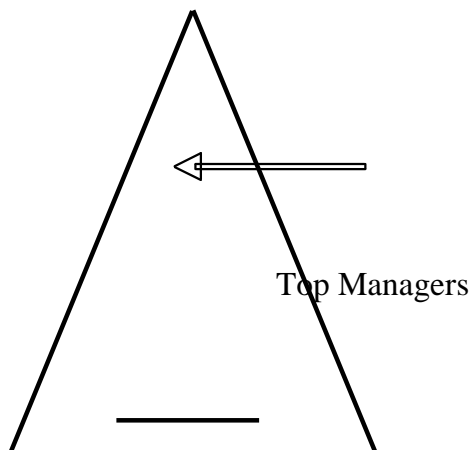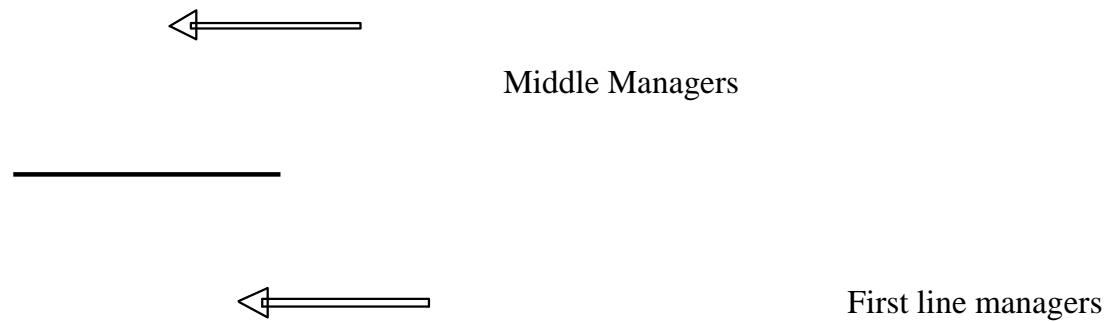
First line managers are those who are at the lowest level in the organisation and are saddled with the task of being responsible for the work of others. They normally direct non management employees and do not supervise other managers. This group of managers include production supervisors in a manufacturing concern, clerical supervisors in large offices, etc. They are also called first-level managers and direct the activities of operating employees.

Middle level managers are those in between first-line managers and top level managers. Their main task is to direct the tasks that will implement their organisations' polices and to have a balance between the demands of their supervisors (Managers) and the capabilities of their subordinates.

Top level Managers are those level of managers who are concerned with the establishment of operating polices and guidelines for the organisation interactions with its environment. The top managers are basically responsible for the corporate management of an organisation. They are often referred to as chief executive officers, presidents, managing directors, etc. However, such titles vary from one enterprise to another.

A second mode of classification in not based on the level but on the scope of activities that they manage, namely:

i. Functional Manager- These are managers who are only responsible for one organisational activity (function) e.g. marketing or finance alone. Thus, using this approach, we can a have marketing manager, finance manager, production or human resources manager, etc.

ii. General Managers: These are group of managers who are responsible for all the functional areas of an organization or its subsidiary or unit. Hence, all of its activities are the concern of that manager i.e. he or she is responsible for efficiency and effectiveness in finance, production, marketing, etc.

Self Assessment Exercises

a. Why is classification necessary when looking at managers?
b. Discuss the quest for the development of management theories.

4.0 CONCLUSION

The above analyses show that management of organisations is inevitable and that explains the rationale or quest by numerous researchers, authors and practitioners in developing appropriate theories that can ensure effectiveness, productivity and efficiency in organisations. Also, the task of management becomes clearer and easier when managerial duties are fit into appropriate classes or levels. This grouping inevitably puts managers into different classes too.

5.0 SUMMARY

In this unit, the concept of management was discussed along with the main theories that have been developed to help achieve increases in productivity. Each of these theories' view point was analysed and the merits/demands highlighted. Also, the different classes of managers were discussed.

6.0 TUTOR MARKED ASSIGNMENT

1. Clearly analyse the rationale behind the development of the behavioural management theory.

3 What is the main area of commonality between management science and scientific management theories?

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UNIT 2: PRINCIPLES OF MANAGEMENT

CONTENTS

1.0 INTRODUCTION

In the previous unit, we discussed the various theories of management and mentioned the contributions of major players in the development of management thought. In this unit, we will still discuss the contributions of some of these key players in the development of management as a discipline by analyzing their contributions in developing principles of management.

Principles by their nature are basic truths about a situation and they help provide direction and/or focus. Paramount principles of management include those developed by Frederick Taylor, Henri Fayol and Max Weber

2.0 OBJECTIVES

At the end of this unit, the learner is expected to be able to:

1. List key principles in management
2. Discuss the principles of management
3. Analyse the implications of the diverse principles of management as developed by many authors

3.0 PRINCIPLES OF MANAGEMENT

3.1 Frederick Taylor' Principles of Management

We saw in unit 1 that Taylor engineered the concept of scientific management with the ultimate aim of enhancing efficiency and productivity in organisations. As a manager and consultant, who conducted experiments as well as made observations in diverse settings, he came out with what he termed principles of management which are held in high esteem to this day.

Taylor's principles of management were aimed at achieving harmonious and corporative group relationships, developing the full potentials of the employees and organisations so as to work for maximum output and replacing rule of thumb with organised body of knowledge. Jones and George (2003:43-44) summarised Taylor's principles of management into four (4). They are further summarised as follows:

1. Improvement in Tasks Performance

   Taylor opined that there is every need to study the way tasks are performed by workers, through gathering of all the informal job knowledge that they possess and to experiment with ways of improving how tasks are performed by them. One of the principal tools Taylor employed in achieving this principle was time and motion study which involved a careful timing and recording of the actions taken to perform a task. This practise enhanced the process of specialisation and in the reduction of the number of motions workers made to complete tasks.

2. Codification of new methods of performance into written rules and standard operating procedures and processes. When best procedures or methods were identified, Frederick Taylor recommended their recording and stipulation as standard procedures to be taught and applied to all employees performing similar tasks. In other words that became the standard mode of operation for that task. Taylor believed that could help ensure efficiency throughout the entire organisation.

3. Selection and training of employees with special abilities to carry on tasks according to established patterns. Taylor posited that to increase specialisation and efficiency, there was the pressing need for workers to understand thoroughly their tasks via training so as to perform such tasks at required minimum levels. This meant that those who could not attend such required minimum levels needed to be posted to other sections until such minimum acceptable levels of performance were attained.

4. Developing a good system of remuneration for workers that excel. Taylor being a manager with a flair for productivity recommended bonus pay system and some percentage for hard working employees who exceeded the required minimum acceptable levels of performance. This invariably meant that putting in place a system of reward for Workers who performed above the accepted minimum levels stipulated by management.

Self   Assessment Exercise

Would you like Taylor think that improvement in task performance leads to efficiency?

3.1 Max Weber's Principles of Management

Weber was a German academic with much interest in developing formalised system of organisation and administration with a view to enhancing effectiveness and efficiency in operations. He placed much interest in the authority structure of organisations and developed the principle of bureaucracy. He emphasised that hierarch, authority and bureaucracy were necessary ingredients for success of all social systems (Agbaeze, 2006:76).

In their analysis of Weber's theory of bureaucracy, Jones and George (2003:48-49) summarised the principles of management from Weber's perspective as follows:

2. A manager's formal authority emanates from the position being held. Every manager is capable of commanding obedience and respect as a result of the position he/she occupies and that this permits the manager to control and direct compliance of the subordinates,

3. Occupation of position is derived from a manager's performance. This implies that job related skills should determine the kinds of positions managers occupy.

4. Clearly specified extent of authority, responsibility and relationship to other positions in the enterprise. This principle warrants every employee to know what is expected of him/her and what is expected from others as well. This permits for accountability.

5. Hierarchical arrangement of positions. This permits for who reports to an employee and who such employee is to report to.

6. Effective control of organisational members' behaviour. Weber opined that this can be achieved where well defined systems of rules, standard operation procedures and norms are clearly created. These provide behavioural guidelines and dictate best practices which can enhance improvements in accomplishing organisational tasks.

3.3 Fayol's Principles of Management

Henri Fayol, a notable guru in management identified fourteen (14) principles of management that he believed are essentially fundamental in the drive towards enhancing efficiency in the process of managing enterprises. These principles form the foundation of contemporary management theory and practice. Consequently, many scholars of management extol these principles and Fayol's contribution to the development of management as a discipline and practice. Jones and George (2003:50-53) Weihrich and Koontz (2005:14) identified these 14 principles as developed by Fayol as follows:

1. Division of Labour. This involves the separation of skill areas into functional areas based on specialisation. According to him, this will eliminate any uncertainty in the organisation,

   Division of labour also involves the specialization of the workforce, thereby creating specific personal and professional development within the labour force which entails increasing productivity and leads to increases in the efficiency of labour. By separating a small part of work, the speed and accuracy in the workforce's performance increases. This principle applies to the employees at both the technical as well as managerial levels.

2. Authority and Responsibility. Henri Fayol postulated that authority and responsibility are important, both as a result of manager's position as well as other forms of informal authority that emanates from personal expertise, technical knowledge, leadership abilities, etc .Fayol opines that where there are clear division of the levels of authority and responsibility, uncertainty in

organisations will be reduced or even eliminated entirely. This reduces the tendency of any manager usurping another person's authority.

3. Unity of Command. The principle of unity of command emphasises that each organisational member should have only a single superior whom he/she reports to. Proponents of this concept believe that it lessens conflict, confusion, havoc within the organisational hierarchy and creates greater feelings of personal responsibility for results or accomplished tasks. Although, possibility of dual command exist in many because this practise is often inevitable. The chief problem with dual command is however the difficulty in appraising the responsibility and authority of organisation managers.

4. Line of Authority. By line of authority, we are referring to the chain of command from the top level down to the bottom of an organisational structure. The efficiency of communication in organisations is greatly influenced by the length of the chain of command. An organisation with a flatter structure (lesser levels) will be able to disseminate information at a faster pace. Also, its planning and controlling functions will be carried on much quicker too. This is because there are fewer interactions which invariably mean quicker decision making too.

5. Centralisation. This refers to concentrating power and authority at the top hierarchy of an organisation. Fayol opines that authority should not be so much concentrated at the top managerial hierarchy. This is so since centralisation entails only managers at the top hierarchy are charged with the making of most decisions, particularly, important decisions. This indicates danger as the lower level managers or subordinates have little or nothing at stake or are not participants in decision making. However, its chief advantage is that it permits top hierarchy the opportunity to have a good control over the affairs of the enterprise which means prompt and appropriate response to problems and issues within the enterprise.

6. Unity of Direction. This refers to having a single guiding plan. By this principle it means that tasks that have the same aim need to come under a single head and a common plan as guide. The rationale behind this principle is to be focused and avoid controversies that will arise with organisation members working at cross purposes.

7. Discipline. This refers to respect for organisational members so as to ensure reliability and hard work which are needed to achieve organisational goals.

   In specific terms discipline entails obedience, proper conduct in relation to others and respect of authority. Discipline is virtually essential for the smooth functioning of all organizations.

8. Equity. Where subordinates are loyal and committed to their duties, it is quite normal for top management to treat them with respect, fairness, impartiality, etc. When this occurs, the workforce is encouraged and motivated to attain higher levels of performance.

9. Order. Here, the emphasis is on the arrangement of organisational resources – human and material. Fayol's concern was with orderliness that could result into efficiency and resourcefulness in organisations. Hence, he recommended the use of organisational charts. Order will also enhance proper career planning and development along career paths.

10. Subordination of Individual Interests to the Common Interest. The concern here is due to the fact that there is diversity in interests of organisation members. The

principle is emphasising the superiority of the interest of the organisation over and above those of individuals and groups if the organisation is to survive.

11. Initiative. Initiative simply means the possibility of subordinates to exercise creativity without direction or control from superiors. Initiative is a key ingredient in the ability to survive in any keenly competitive environment. Utilising the initiative of employees can add strength and new ideas to organizations because initiative is a source of strength for the organization because it provides new and better ideas. Fayol opined that managers must be encouraged to exercise their initiative potentials. Thus, being able to strike a balance between order and initiative is a vital managerial tool.

12. Remuneration. Fayol posited that the remuneration system which has important implication must be fair enough to encourage efficiency and productivity. He proposed bonus and profit sharing plans as a system of rewarding employees.

13. Stability of Tenure. Fayol argued that high labour turnover in organisations results from poor or bad management. He therefore recommended for long term employment. He believed this to be a factor that can bring about the development of skills that can improve organisational sense for proper utilisation of resources. The tenure of service should not be too short and employees should not be moved from positions frequently. Fayol argued that an employee cannot render useful service if he is removed before he becomes accustomed to the work assigned to him and that such removals may to a large extent lead to labour turnover.

14. Esprit De Corps. This is a French word meaning "in unity there is strength". It emphasises the feelings of commitment or devotion with interest to a common cause among members of an organisation or group or team. This team spirit is usually is a catalyst that helps develop an atmosphere of mutual trust and understanding and can be used to initiate and aid the processes of management functions.

Why do you think Fayol think that stability of tenure is required in ensuring efficiency and effectiveness in organisations?

4.0 CONCLUSION

The above analyses show the efforts of practitioners and writers in the field of management in the development of appropriate principles in the field of management. The main concern of these principles is to bring about improvement, efficiency, effectiveness and productivity in the operations of organisations.

5.0 SUMMARY

In this unit, we examined the concept of principles and discussed the various principles developed by key scholars and practitioners in the field of management. This included the works of Henri Fayol, Frederick Taylor and Max Weber.

6.0 TUTOR MARKED ASSIGNMENT

   I. Critique the principle of division of labour.
  II. Discuss the benefits of codification of new methods of performance into rules and
      standard operating procedures.

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UNIT 3: AN OVERVIEW OF THE FUNCTIONS OF MANAGEMENT

CONTENTS

1.0 INTRODUCTION

The task of management involves the use of resources to achieve set goals. Managers help accomplish this by performing a number of managerial functions. These functions have generally been condensed into the following four: Planning, organizing, leading and

controlling (Robbins and Coulter, 1996:9). Managers at all levels, in all department whether small or   large, profit or non-profit are responsible for performing these functions. The degree to which they perform these functions well determines how efficient and effective they are in an organization.

2.0 OBJECTIVES

At the end of this unit, the learner should be able to:

i. List the functions of managers in organisations
ii. Discuss how managers perform these functions;
iii. Identify pitfalls in the performance of any managerial function; and
iv. Describe   corrective   measures   in   ensuring   efficiency   in   the   performance   of management/functions in organisations.

3.0 AN OVERVIEW OF THE   FUNCTIONS OF MANAGEMENT

3.1 The Planning Function

For any meaningful progress to be made, manages need to identify and choose appropriate goals as well as determine the courses of   action to take. This is what the planning function involves. In this regard, Jones and George (2003:8)   posit that planning involves identifying and   selecting   appropriate   goals.   Similar ly,   Robbins   and   Coulter   (1996:9)   opine   that planning   involves   defining   an   organization's   goals,   establishing   an   overall   strategy for achieving these goals, and developing a comprehensive hierarchy of   plans   to integrate and coordinate   activities.   From the above,   planning helps   give   guidance,   since   it   serves   as   a control mechanism. Without planning, the task of managing becomes haphazardly done with no meaningful results. Planning also forces managers to look ahead and reduces overlapping and wasteful activities.

3.1.1 Types of Plans

There are   a variety of   ways   in which we can categorise plans. In this   unit, the learner   is exposed to categorisation that is   based on breadth, time frame, specificity and frequently of use.

A. **Breadth.   Under   this   sub-division,   we   have   two   types,   namely,   strategic   and** operational plans. Strategic plans generally apply to the entire enterprise, establish the enterprise's overall objectives and seek to place the organisation in terms of its environment   while operational plans specify the   details   required to achieve the overall   objectives   i.e. they define   ways   to attain the   objectives. It   follows   that

strategic plans cover a wider period than operational plans. Operational plans also deal with specifics as opposed to strategic plans which are broader.

B. Tim e frame. Here we may have short time plans (plans within less than one year), intermediate plans (period between 1-5 years) and long-term plans (plans exceeding five years).

C. Specif icity

Plans may be specific or directional. Specific plans usually are explicit and with clearly defined objectives for example, "we want to attain 10% sales volume within the first quarter of 2009". It follows, clear procedures, budget allocations, schedules of activities must be designed to achieve this target. This represents a specific plan.

Directional plans on the other hand are plans that merely give general guidelines i.e. providing focus or direction with no specific objectives. This kind of plan is flexible and provides for misinterpretations.

D. Frequency of use

Here, we have single-use plans and standing plans. Standing plans by their nature are to provide guidance for events that are repetitive in an enterprise e.g. the national policy on gender mainstreaming. Single- use plans on the other hand are those that are planned specifically to meet unique needs. They are created in response to non-programmed decisions, since managers may not repeat such plans.

3.1.2 Planning Steps and Tools

The basic steps in planning are:

i. Readiness to engage in planning. The organization must be ready to engage in planning; otherwise it is an effort in futility. This step is to help clarify the organization's beliefs.

ii. Creating a vision. This means a statement of purpose and function. This means defining the organisation's preferred future.

iii. Stock taking. This implies a vivid understanding of the organisation's current status and it involves an exhaustive examination of both the internal and external context within which the enterprise's situation.

iv. Goals and objectives setting. Goals are simply a clearer statement of the visions which specify what is to be accomplished so that the vision becomes Objectives are only clearer statements of the specific activities that are required to achieve set goals.

v. Build a communication plan. Having a successful plan requires much of a sound communication campaign from the onset to create awareness and acceptance.

Self assessm ent exercise

i. What is the significance of planning?

ii. Identify reasons for lack of planning by some managers.

In utilising these steps, managers use a variety of planning tools. These are:

a. Environmental scanning. An in-depth analysis or screening of volumes of information to detect emerging trends and create scenarios
b. Forecasting. From the environmental scanning, forecasts (predictions of future outcomes) are made.
c. Benchmarking. This simply means a search for the best practices among competing or non-competing firms, leading to their superiority in such industries. The idea behind this practice is that it can lead to improvement in quality by analysing and/or copying the methods of leaders in different fields.

3.2 The Organising Function

There abound vast volumes of duties and/or tasks to be accomplished in every organization. These duties need to be properly organised to avoid confusion and duplication or waste. Organising involves assignment of responsibilities and authority to individuals or groups in establishments. Jones and George (2003:10) define it as the process of structuring working relationships that permit organisational members to interact and cooperate well to achieve organisational goals.

The resultant effect of organising is having organisational structures which specify tasks and reporting relationships that help in the coordination of organisation members. This helps provide for motivation to work together to achieve set goals and objectives.

3.2.1 Organisational Structures

Upon the determination of an organisation's goals, plans and strategies, management needs to establish an effective and efficient structure that will help in achieving set targets. Organisation structure is basically a system or formal framework that specifies authority and communication network within the organisation. In other words, it describes the process by which management decides on tasks and jobs relationships within the enterprise.

There are no hard and fast rules regarding structuring of enterprises. The major issue is ensuring that the structure fits the prevailing circumstance(s) that affect(s) the firm most, and it allows it to operate with some degree of certainty. Such factors include the organisational environment, strategy, human resources and technology. These factors determine whether the enterprise needs some level of flexibility or otherwise while designing organisational structures. The central issue is to permit for speed in decision making or not.

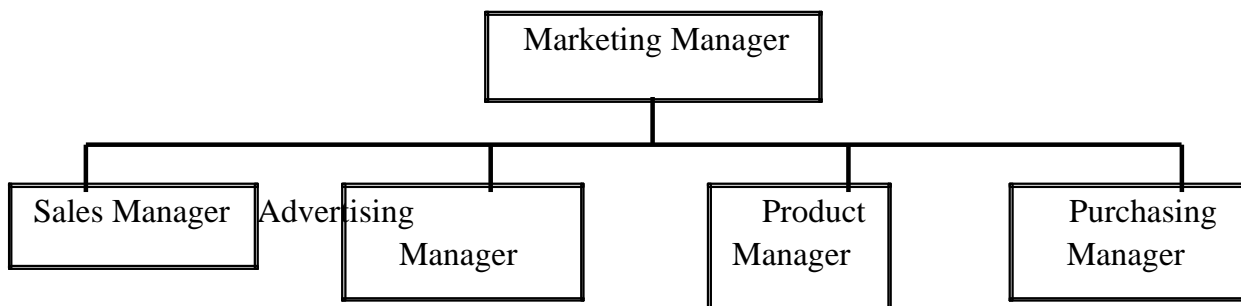There are two basic processes of designing organisational structures. These are:

i. Grouping tasks into jobs. This is the first step where managers decide on how to divide tasks into specific jobs that have to be perfumed to help meet needs of customers.

ii. Grouping jobs into functions and divisions. This involves deciding on how to group jobs together so as to match best the needs of the organisation e.g. grouping jobs into departments according to functions, and divisions.

3.2.2. Types of Organisational Structures

There are various types of organisational structures. The basic ones are functional, product/market, geographic and metric types.
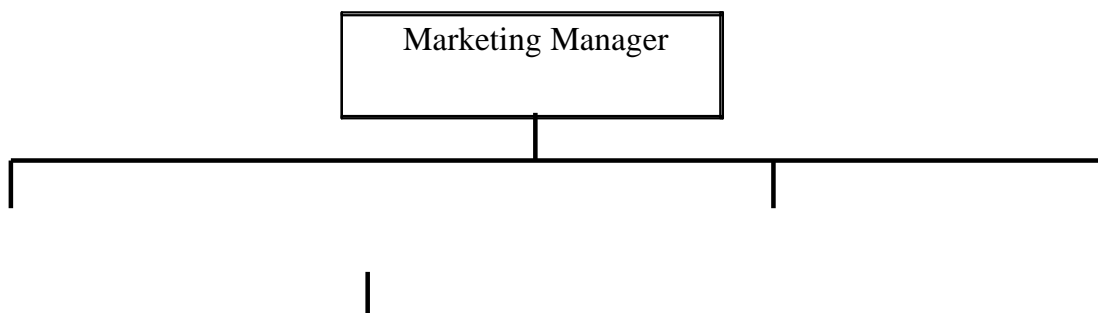
vii. Functional organizational structure. This structure makes use of expertise since members engage in one functional activity e.g. production. It is the most basic structure. Here, supervision is made easier. Here also, there is grouping of diverse tasks into seemingly similar roles e.g.

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                        ┌─────────────────────┐
                        │  Marketing Manager  │
                        └──────────┬──────────┘
        ┌──────────────┬───────────┼────────────────┬──────────────┐
┌───────────────┐ ┌──────────┐ ┌──────────┐ ┌──────────────┐
│ Sales Manager │ │Advertising│ │ Product  │ │  Purchasing  │
│               │ │ Manager  │ │ Manager  │ │   Manager    │
└───────────────┘ └──────────┘ └──────────┘ └──────────────┘
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ii. Product/Market Structure

In this type all those involved in the production or marketing of one or related product are brought under one division. This explains why it is often called organization by division.

This system is practiced mostly by organisations have large size and diverse products whole make functional structuring unwise. These divisions basically represent separate business units since the divisional heads focus primarily on their divisions. For example,

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                ┌─────────────────────┐
                │  Marketing Manager  │
                └──────────┬──────────┘
        ┌──────────────────┼──────────────────┐
        │                  │                   │
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General Manager Foods	General Manager household	General Manager pharmaceutical products	General Manager personal care products

iii. Matrix structure. This is basically a hybrid type since it simultaneously combines
the other types disused earlier. As a result it utilises the merits inherent in both as well as relaxes their drawbacks.

It follows that employees have in effect two superiors, with one chain of command (functional or divisional) and the other is horizontal which combines people from various functional departments into a project team or a business team under a project or group manager (Stoner, Freeman and Gilbert, 1995:333).

Much complexity is seen in Matrix organisational structures. Here, there may be a product manager as well as a national manager. It follows that the same employee may report to the product manager as well as to the national manager where the need arises.

Self assessm ent exercise

a. Identify the merits and demerits of the following:

i. Functional organisational structures

ii. Product organisational structure

iii. Matrix organisational structures

b. Why do firms organise?

3.3 The Leading Function

Leading implies influencing or guiding someone to act in desired ways. When managers are effective it implies that they are capable of motivating their subordinates to be efficient, effective and high performing. Yukl (1989) asserts that leadership is the process by which a supervisor exerts influence over subordinates and inquires, motivates and directs their activities to help attain group or organisational goals.

3.3.1 Leadership Theories

These are approaches aimed at determining what effective leaders are like and what they do that makes them effective. The approaches to the study of leadership are:

A. The Trait Model

This was the first approach to the study of leadership. Its focus is to identify the personal characteristics of leaders. This model opines that leaders must possess certain inherent qualities such as charisma, intelligence; energy, etc. These were associated with effective leadership. However, recent studies indicate that traits alone are not the key to leadership effectiveness.

B. The Behavioural Approach

The inability of a consistent relationship between traits and leadership effectiveness necessitated a shift from this conception. Researchers began to study the behaviours that permit leaders to effectively influence their subordinates to attaining established goals. Here, the concern is how leaders delegate duties, how they communicate, motivate, etc. Proponents of this approach opine that those things that make for effectiveness in leaders are learned.

C. Contingency Leadership Model

The two models discussed above could not be concretely held to result into improved leadership effectiveness. This situation called for a deeper study of forces that bring about effectiveness in leading subordinates. They found out that several factors account for effectiveness in leadership, thus the emergence of the contingency theory. Given the fact that managers' role of leading occurs in a wide variety of situations/organisations and in diverse environmental contexts, thus traits and behaviours alone will not make a good leader.

This model takes into consideration the context or situation of the leader, and it opines that effectiveness in leadership is the function of what the leader is like, what the leader does and the situation is which leadership takes place.

3.3.2 Leadership Problems Today

There are a variety of situations where the leadership has failed to lead. A number of factors are responsible for the poor state of affairs in many organizations. These include the following:

    i. The attitude of replicating the poor leadership habits of others,
    ii. Lack of basic skills for common leadership demands
    iii. Lack of formal training in leadership
    iv. Lack of good models or mentors for the leader
    v. Lack of sound leadership values
    vi. Lack of conformity to set rules.

3.3.3 Leadership Styles

Three basic styles of leadership are:

    i. Autocratic leadership style- Here, the leader commands and expects compliance. In essence he/she centralises authority, dictates work methods and makes unilateral decisions thus, limiting the participation of subordinates.
    ii. Democratic leadership style- The leader who employs this style involves subordinates in decision making. He/she delegates authority, encourages participation of subordinates and uses feedback opportunities.
    iii. Laissez faire leadership style

This is a description of a leader who usually gives the group complete freedom to make decisions. The work is completed in whatever way the group sees it fit. In essence, the leader is not visibly seen.

3.3.4 Efficiency in Leadership

Although there are no specific rules that can ensure effectiveness and efficiency in leadership. However, certain features help make a successful leader. These are:

    i. Personal dignity
    ii. Self- confidence
    iii. Self- respect and respect for subordinates
    iv. Belief in self and others
    v. Sound judgement
    vi. Firmness
    vii. Ability to appraise human values
    viii. Interest (in people and new ideas)
    ix. Tact
    x. Ability to communicate effectively
    xi. Dedication (to job and organisation).

Self assessm ent exercise

Identity pitfalls in leadership style of a given organisation and proffer possible solutions.

3.4 Controlling Function

The function of controlling helps in ensuring that plans are implemented accordingly. This is why Ball, McCulloch, Frantz, Geringer, and Minor (2004:490) attest that controls help put plans into effect, evaluate, their effectiveness, make desirable corrections and evaluate and reward or correct executive performance.

In management control means a system of monitor ing and evaluating whether organisation's strategy and structure are performing what they were intended to, how they could be improved and how they might be changed where possible. The purpose of control is to ensure efficient utilisation of organisation's resources.

3.4.1 Types of Organisational Control Systems

Control systems are mechanisms which provide organisational managers with information regarding the efficiency and effectiveness of organisations strategy and structure. A good control system needs to be flexible enough to allow for quick response to unexpected situations and provide enough accurate information so as to give a true picture of a firm's performance and providing timely information.

Jones and George (2003:334) identified three kinds of control systems. These are:

Feed forward control. This is used at the input stage to anticipate problems before they actually arise so that they do not occur later during the process of converting inputs into finished goods. An example is stipulating strict specifications to suppliers in advance. The development of IT has helped in promoting feed forward control mechanisms.

Secondly, a concurrent control mechanism. At the conversion stage, this system gives organisational managers immediate feedback regarding the efficiency of transforming inputs into outputs so that problems can be corrected as they arise. It permits prompt reaction to problems.

Finally, a feedback control system which helps provide information about reactions of customers to products. This permits action(s) to be taken to correct any defects.

3.4.2 The Control Process

There are four principal steps in the control process-whether at the input, conversion or output stage. These are:

  i. Establishment of standards of performance, goals or targets against the evaluation of performance
  ii. Measurement of actual performance
  iii. Comparing actual performance against selected standards of performance
  iv. Evaluating the results and initiating corrective measures particularly, where achieved results fall below established performance standards.

Self assessm ent exercise

What is the significance of control measures in organisations?

4.0 CONCLUSION

This unit discusses the functions that managers perform in organisations. It also highlights the fact that the functions of planning, organising, leading and controlling are imperatives if organisations must be efficient and effective. The importance of managers in the performance of these functions cannot be over-emphasized, whether small, large, profit oriented or otherwise.

5.0 SUMMARY

This unit discussed the various functions that managers perform in every enterprise so as to achieve set goals. Also, the tasks involved in each of the four functions of managers were highlighted.

6.0 TUTOR MARKED ASSIGNMENT

  c. Identify and describe the steps and tools that managers employ in planning
  d. For successful leadership, what natures are required by those who hold such leadership positions?

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UNIT 4: THEORIES OF MOTIVATION

CONTENTS

1.0 INTRODUCTION

Even with best plans and structures, enterprises may not be effective and efficient. The desire to having efficiency and effectiveness will largely be achieved if the workforce is motivated to perform at the desired or expected levels. A manager who leads well is one who ensures that every staff is motivated adequately to enhance the achievement of organisational goals.

In order to achieve this, quite a number of theories have been developed. These include need theories, expectancy and equity, theories. Each of these theories provides managers with vital insights into how to motivate enterprise members. The diverse motivation theories complement each other but also focus on different aspects of motivation. This is quite necessary as the organisation members also differ in terms of their values and expectations.

When these theories are considered together, they enable managers to gain a rich understanding of the many issues, situations and problems involved in facilitating the attainment of high levels of motivation within the entire enterprise.

2.0 OBJECTIVES

At the end of this unit, the learner is expected to be able to:

i. Describe the concept of motivation
ii. Identify the diverse theories of motivation
iii. Describe how the diverse workforce in a typical organisation can be motivated so as
　　　to facilitate organisational goal attainment.

3.0 THEORIES OF MOTIVATION

3.1 Nature of Motivation

The attainment of organisational goals cannot be realised without having an enduring commitment by organisation members. This cherished commitment on the part of the workforce cannot be achieved without having put in place appropriate motivational concepts by the management. Motivation as a human psychological characteristic which contributes to a person's state of commitment includes those factors that channel, energise or stimulate human behaviour in particular direction(s).

According to Jones and George (2003), motivation refers to those psychological forces that determine the direction of a person's behaviour in an organisation, a person's level of effort, and a person's level of persistence. It is evident that all people have within them the potential of behaving in different ways. In many of the findings of early motivation theorists, the compelling variable is need or goal.

The significance of motivation to management is due to the fact that this concept explains the rationale for the way people behave in organisations. It explains generally why certain people do act in certain ways. Workers may behave in certain ways as a result of either intrinsic or extrinsic sources.

Extrinsically motivated behaviours are those behaviours that are performed in order to acquire material or social rewards or to avoid punishment e.g. a factory worker who is motivated to have a secured income, while intrinsically motivated behaviours are those behaviours that are performed for their sake (Jones and George, 2003:405-406) e.g. a lecturer who actually enjoys lecturing/teaching his students. In the case of the latter, motivation comes from doing the job but in the former, motivation flows from the results of the behaviour. People can be motivated by either sources or both.

Weihrich and Koontz (2005:359) opined that motivation is a general term applying to the entire class of drives, desires, needs, wishes and similar forces. Essentially, when managers

motivate their   workforce, they invariably are applying managerial practices that they hope
will meet these diverse desires, needs, etc and induce them to act in desired ways.

Self   Assessment Exercise

What is the central issue behind motivation in workplaces?

3.2 Assumptions About Motivation

In order   to have a clearer understanding of   the concept of   motivation, Stoner, Freeman and
Gilbert (1995) have identified four basic assumptions about the concept. These are:

i. Motivation is commonly assumed to be a good thing. This   assumption entails that
praises or showers of accolades are due to one who is motivated and not demotivated
i.e. one cannot feel good about himself if he is demotivated.
ii. Motivation is one of the several factors that enhance a person's performance. It means
that   for   one   to   achieve   much,   motivation   is   required   along   with   other
significant   factors.   Consequently,   managers   employ   motivation   to   help   achieve
organisational objectives.
iii. Motivation is in short supply and in need of periodic replenishment. Suffice it to infer
from this assumption that we do not have enough of this concept thus; we need to
frequently   induce   workers   via   the   application   of   vital   motivational   strategies
practices.
iv. Motivation   is   a   tool   with   which   managers   can   arrange   job   relationships   in
organisations.   The   knowledge   of   what   drives   the   people   working in organisations
helps managers to tailor job assignment and rewards to what make people happy and
committed.

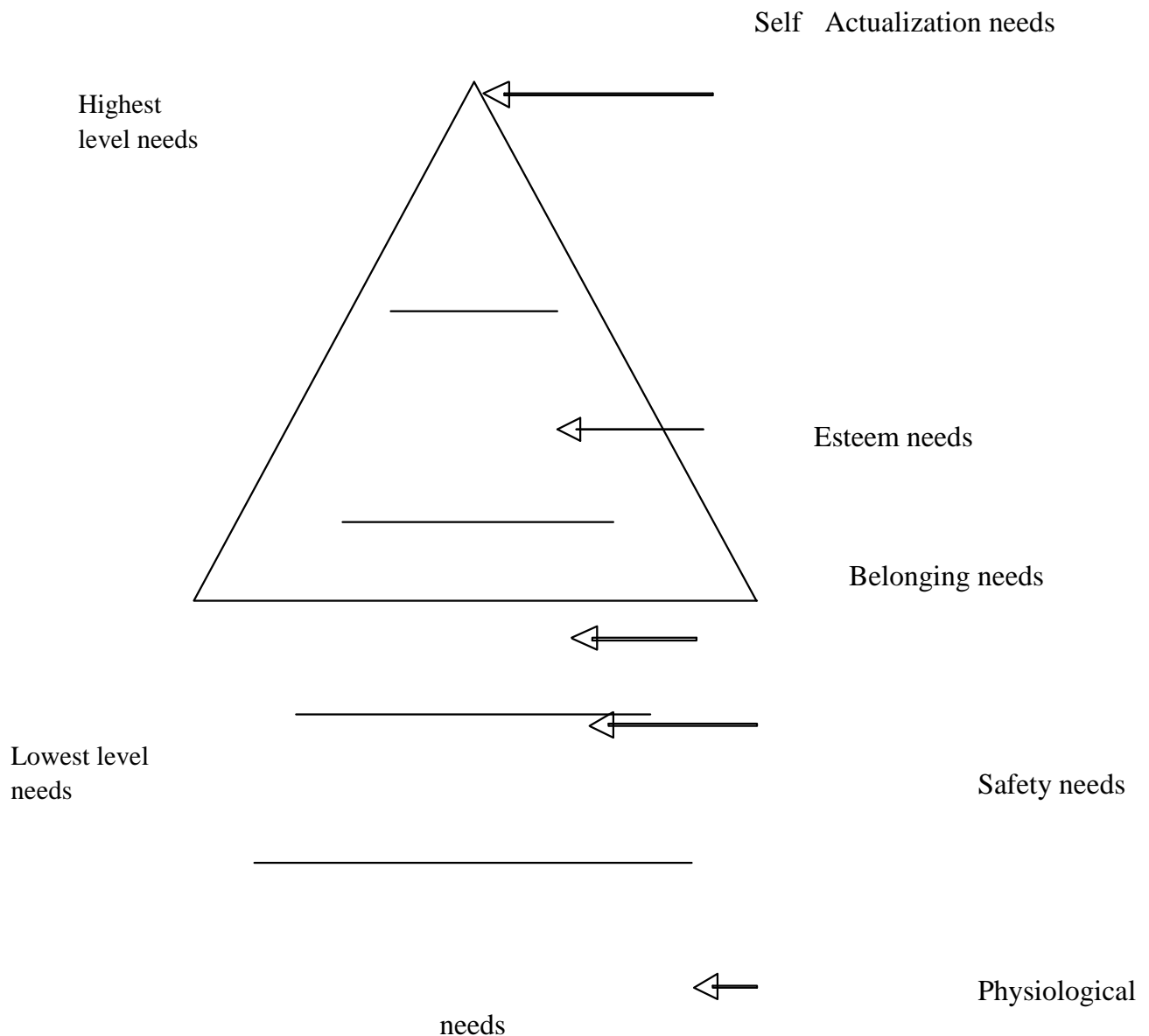## 3.3 Theories of Motivation.

There   are   a   vast   number   of   theories   that   have   been developed   to   explain   the   nature
of motivation. These theories   are virtually attempts   at describing what human beings   are and
what they can become. These theories   help explain the dynamics of organisational life and
engagement. These theories include the following:

3.3.1 Need Theories

Need theories are based on the assumption that   workers are motivated to get the outcomes
that will guarantee the satisfaction of their   needs. In other words, motivating people requires

the identification of those needs that the person is attempting to satisfy at a level that helps
the enterprise meet its goals.

1. Maslow's hierarchy of needs. Abraham Maslow, a psychologist opines that there are five
basic needs which are hierarchically arranged. He stated that until the lower   needs are met,
higher needs cannot be motivating factors, and that they cease to be motivators when such
needs have been satisfied.

Self   Actualization needs

Highest
level needs

Esteem needs

Belonging needs

Lowest level
needs

Safety needs

Physiological

needs

Recent findings have disputed Maslow's contention that needs are in hierarchy and that only
one level of needs motivates at a time.

2. McGregor's Theories X and Y.

Douglas McGregor's Theories X and Y are views about the nature of humans. The assumptions of these theories are as tabulated below:

Theory X	Theory Y
Workers dislike work and will attempt avoiding it if possible	Workers view work as being natural as rest or play
Workers must be forced, controlled or threatened with punishment to achieve expected goals	Workers would normally exercise self direction and self- control if they are committed to the goals.
Workers will avoid responsibilities and seek formal direction where it is possible	Average workers can learn to accept and seek responsibility
Most workers place security above all other factors associated with work and will display little ambition	The ability to make good decisions through the population and is not necessarily the sole ability of managers.

These theories (X and Y) suggest that different approaches are effective in different situations i.e. the effective and efficient enterprise is that which fits the task requirements to the people and the particular situation.

3. Herzberg Motivation Hygiene Theory

Frederick Herzberg and his associates proposed the two factor theory of motivation. In one end (group) are a set of needs that their presence does not motivate because it yields no satisfaction, but their absence while however result into dissatisfaction. They are hygiene or job context factors e.g. company policy, and administration, supervision, working conditions, salary, status, job security, personal life, interpersonal relations, etc.

The second group includes factors such as achievement, recognition, challenging work, advancement, and growth in the job (job content – satisfiers). Their presence yields feeling of satisfaction. This implies that if the theory is true, managers will necessarily give considerable attention to the latter group of factors.

4. McClelland's Needs Theory of motivation.

David McClelland identified three kinds of needs which help in understanding motivation. These are

- Need for power – those who have this need are concerned with exercising influence and control. Such people generally seek positions of leadership; they are forceful and demanding.
- Need for affiliation – such individuals are concerned with establishing sound interpersonal relationships, sense of intimacy and understanding and able to console and help others who are in trouble.
- Need for achievement – such persons have strong desire for performing challenging tasks well and to meet personal standards for excellence. They are dreadful of failures thus, set moderately difficult but not impossible goals and like receiving feedback on performance.

5. Expectancy Theory

Victor H. Vroom opines that motivation will be high when workers believe that high levels of effort lead to high performance and high performance leads to the attainment of desired outcomes (Jones and George 2005:407). It means that an individual tends to act in a certain way based on the expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to such an individual. This theory has three variables:

i. Expectancy. This is the perception by the individual that through exerting a given effort will result into a certain level of performance i.e. people will exert effort only when they perceive that it will pay off in high performance. In essence, where the expectation in high, motivation is also high.
ii. Performance or instrumentality – This in the extent to which the individual believes that performing at a given level is instrumental to the attainment of a desired outcome, such as pay, job security, interesting job, etc.

iii. Valence or attractiveness of reward – This in the relevance that the individual attaches to the expected outcome/reward that can be achieved. Outcomes that have high valence are most likely to motivate workers.

From the foregone, high motivation comes from high levels of expectancy, performance and attractiveness.

Self Assessment Exercise

Explain the concept of expectancy and describe the implications of expectancy theory to management.

6. Equity Theory

The term equity relates to fairness in ter ms of treatment one receives in comparison to that of others who behave in similar ways. The theory was developed by Stacey Adams. The theory is an attempt to explain behaviours of employees particularly when compared with relevant others. Adams theory proposes that employees perceive what they get from a job situation in relation to what they put into it and then compare their inputs – outputs ratio with the inputs-output outcomes of relevant others (Robbins and Coulter 1996:545). They went on to posit that where the ratios are equal, state of equality results, but where inequality exists, people perceive the absence of fairness or injustice with attendant behavioural responses. They state the following as the likely behavioural responses:

    i. Distortion of inputs or outcomes
    ii. Inducement of others to change their inputs or outcomes
    iii. Changing their own inputs or outcomes
    iv. Select a different person for comparison purposes.
    v. Quit their jobs

Self Assessment Exercise

As a manager, how can you address the issue of inequality?

7. Goal Setting Theory.

When subordinates participate in goal setting, it is logical that this will boost their acceptance and commitment to the goals. This theory is based on the premise that the goals that

organisation members strive to attend are basic instruments for motivating them. Consequently, the theory proposes that to motivate workers for high performance, such goals need to be specific and difficult (hard but not impossible).

When goals are specific and difficult, they affect motivation because people are stimulated to contribute more inputs to their jobs and put more efforts. Besides, they help people direct their inputs in the right direction and increase customer service and consequently sales. The bottom line is that the subordinates have the intention to work towards the goal that has been set which they are participants.

Due to the fact that today's workforce is diverse in nature; the task of motivating employees has not been easy. The diverse nature could be in terms of different races, sexes, positions or even needs. This has great implications for organisation managers. Consequently, the basic approach in addressing this phenomenon is to be flexible so as to be able to accommodate the diversity in the workforce environment.

4.0 CONCLUSION

An important ingredient for the effectiveness and efficiency in the management of enterprises is motivation of the workforce. It is as a result of the desire to have workers properly motivated at work with the ultimate aim of achieving organisational goals that a variety of theories have been developed. These theories include those based on needs of employees, their expectations, equality and goal setting involvement.

5.0 SUMMARY

The above analyses indicate that we have examined the concept of motivation and the theories that have been developed over time to help enhance the motivation of employees at work. The assumptions underlying motivation were also highlighted.

6.0 TUTOR MARKED ASSIGNMENT.

i. Vividly explain the assumptions about motivation
ii. What is the relationship between Maslow's hierarchy of needs theory and McClelland's theory of motivation?

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UNIT 5: MANAGERIAL ROLES

1.0 INTRODUCTION

The process of managing organisations as seen in unit 2 involves the performance of certain identified functions. Performing these functions entails that managers carry out a variety of

sets of tasks or activities. These tasks at times are not only varied and complex in nature but not having a particular pattern. Some of these tasks may even be of a short duration, lasting a few minutes or hours or even days or weeks. As a result of Henry Mintzberg study of the activities of five chief executives in a variety of organisations, he found out that managers actually are engaged in a series of ten activities. Mintzberg's ten activities (roles) are as follows: figurehead, leader, liaison, monitor, disseminator, spokesperson, entrepreneur, disturbance handler, resource allocator and negotiator. However, recent studies indicate that these ten activities can be grouped into three major categories: informational, decisional and interpersonal roles.

These roles are basically those specific tasks that are expected of every manager in an organisation as he/she goes about the actual job of managing.

2.0 OBJECTIVES

At the end of this unit, the learner is expected to be able to :

    a. Describe what managerial role are
    b. Identify the various managerial roles
    c. Discuss the components of the various roles of managers in the management of
       enterprises.

3.0 MANAGERIAL ROLES

3,1 Interpersonal Roles

What constitutes the interpersonal roles of managers is composed of three of the roles identified by Mintzberg. These are: leader, liaison and figurehead. Jones and George (2003:18) state that the rationale for the assumption of interpersonal roles by managers is usually to provide direction and supervision for the employees as well as the entire organisation. For example, the figurehead role is required of a manager when he/she represents the organisation at organisational or company meetings, where organisational goals are outlined or ethical codes of standard of behaviours are unveiled for employees to comply or follow or at the commissioning of a facility, etc. The figurehead role is more often a routine activity with less or little serious communication and not much significant decision making. Nevertheless, it provides a sense of direction as to what the company is all about and

the kind of workforce the enterprise employs
(http://idea.repec.org/p/iim/iimawp/2005-08-06.html).

The next interpersonal role is the role of a leader. This role involves influencing or guiding employees to behave in a manner that facilitates the attainment of organisational established goals. These include the making of decisions, giving commands, mobilisation of the support of the workforce, recruitment, selection, training, etc which require the direct contact of the manager with the subordinates. Some leader roles require direct contact while others do not. The indirect ones include decision making responsibility.

The final interpersonal role of managers is liaison role. This role comes into play when a manager coordinates the works of the different sections of the organisation and that outside of the organisation. A good example is when an executive obtains vital and necessary information or input outside of his/her traditional domain to undertake tasks within another section or unit. This basically involves the strategic establishment of alliances between the different departments within the organisation and between different organisations outside the enterprise. A typical example is when a departmental head of a University sources needed information from another head of department of a different University regarding a prospective external examiner. The liaison role helps in networking which aids in the sourcing of information for completing organisational duties.

3.2 Inf ormational Roles of Managers.

The informational roles of managers are made up yet another three of Mintzberg identified ten roles of managers. These informational roles include disseminator, monitor and spokesperson. As a result of the interpersonal roles discussed in 3.1, a network of interpersonal contacts within and outside the organisation are created which make the manager responsible for collecting, receiving and disseminating information regarding the operations of organisational members and their various units.

The monitor role is enacted when a manager scans the environment for potential threats or opportunities. He/she does this by gathering information on those things that may impact the organisation either positively or negatively. The manager does the monitor work specifically by assessing the performance of employees and making improvements to avoid adverse future effects. The information may be gathered either informally (listening to competitors' planned marketing strategy) or formally (reading competitors' periodicals).

Upon the gathering of vital information, the manager's duty is to disseminate same to the employees and the organisation. This makes up the disseminator role. The information, according to Jones and George (2003:19) may include changes that are taking place in the external and internal environments (see unit 7) which may likely influence the organisation. The disseminator role may also involve the transmission of information that emanates from within the organisation, for example, the communication of organisational vision, mission

statement and objectives or goals to the employees by management. When the disseminator role is played appropriately, it gives focus and demonstrates unity of purpose.

The third informational role is the spokesperson role. This involves speaking on the behalf of the organisation or unit to others either inside or outside the company about the corporate future intentions of the enterprise. The informational role may assume different forms ranging from lobby for fundamentally important resources to appeals to influential personalities. The corporate head of NNPC talking to Niger Delta youths on its social responsibility policy on education is a good example of spokesperson role. When the spokesperson role is properly performed it is capable of promoting an organisation both within and outside the company so that the company is better placed to favourably respond to external and internal issues.

Self   Assessment Exercise

What factors hinder the efficient performance of the informational roles of managers?

3,3 Decisional Roles of Managers.

An executive of any organisation is responsible for the organisation's strategy making such as generating and making important decisions for the enterprise. This role is the sole preserve of an executive because he/she has the authority, information and capacity for control and integration over important decisions (http://www.bola.biz/mintzberg/mintzberg2.html).

Those things that make up the decisional roles of a manager include four (4) of those things that Mintzberg described as the ten roles of a manger. These include disturbance handler, entrepreneur, resource allocator and negotiator. These roles have close association with the methods employed by manages in their utilisation of the resources of the organisation. Perhaps, the decisional roles of a manager can be regarded as the most important roles. This explains the rationale for inferring that the interpersonal and informational roles are really the precludes to these roles (http://idea.repec.org/p/iim/iimawp/2005-08-06.html)

The first of the four decisional roles is the entrepreneur. This role is enacted when managers provide more useful or superior information which helps to bring about improvements in initiation and investment of resources that can lead to enhanced performance in the organisation. Normally, such actions result into adapting procedures that fit certain situations. The entrepreneurial role is achieved via the gathering of information in the monitor role. This to a large extent is managing changing situations or initiating changes that result into improvements. An example is the development of a pay system that encourages and motivates employees to put in their best at work.

The second decisional role is disturbance handler. This role comes into play when a manager responds to changing circumstances that are like to hamper smooth organisational operations. As a disturbance handler, the manager is to swiftly act so as to effect corrective action that is capable of dealing with the disturbance(s). Such disturbance(s) might emanate either from

within (internal) or outside (external) Examples include the detection of defects in products or kidnapping of company staff by militant groups within the community where the business is located.

The third decisional role is resource allocator. This involves making decisions regarding the quantum of resources to be given to the different sections within an enterprise and deciding on whom to receive such resources. The manager does this role by setting budgets for all the functional units, scheduling of time, programming of work and the authorisation of actions to be taken by employees. Essentially, it has to do with the choice of where to expend organisational efforts.

During the period of boom, the resource allocator role is less tedious or difficult. However, it becomes a critical issue during scarcity. This therefore means a proper appropriation of these resources to ensure an effective and efficient distribution and coordination of this role.

The final decisional role implies taking the role of a negotiator. This role is quite diverse because a large number of individuals are involved. The negotiator role encompasses reaching agreements with labour unions, suppliers and distributors, other lower levels of employees and other corporate bodies.

It is imperative to stress that the nature of the work of a manager will largely determine which of these three broad managerial roles a manager exercises. For example, an accountant does not require much of the interpersonal roles as a marketing executive needs since he/she is often in personal contact with people.

Self   Assessment Exercise

How efficient are Nigerian managers in their performance of the resource allocator role?

3.0 CONCLUSION

 The above discussion shows that managing organisations demands a lot from managers as they are seen performing a variety of tasks. The performance of these tasks invariably implies that they play key roles. These roles include interpersonal, informational and decisional roles. The relative importance of each of these roles is to an extent dependent on the position the manager occupies and the nature of the tasks being performed.

4.0 SUMMARY

In this unit, we examined the various roles played by managers. We equally pointed out that Mintzberg identified ten roles but recent viewpoint is that these roles are grouped into three

broad categories namely: interpersonal, informational and decisional roles. These roles were highlighted and analysed.

5.0 TUTOR MARKED ASSIGNMENT

  i. Identify the relevance of the interpersonal roles to a marketer
  ii. What is the importance of the figurehead role to a manager?

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UNIT 6: MANAGERIAL SKILLS

CONTENTS

1.0 Introduction
2.0 Objectives
3.0 Main content
        3.1 Technical skills
        3.2 Human skills

1.0 INTRODUCTION

In the preceding unit, it was pointed out that managers have varied and complex roles. Consequently, in this unit we will analyse those skills that managers need to appropriately put organisational inputs to their best use i.e. to perform the duties and activities that are linked to managing well.

These skills are categorised as conceptual, technical and human. The skills are basically abilities that can be developed via learning/training (education) and experience to place the manager in an advantageous position of conceptualising and analysing organisational situations. The possession of these skills helps in properly positioning the manager to be better focused and proactive particularly in a dynamic and competitive business environment as in the 21st century.

The task of ensuring effectiveness and efficiency in the management of organisations is however, quite demanding to the extent that the manager is prone to making mistakes. To reduce this tendency, managers must develop appropriate skills that are relevant to managing functional areas. Besides, they also need to learn how these can be integrated with their activities.

To arrive at fruitful outcomes, techniques which hitherto worked effectively need replacement. This implies that the viewpoints of managers must be broadened to help them become more resourceful, initiative and organised

2.0 OBJECTIVES

At the end of this unit, the learner should be able to:

  i. Explain what is meant by managerial skill
  ii. List the skills that every manager requires
  iii. Describe the details of each of the skills that managers require to perform managerial tasks.

3.0 MANAGERIAL SKILLS

3.1 Technical Skills

Technical skills refer to those knowledge areas or proficiencies/competencies in certain specialised fields that are required of a manager to be effective and efficient, Jones and

George (2003) refer to technical skills as those job specific knowledge and techniques that are required to perform an organisational role.

There are quite a variety of such technical skills that are needed to facilitate managerial role accomplishment. Most first line managers and a large number of middle level managers are most often required to have a grasp of technical skills to fill in for any absence of those subordinates that handle certain technical aspects. For example, a marketing manager needs salesmanship skills to augment or fill in for an absent sales manager or sales representative.

In addition a reasonable level of proficiency of the marketing manager in salesmanship will help him/her to resolve problems and provide answers to questions that the sales manager or sales representative may encounter. This proficiency also helps in guiding subordinates who most often perform routine technical tasks such as engineering, accounting/finance, etc. Technical skills are required more by lower level managers than higher level ones.

As a manager moves up to higher managerial levels, he/she requires less of technical skills. This however does not imply the absence of such skills. This is so becomes it is imperative for all managers to possess all kinds of managerial skills to be effective and efficient. The absence of any of these may result into low standards of accomplishment.

3.2 Human Skills

The art of managing organisations implies working with people-individuals and groups. This presupposes that a good manager is one who gets along well with people irrespective of their backgrounds or dispositions. Hence, the ability to work with people (Human skills) is an imperative for successful management of an enterprise.

Human skills are quite diverse. They range from ability to influence, understand, control and change the behaviours of people-groups and individual, ability to communicate, motivate and ensure cohesiveness of organisational members. Managers can develop human skills via experience or learn through education or training at formal training sessions, workshops, seminars, symposia, etc.

It is imperative to stress that all levels of managers need the human skills since at all levels, interactions need to be managed properly so as to facilitate organisational goal attainment. Managers who possess human skills are capable of getting the best out of their subordinates since they are able to stimulate them by inspiring enthusiasm in them and their work.

Self Assessment Exercise

Explain the rationale behind the fact that all managers despite the variations in levels equally require human skills

3.3 Conceptual Skills

Koontz, O'donnel and WeIhrich (1980) opine that conceptual skills refer to the ability to see the "big picture" to recognise significant elements in the situation, to relationships among the elements. Conceptual skills entail the ability to think, analyse and diagnosed situations. This will enable them to visualise the organisation as a whole and the relationships that exist among the divers segments and haw the enterprise fits into the wider

environment. Conceptual skills are necessary for effective, decision making and organisation and planning functions of the manager. Since top level managers are constantly involved in planning and organising, they require the best of conceptual skills. The possession of this skill helps them take advantage of identified opportunities by mobilising appropriate resources in order to capitalise on such opportunities.

Conceptual skills can be developed like human skills via education and training. Studying management as a discipline at an undergraduate or post graduate level is an important means of acquiring this highly significant managerial skill. At such training sessions, theories and techniques in the diverse areas of management that managers need to excel are learned e.g. in finance, production, human resources, marketing, etc.

It is important that managers at the different levels need all the three kinds of skills. However, the table below depicts the relative significance of the different skills at the three management levels.

Table 1: Skills Needed at Different Levels

	Conceptual skills	Human skills	Technical skills
Top managers			
Middle managers			
First line managers			

Self -assessm ent exercise

vii. Explain the rational for the differences in the requirement for conceptual and technical skills at the top and first line levels of management.
viii. Why are three 3 kinds of skills needed by all managers?

4.0 CONCLUSION

The above discussion depicts that irrespective of the level of management a manager occupies; he/she needs the three diverse categories of skills for efficiency and effectiveness. The conceptual skill helps managers have proper perspective of organisational situations, the human skill give them ability to carry on with people while the technical skills enable them to be proficient in the performance of their functions. Consequently, all skills are vital in the quest for efficiency and productivity in organisations.

5.0 SUMMARY

In this unit, we have examined the various kinds of skills that managers need to effectively and efficiently perform their managerial functions and roles. We saw that these skills range from technical, human to conceptual managerial skills and that irrespective of the level of management one occupies, it is incumbent on them to possess these skills, although at some levels the relative importance of the skills varies.

6.0 TUTOR MARKED ASSIGNMENT

i. Describe the technical skills that a restaurant manager needs to possess

ii. Why are human skills of equal importance by all managers?

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UNIT 7: ORGANISATIONAL ENVIRONMENT

CONTENTS

1.0 Introduction

1.0 INTRODUCTION

All enterprises operate within an ever changing environment. It is necessary, therefore, to assess the effect of this environment on the business to identify the Opportunities it presents for future profit and the Threats it poses to current activities Environment as used here is the sum of all the forces surrounding and influencing the life and development of the firm. There are quite a number of forces that affect or influence the life of every business organisation

  These forces themselves can be classified as external or internal.   Furthermore, management has no direct control over them, though it can exert influences such as lobbying for a change in a law and heavily promoting a new product that requires a change in the various areas in which these forces present themselves. These forces may be Competitive, distributive, socioeconomic, financial, legal, physical, socio-cultural, labour, or technological.

2.0 OBJECTIVES

At the end of this unit, the learner should be able to:

  I. Describe the concept of organisational environment
 II. Identify factors that constitute internal and external environments
III. Analyse how these environmental forces influence management of organisations
IV. Describe possible ways   in which managers may strategise to mitigate the influences
      of these forces

3.0 ORGANISATIONAL ENVIRONMENT

3.1 The Organisational Internal Environment

The internal environment refers to those variables that are within or internal to the organisation and can be considerably influenced by the management to reach its objectives. There are two classes or basic elements under this category of environment.

1 The com pany's resources

The company's management system can be influenced by its resources like productivity, financial and personnel capability. If management for instance, is contemplating introducing a new product, can the existing facilities be used, what about personnel in terms of size and expertise? Finances for expansion and acquisition of new machines, location (space or and) research and development, etc.

Firms differ in fundamental ways because each possesses a bundle of tangible and intangible resources. These include:

  a. Tangible Assets. These are physical and financial means a company uses to provide value to its current and potential customers, production facilities, raw materials, financial resources, real estate.
  b. Intangible Assets. They are assets that cannot be touched or seen, nevertheless critical in creating competitive advantage; brand names, company reputation, organisation's morale, technology know-how, patents, trademarks, accumulated experience in the organisation.
  c. Organisation's Capabilities. These are the abilities or ways of combining assets, people, etc which a company can use to transform inputs into outputs.

2 The Marketing Mix

Marketing mix is the particular group of controllable marketing variables that the firm uses to achieve its objectives in the target market. The variables or elements that make the mix are commonly referred to as the "four Ps" product, price, place, and promotion. The management must select the best combination that will best adapt to the environment. Management is seeking the mix that will lead to the optional synergistic results.

Self assessm ent exercise

  a. How can an organisation use its marketing mix elements in responding to competition?
  b. Discuss the potentials of typical Nigerian firms in combining their capabilities in transforming their enterprises.

3.2 The External Environment

External forces are those environmental factors that are outside the business. They generally cannot be controlled by the firm. External environmental factors can further be divided into two groups. The first set is the MACRO environment, while the second set is the MICRO environment.

External Macro-environment

The external macro environment consists of those external forces over which the firm has no control but within which the marketing decisions are made Macro-environmental factors that have impact on the marketing decisions of any firm includes demographic, economic, technological, socio-cultural, political and legal and competitive factors.

Demographic Environm ent

Demography refers to the statistical study of human population and its distribution characteristics.   It is of paramount importance to marketers because people who have money to spend and their willingness to spend it are what constitute markets.   As a marketer, marketing an organisation's product, entails having an idea of the population of the areas in question and its effects on the product.

Physical Forces

There a number of items that constitutes the physical environment. These include the following:

   a. Geographical Location; location of a country determines a nation's political trade relationship. These affect a company's operations.
   b. Topography; Topography determines culture, social structure, etc. of a nation. For example, topography affects altitude, which invariably affects food products and consumption patterns.
   c. Clim ate: - Climate sets limits on what people can do physically and economically.
   d. Natural Resources; e.g. mineral resources determine source of energy and other products that are found in certain regions/countries of the world.

Labour Forces

   Labour   mobility, Composition of   the labour   force, gender issues   e.g. accepting women as full participants in the work force ranges   from improved position in some countries   to near non-acceptance   in   others,   employer-employee   relationships   constitute   a   business forces. All of these affect the supply and demand for labour resources.

Economic environment

People alone do not make a market but their purchasing power. They must have the money to spend and be willing to part with it. Total purchasing power is a function of the economy. Perhaps, the most pervasive macro-economic element affecting management is economic growth.   Every executive should be aware of such trends in the economic environment like interest rates, money supply, real income, inflationary pressures, changing savings and debts patterns, consumer psychology at work. Other important considerations include: Fluctuating currency values, foreign exchange quotation i.e., the price of one currency expressed in terms of another. At times, this is confusing and needs to be examined and reported, currency exchange control, balance of payments, effects of inflation on interest rates, monetary and fiscal policies, accounting/banking practices and laws, etc.

Technological environment

Technological environment at a point in time is the state of the application of scientific principles and mechanical arts to various tasks in the society. Kotler (1980:212) for instance said that the most dramatic force shaping peoples destiny is technology. Technology has tremendous impact on our lives or our life style, our consumption patterns as well as our economic well-being. Technology has been a major factor underlying our great economic growth.   The technological break-through is capable of impacting the business operations in many ways:

       d. Start an entirely new industry
       e. Radically alter or virtually destroy an existing industry
       f. Stimulate other markets and industries related to the existing technology.

Socio- cultural environm ent

Another   major element of the macro environment is the cultural system.   The socio-cultural environment is composed of the beliefs, values, and norms of the people as they live together. Again what is most important to the marketing executive s not the differences in these beliefs, norms, etc, but their rate of changes?   The socio-cultural conditions are generally dynamic but unique to a given society. In fact, the manager needs to examine the nature of the people, the group they form and the institutions they have created for themselves. He also equally needs to examine their values, behaviours, attitudes, customs, and norms, which regulate the behaviours of the people that make up the society, which regulates their religious, ethnic groupings and social class structures.

As people grow up in the society, they become absorbed unconsciously in the values mentioned above , some of which change and need to be noticed and understood by the executive. According to Agbo (2000), some of the changes that have implications for managerial decisions are:

    a. Consumers are more cynical, having more disbelieving questions, about the product.
    b. Consumers respond to multi-media presentation.
    c. Consumers have greater intelligence and sharper wits.
    d. There is more tolerance for individual deviation in behaviour and taste.
    e. There is acceptance impermanence
    f. There is role reversal.

Political /Legal Environment

Political system in a broad term covers the rules and institutions by which a nation is governed.   It consists of an interacting set of laws, government agencies, etc. that constraint and influence the conduct of various organisations and individuals in the society. Managers cannot therefore, afford to ignore the political environment either from its legislations, interpretations by courts, services rendered to companies by the government or even the government as a consumer.   They must also not only understand the nature and rationale for government regulations, but also must monitor and predict them as they aid them in their corporate decisions.

According to Stanton (1981) the political-legal influences can be grouped into four categories:

a. General monetary and fiscal policies since the marketing systems are obviously affected by the level of government spending, money supply and tax legislations.
b. Broad social legislation and accompanying policies set by regulatory agencies e.g. civil right laws and social programmes to reduce unemployment, legislation controlling the environment antipollution laws, etc.
c. Government relationships with individual industries e.g. subsidies in agriculture, shipbuilding, passenger rail transportation, tariffs and import, quota, etc.
d. Legislation specifically relating to marketing.

Competitive Environment

In virtually all businesses, competition is a strong environmental force to note. A manager's decisions should be taken based on the understanding that there are similar businesses that produce what you are into. Competition is generally at three levels:

1. National competitiveness
2. International competitiveness
3. Industry competitiveness

Due to the fact that there are differences in environmental forces, some ways of doing business in other settings can be adapted or changed completely to suit changing peculiar conditions.

External Micro -environm ent

The external micro-environment consists of elements whose decisions and activities are directly a part of the company's marketing system and have immediate impact on the operations of the company but are external to the company. While the micro-environmental elements are generally described as non-controllable forces, they can be influenced to a greater extent by the company.

The firm's micro-environmental elements include the markets, suppliers and the marketing intermediaries. An executive may be able to put some pressures on its suppliers, distributors, as well as its potential and present markets, (consumers).

The market

The market though an external element, can easily be influenced by the marketing executive. The company can adopt marketing decisions to reach the market, service it efficiently, profitably and in a socially responsive manner.

The Suppliers

Supplier's prices and services are a significant influence on any company's marketing system. However, the price and services can be influenced by careful planning on the part of the buying organization. Supplies of products and services are critical to the success of any

organisation. Supplies provide inputs to the company like raw materials, semi-finished goods, etc.   This may not be provided by the producer at the same time.

The Marketing Intermediaries

The marketing intermediaries are independent bodies that directly aid the flow of products and services between the markets and the marketing organizations. Marketing intermediaries are further classified into:

  i. Middlemen – That is, those organizations or individuals that buy from the producing companies for onward resell e.g. the retailers and the wholesalers.
 ii. Various facilitating bodies. Such as transportation, financing, insurance, and other supportive services required in accomplishing exchanges between buyers and sellers.

3.3 Managing the Organisational Environment

The main concern is that managers need to understand clearly how these environmental forces generate threats and opportunities. The ability to understand and analyse these forces requires the measurement of the complexity and dynamism of the forces. It is imperative to note that where a force or number of forces seem(s) to have a high negative impact on an organisation, it requires a substantial devotion of the corporation's resources since the threat is of a significant magnitude. However, where the negative impact is relatively low, it demands a minor level of commitment of organisational resources.

Similarly, where a force presents a significant positive impact, it becomes imperative that to be able to take advantage of this opportunity, the firm ought to deploy considerable managerial time and effort. The reverse is the case where the positive impact is relatively minimal. It is worthy of mention too to point out here that in general terms, the size of an organisation determines the number of environmental forces that the executives need to respond to. The larger the size the greater the number of such forces and vice versa.

In order to manage the influence(s) of environmental factors, managers need as a starting point, need the enumeration of the number and relative strength(s) of the forces that have impact on their organisation the most. They also need an analysis of the manner in which changes in the environment may lead to threats or opportunities for the establishments. After having done these, they have to plan their proposals for mitigating the threats and/or taking advantage of the opportunities with available resources. Jones and George (2003) specifically outline the following as strategies for effective management of environmental factors:

   I. Reducing the impact of environmental forces
  II. Utilising IT and internet to acquire inputs more reliably and at less costs and having links with other organisations – suppliers and customers.
 III. Interacting with individuals and groups outside the organisation to obtain valuable information on the firm's environment
  IV. Creating an enabling and reliable organisational structure will warrant mangers to assign units/departments to deal with various forces affecting their environments. The design of a structure which permits managers to respond appropriately to the specific forces in the environment can be very effective via performing the organising function properly.

Self   assessm ent exercise

   (a) Discuss how a given organisation may respond to the influence of competition in contemporary business circles.
   (b) How can a firm that is relatively weak in terms of financial resources compete with one which is relatively stronger?

4.0 CONCLUSION

The discussion in this unit shows that organisations do not operate in a vacuum since series of influences within and outside have tremendous positive and negative impact on their operations. These forces are essentially outside the direct control of organisational managers. The best they can do is to reduce the impacts they exert on their enterprises. This can be achieved via the application of appropriate managerial strategies, including planning and organising of organisational resources.

5.0 SUMMARY

We have seen that environmental forces are outside the direct control of managers. However, through careful planning and organisation, they can help mitigate their influences. We highlighted a number of factors that make up both the internal and external environmental forces which influence business operations. The strategies that managers could employ to reduce the impact of these forces were also analysed.

6.0 TUTOR MARKED ASSIGNMENT

   I. Explain how NITEL, Nigeria Ltd should have responded to the technological environment in the telecommunication industry.
  II. Identify the major responses of a typical Nigerian company to the physical environment.

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UNIT 8: THE MANAGERIAL PLANNING PROCESS

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1.0 INTRODUCTION

In unit 3, we made it clear that planning is   a tool or technique managers at different levels employ to identify and choose appropriate goals and courses of   action for their enterprises. An organisational plan always consists   of   a   detailed   goals   and   the   specification   of the modality for attaining such goals. This implies that planning is composed of goal setting and strategy formulation processes.

Essentially,   the   planning   process involves   series   of   step-by-step   activities   or   tasks   that managers   are engaged in. The first of these steps is   the determination of   the organisation's mission and goals. This is followed by the second step i.e. formulation of strategy needed to attain   the   set   goals   and   mission   statement   of   the   enterprise.   The   third   step is the implementation of the strategy.

As managers, it is essential that the results of   these 3 steps need to be assessed or evaluated. This is to determine the effectiveness or efficiency of the chosen strategy.

2.0 OBJECTIVES

At the end of this unit, the learner should be able to:

    i. Visualise planning as a process
    ii. Identify the steps involved in the planning process

iii. Analyse how managers make plans

iv. Describe the relevance of evaluation with respect to planning.

v. Discuss the activities involved in each of the steps.

3.0 THE MANAGERIAL PLANNING PROCESS

3.1 Determination of the Mission and Goals

This first stage in the strategic planning process involves a broad declaration of an organisation's strategy (a general programme of action and a deployment of emphasis and resources toward the attainment of comprehensive objectives) and mission statement (a broad declaration of an organisation's purpose that identifies the organisation's products/service and customers and distinguishing the organisation from its competitors) (Koontz, O'donnell and Weihrich 1980:274, Jones and George 2003:251).

Principally, the key decision areas here are: Definition of the business and the establishment of major goals.

3.1.1 Definition of the Business

An effective and efficient planning involves a careful attempt at establishing who its customers are, their needs (current and potential) and the approach being adopted to satisfy these needs. When these are properly addressed, managers are better placed to plan and establish appropriate goals. This implies that information in the three key areas (customer identification, customer needs specification and the determination of how the needs are satisfied) must be obtained and accurately too.

3.1.2 Establishm ent of Major Goals

Upon the successful definition of an organisation's business, efforts must be made to establish the basic goals which the organisation must be devoted to achieve. This helps give the enterprise direction and focus.

Organisations at times set over ambitious and unrealistic goals. Goals need to be challenging but realistic. Also, such goals need a time period statement. Such time periods need to be reasonably set. This makes employees to know the urgency of the task before them. It also helps in motivating them. An organisation's goal may be to reduce costs by 2% or N100m a year in the next two years. This helps managers make efforts towards improvements in ensuring that efficiency of operations with a view to achieving the set goal (2% or N100m a year in the next two years).

Self –Assessment Exercise

Distinguish between an organisational mission statement and corporate goals.

3.2 Formulation of Strategy

As noted in section 3.1, a strategy refers to a set of decisions about what goals to pursue, what cause of action to take and resource utilisation or a broad programme for defining and

achieving an organisational set objectives and the organisational response to the environment (Stoner, Freeman and Gilbert, 1995).

Formulating strategy entails an in-depth analysis of the environment, the identification of the opportunities and threats, the analysis of the organisations   resources and the identification of the strengths and weaknesses of the organisation - SWOT analysis, before coming up with the strategy to pursue. Based on this analysis, managers then come up with an organisation's appropriate corporate, functional or business level strategies.

3.2.1 Corporate Level Strategy

Many organisations   are into more than just one type of   business or industry or country. For such organisations, they need a corporate level strategy i.e. they need to formulate a strategy that will oversee the interests and operations of the organisation. This strategy will determine the roles that each business unit in the organisation plays (Robbins and Coulter, 1996). They key areas   this   strategy addresses   are   the   identification   of   the   kinds   of   business   that the organisation engages in, the goals and expectations   for each business and how resources are to be allocated to each unit.

The formulation of corporate level strategy is predominantly the duty of top level managerial executives since the goal of corporate level strategy is infusion of the various activities of the business units with the organisation's wide sense of direction. Examples of organisations needing corporate strategies are NASCO Group of Companies, NNPC, Dangote Group, etc.

3.2.2 Business Unit Strategy

It is often referred to as line of business strategy. The concern here is with the management of the   interests   and   operations   of   a   particular   kind   (line)   of   business.   Essentially, developing a plan for   gaining a competitive advantage in a particular market or industry. The major   task   is   choosing   how   to   gain   this   competitive   advantage   by   offering certain goods/services. In   essence,   it   relates   to   the   choice   of   approach   to   the   market   within the confines of its resources.

Once an organisation has extensive interests in different businesses, top management could have difficulty in organizing the complexity in its varied activities. An ideal approach is to create strategic business units (SBUs)   where the various activities are grouped and treated as one   business   unit.   Using   this   approach,   the   task   of   the   corporate   level   managers   is the provision of a set of guidelines for   the SBUs, who in turn develop their own strategies at the business unit levels. It is the duty of the corporate level management to make reviews of the SBUs plans and where possible make negotiations for changes.

3.2.3 Functional Level Strategy

Functional level strategies are those plans that indicate support for the business level strategy i.e. how to improve the ability of the enterprise units or departments/sections to create value. In essence, functional level strategy creates a framework for managers in each functional area such as marketing, production, finance, etc to take actions in those areas to carr y out business unit and corporate level strategies so as to add value to the organisations goods/services and increase the value customers receive.

Self Assessment Exercise

Using examples of two indigenous companies, one large and another small, describe how strategies are formulated.

3.3 Strategy Implem entation

The top level management is an important ingredient in strategy formulation. Of equal importance is those charged with the implementation of these strategies. This is predicated on the premise that no matter how good strategies are, there can never by any meaningful success without proper implementation. It is necessary to put the strategies or plans into action in order to achieve efficiency and effectiveness.

Jones and George (2003:272-278) identified five steps in the implementation of organisational strategies. These are:

i. Allocation of responsibility for implementation to appropriate individual or groups;
ii. Drafting of the detailed action plans that specify how a strategy is to be implemented;
iii. Establishment of a time table for implementation
iv. Allocation of appropriate resources to the individuals or groups that will implement the strategies.
v. Hold specific individuals or groups responsible for the attainment of corporate, divisional and functional goals.

To ensure that strategies are implemented may require a drastic shift from an organization's culture to include restructuring/redesign, establishment of control systems, etc. This may require recruitment, selection, training, discipline, transfer or layoff staff or the use of teams.
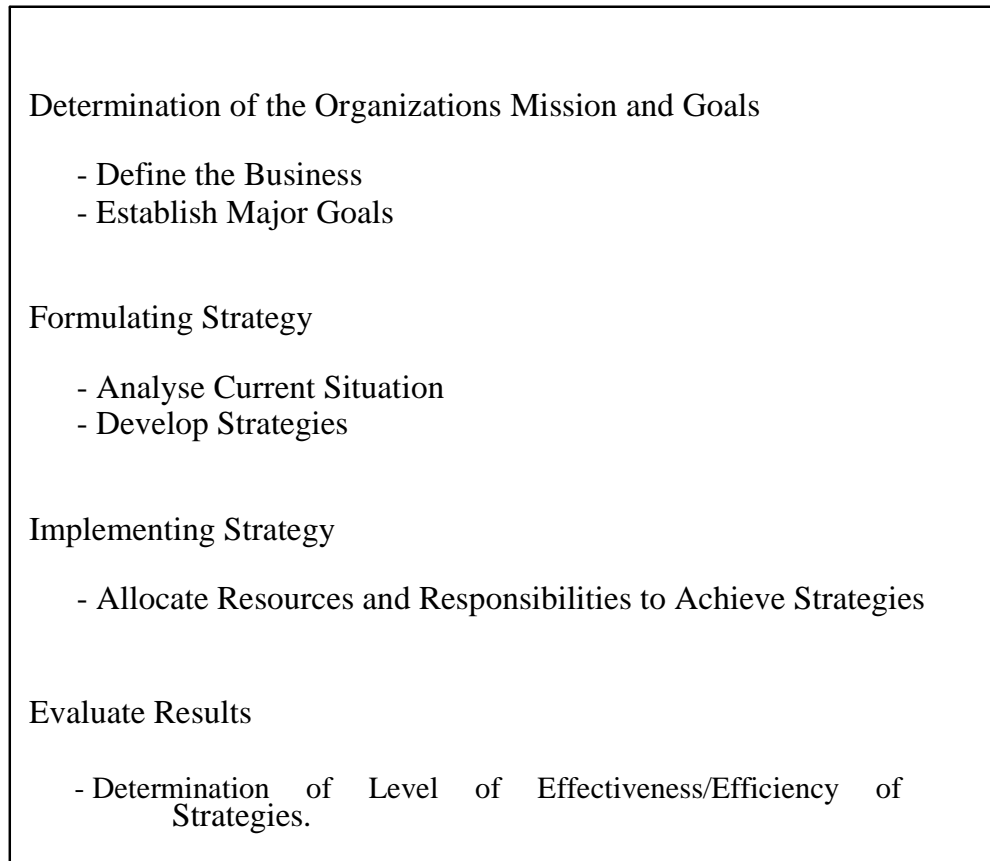
Self -Assessment Exercise

Describe what it takes to ensure that strategies are implemented

3.4 Evaluating Results

This last step in the planning process is to determine the degree of the effectiveness/efficiency of chosen and implemented strategies. It basically involves assessing how the enterprise's strategies have been and to see what adjustments (if any) need to be made to ensure that goals are achieved or to improve the firm's competitiveness in the industr y or market

The planning process is illustrated via a diagram as seen in Fig 3.1 the planning process.

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Determination of the Organizations Mission and Goals

    - Define the Business
    - Establish Major Goals


Formulating Strategy

    - Analyse Current Situation
    - Develop Strategies


Implementing Strategy

    - Allocate Resources and Responsibilities to Achieve Strategies


Evaluate Results

    - Determination of Level of Effectiveness/Efficiency of
            Strategies.
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4.0 CONCLUSION

From our analysis of the managerial planning process, it is imperative that practicing managers need to have it clear and right by embarking on the step-by-step approach so as to make implementation of set plans a reality. This is so because it is evident that every stage of the process is an attempt in ensuring effectiveness and efficiency in management of organisations.

5.0 SUMMARY

In this unit, we highlighted the fact that planning involves three basic steps with the fourth type being the evaluation stage where implemented plans are assessed, to determine the degree of accomplishment. These steps were analysed and/or reviewed so as to acquaint learners with the basis for putting appropriate plans in place.

6.0 TUTOR MARKED ASSIGNMENT

i. Differentiate between goals and mission statement

ii. What does strategy formulation entail?

iii. What can an executive put in place to ensure the implementation of formulated strategies?

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UNIT 9: DECISION MAKING PROCESS

CONTENTS

1.0 INTRODUCTION

The duty of a manager   always involves choosing among alternative decisions. Some of these decisions   may be   routine, or   are   seldom   made,   simple, complex   or   complicated or   more important and strategic.

It has   been recognized that the impact managers   have on organisations is   measured by the results of   their   decisions. Consequently, a variety of   methods   or   tools   are   put in place   to ensure that managers make better decisions. One of   such is the development of a step-by- step approach to decision making.

Choosing among alternatives is   never   an easy task. This is so because it involves   series of vigorous   processes. These processes when carefully followed help reduce the tendency of choosing ineffective and inefficient   courses of   action. Decisions must be made on specific

organisational goals and courses of action that can increase organisational performance since bad decisions result in lower performance.

2.0 OBJECTIVES

At the end of this unit, the learner should be able to:

i. Describe what decision-making involves
ii. Analyse the significant role of decision making in performing managerial functions
iii. Identify the processes/steps involved in taking decisions
iv. Describe the various types of decisions
v. Discuss the various decision making styles.

3.0 DECISION MAKING PROCESS

3.1 Decision Making Process

In the face of uncertainty and ambiguity, managers resort to intuition and judgement to make what they think seems best to them. However, researchers have developed a step-by-step process for making better decisions. Although these processes may var y, there are common ones. These are:

i. Recognition of need for a decision. A number of forces may necessitate making a decision. These forces may be problems or opportunities which may result from changes in the organisational environment. As a result, some managers proactive while others are reactive. The significant issue here is that managers must recognise the need for decision-making and respond to those situations timely and appropriately.

ii. Identification of decision criteria. Once a decision need is established, the manager needs to choose decision criteria necessary to make a decision. These are factors that are relevant to the decision, such as standard features, price support services, etc. These are criteria the manager thinks are relevant to the decision. The manager needs to assign weights to these decision criteria. The value to a certain criterion is dependent on the relative importance to which such criterion is viewed by the manager.

iii. Generation of alternative solutions. In making a decision, a manager must generate a set of feasible alternative courses of action to take in response to the opportunity or threat (Jones and George, 2003). The idea where managers see the world of management from a single perspective is probably responsible for poor decisions. These alternatives may not be quite obvious but are quite relevant. In this regard, Drucker (1989:354) opined that alternative solutions are the only means of bringing our basic assumptions up to the conscious level, forcing us to examine them and testing their validity, although they are no guarantee of wisdom or of the right decision. At least, they prevent our making what we would have known to be the wrong decision had we but thought the problem through. In essence, they help us mobilise and train our imaginations.

iv. Evaluation of alternatives. There are a number of factors by which the evaluation could be made. These include risk involved, economy of effort, limitation of resources, timing and practicality.

v. Choose among alternatives. This means selecting the best alternative among an array of other listed and analysed alternatives. To facilitate this, managers should ensure that all the needed information available must be brought to bear on the problem at hand. This does not imply that the manager has complete information since in most cases such information is partially available.

vi. Implementing the alternative. This implies putting the decision into proper action. This may even require the making of subsequent and related decisions. When a decision is made and not acted (implement) upon, it is as good as not making any decision.

vii. Evaluation of decision effectiveness. The evaluation of the results of a decision's successes or failures enables managers to learn from their experiences. This final step involves conducting an analysis in retrospective to assess whether or not the alternative chosen and implemented has accomplished the desired result(s).
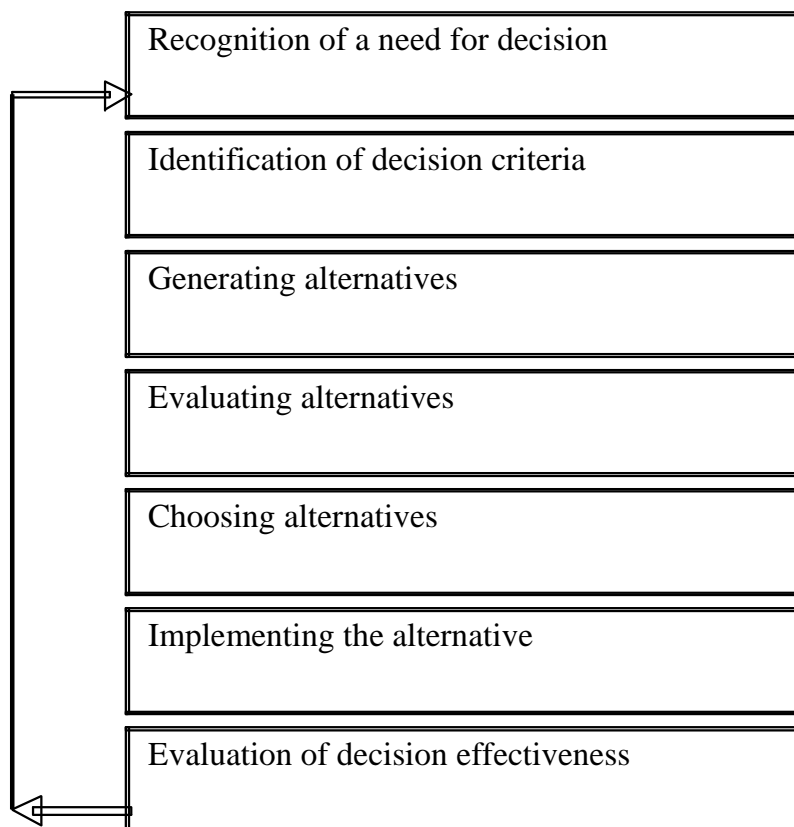

FIG. 3.1 The Decision Process

3.2 Types of Decisions

Three major types of decision making are here highlighted.

3, 2.1 Programmed decision m aking

This is a routine decision making situation whereby such scenarios have occurred in the past and where clear rules or guidelines have been developed to be applied when those particular situations arise. For example when a manager makes orders for basic office supplies or hires an employee. It is called programmed because there is room for reliance on established decision rules.

3.2.2 Non-programmed decision making - This applies in situations where rules cannot apply in predicting uncertain happenings. Such situations are no routine in nature. Such situations are unexpected thus, managers do not have clarity as to what they really want to achieve. Besides, they lack information for developing rules in the situation, e.g. decision regarding entering a new market or developing a new product for a given market.

This situation requires an extensive search for information as well as intuition and judgement (Jones and George, 2003). However, judgements are preferable because they are more.

3.2.3 Group and Individual Decision Making

Group decision making is superior to individual decision making in many ways. This is because such decisions are more likely to have less biases and errors since they are able to draw on the combined skills, competencies and accumulated wealth of knowledge of members. This allows for the generation of more feasible alternatives and choices.

In addition, there are higher chances of cooperation in implementation when decisions are made by a group. However, group decision making is time consuming and difference may bear on the decision making process and the final decision. members

Self Assessment Exercise

Since decision making involves a variety of steps that are capable of enhancing efficiency, why do managers make wrong decisions?

3.3 Perverseness of Decision Making

The planning function in to a large extent entails decision making. This probably explains why Koontz, O'donnel and Weihrich (1980:238) posit that given an awareness of an opportunity and a goal; the core of planning is really a description of the decision process. However, it is evident that the manager in performing any of the traditional functions of planning, organizing, leading and controlling is constantly faced with the issue of making decisions. This entails that almost everything a manager does involve decision making. For example when performing the organising function, the manager decides on the span of control, centralisation or decentralisation of organisational structure; in leading, he/she makes decisions as to the style of leadership, the choice of the best time to stimulate and the stimulant. The manager must also decide as to what kind of control measure to adopt, the performance deviation that is significant, etc.

It is also worthy of mention to state that some of the decisions are so often made that the manager may even forget it is decision making. Some are burdensome and quite demanding. In order for such decisions to be effective, much information regarding the problem or situation must be sought before a good decision can be made.

Self   Assessment Exercise

Why do you think decision making is so pervasive in the performance of managerial task?

4.0 CONCLUSION

The   above analyses imply that   a lot is being put in place   to ensure effective and efficient decisions   result   from   every   decision process   in   an   organisation.   Therefore,   it   is necessary for   managers to employ the step-by-step approach in decision making. Managerial decisions   are   of   diverse   types   -   programmed   or   non-programmed,   individual   or group decisions-making. To ensure efficiency and effectiveness, each of   these could be employed depending on the prevailing circumstance(s).

5.0 SUMMARY

In this unit, the processes involved in making decisions were examined and the basic types of decision   making scenarios   were   also   ex-rayed   or   discussed   so   that   managers'   awareness regarding the various decision situations is made plain.

6.0 TUTOR MARKED ASSIGNMENT

i. Examine how a manager may ensure that decision making is effective and efficient.

ii. Outline the benefits of group decisions over individual decisions

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UNIT 10: MANAGING ORGANISATIONAL CONFLICTS

CONTENTS

1.0 INTRODUCTION

The mere fact that organisations are composed of diverse individuals indicates that differences are bound to exist. These differences quite often lead to incompatibilities among the diverse people. Thus, the people tend to thwart efforts of others. This is a good source of

organisational conflict which requires effective and efficient management on the part of organisational managers.

Essentially, any state of perceived incompatibility or difference, whether real or not in an organisation is of great concern to mangers because such is capable of hampering the attainment of goals. It is therefore incumbent on managers to develop appropriate strategies to manage such conflicts. Some of these conflict situations are subtle, or extreme or indirect but with attendant attributes of resulting into strikes, riots or interference/opposition with organisational objectives.

2.0 OBJECTIVES

At the end of this unit, the learner should be able to:

  I. Describe what organisational conflict entails
 II. Identify the sources of organisational conflicts
III. Describe the various viewpoints of conflict
IV. List and analyse various strategies that can be employed in managing organisational conflicts

3.0 MANAGING ORGANISATIONAL CONFLICTS

3.1 Nature of Organisational Conflicts

According to Jones and George (2003:549), is the discord that arises when the goals, interests, or values of different individuals or groups or departments and divisions are incompatible and these individuals or groups or departments or divisions block or thwart each other's attempt to achieve their goals. Conflict situation enables organisation members to look for ways of improvement in organisational functioning and effectiveness where debates and disagreements are viewed as necessary ingredients for effective decision making

   Conflict by its nature is a natural outcome of human interactions or relationships. They would naturally erupt whenever there exist disagreements as a result of differences in beliefs, behaviours, attitudes values or needs, perceptions or expectations. When individuals or groups disagree about an action or decision, conflict may result. Conflict is therefore an inevitable phenomenon since individuals are never the same.   It could also arise from past rivalries and personality differences or in the course of attempting negotiation before the timing is right or before needed information is available.

Conflict is not always bad, if it is kept task related and prevented from escalating to the levels of human emotions/temperaments. Unfortunately, conflict often becomes personal, and rather than focusing on the issues, each party sees the other as the problem Because of the natural tendency to suppress conflict, understanding the sources of conflict can help us deal with them rather than suppress them. Many times we hear of "personality clashes/ conflicts" in

which people have divergent personal values and dispositions. What are the underlying causes of conflict behaviours and perceptions in organisations?

It is quite significant to point out here that conflicts are not generally destructive or harmful. There are instances where a conflict is quite constructive thus, desirable. This is because some conflict situations facilitate problem solving, increase involvement and commitment, and clarify issues or expectations. This position is capable of resulting into better decision outcome. For example, where all departmental officials hold the same view on every issue, decisions and outcomes cannot depict the full ramifications concerning that issue.

Here we agree with McShane and Von Glinow(2000) that conflict is a process in which one party perceives that its interests are being opposed or negatively affected by another party. We emphasize the word perception because conflict is a perception- a person's world view of things. The world is as people perceive it. Conflict exists whenever someone believes/ feels that another person/group might obstruct its efforts. Conflict in organizations is not a problem.

Conflicts whether constructive or destructive can be managed. Therefore managers need to be prepared to manage conflicts. The response of a manager to a conflict situation will affect the conflict. This presupposes that there is no single approach to conflict management.

Self Assessment Exercise

If organisational conflicts are natural outcomes, do managers need to be concerned about their presence in organisations?

3.2 Sources of Conf lict

Organisational conflicts result from different sources. Jones and George (2003) identified six (6) main sources. These are:

   a. Resources – When managers find it very difficult to acquire needed resources to keep their organisations operational, conflict is quite likely to arise, In such situations, employees become sceptical of pay rises, promotions or even who is in control of funds or other resources
   b. Overlapping authority – This arises where two or more superior officers claim authority for a single function or task.
   c. Status inconsistencies – Conflict may result when teams, groups or individuals or even sections within the same enterprise are more highly regarded than others.
   d. Task interdependences – Conflicts can also arise where Mr A's task is dependent on Mr B 's performance of his part of the operation and particularly where Mr B fails to complete his part of the task to permit Mr A carry on his. A good example is the interdependent relationship between production and finance departments. The production unit depends on the finance unit for funds to acquire materials while the latter depends on the former to turn out goods that can be sold so as to generate the much needed funds.

e. Incompatible goals and time horizons- By virtue of the fact that groups or units in an organisation exist presupposes that these units have diverse goals which may not only be incompatible but their attainment is at different time periods i.e. long or short time duration. This poses a conflict situation. For example marketing's concern is being responsive to their customers not only now but in the future. This may be costly.   Production department   may want efficiency and cost reduction. These   are incompatible situations.

f. Incompatible evaluation/reward systems – Due to incompatibility of goals, reward systems may also var y. For example, production managers are rewarded for efficiency and cost reduction measures while marketers are rewarded for their ability in generating sales and customer satisfaction. This is   capable of generating conflicts   in organisations, since one is at par with the other.

3.3 Conf lict   Viewpoints

Conflict is viewed differently by many people. Initially, people saw it as destructive and must be avoided because it was an indication of a malfunction in the system. Proponents   of   this viewpoint opined that managers must get rid of conflicts in organisations because they lead to violence and destruction. Thus, conflict is harmful to organisations.

The   second   viewpoint   is   that   conflict   is   quite   natural,   positive   and   not   as   harmful and negative   as   such.   Consequently,   it   should   not   be   eliminated   because   it   is capable of contributing to organisational performance. This   presupposes   that   managers   should accept conflict and not eliminate it.

The   third   viewpoint   is   perhaps   more   extreme.   It   says   that   conflicts   should   not   be only accepted   but encouraged because   a harmonious, peaceful   and cooperative   organisation is prone to becoming static and nonresponsive to needs for change and motivation (Robbins and Coulter, 1996).   This   notion   means   that   managers   should   maintain   a   minimum   level of conflict to ensure that enterprises are responsive and adaptable to changing situations.

It   is   worth   mentioning   here   that   whatever   the   viewpoint   of   conflict is   being considered, conflicts have   functional (those that support the goals   of   the enterprise)   and dysfunctional (those that are destructive and prevent the organisation from attaining its   goals) properties. Hence, managers need to develop appropriate strategies to manage conflict situations.

3.4 Managing Conf lict

The initial task in managing conflict is to analyse its nature and type. To do this, you will find it helpful to ask questions to get more details. Once you have a good understanding of   the conflict and those involved, you will need to analyse and select the most appropriate strategy. The key to managing conflict well is choosing and executing the strategy that best fits   the conflict situation. It is important to note that conflict resolution and conflict management are not the same. The latter is directed towards reducing destructive tendencies in conflicts while the former   is concerned with conflict elimination and this is quite often an impossible task. The following are strategies that a manager may employ in managing conflicts:

1 Forcing

This involves the use of formal authority or any other power that you possess to satisfy your concerns without regard to the concerns of the party that you are in conflict with. Where time is precious and if you have enough power to impose your will, forcing is more appropriate.

2 Collaboration

This results from a high concern for one's group own interests, matched with a high concern for the interests of other partners. The outcome is "win/win." This strategy is generally used when concerns for others are important. It is also generally the best strategy when the organisation's interest is at stake. When you find yourself in conflict over very important issues, you should normally try to collaborate with the other party. Collaborating is normally the best strategy for handling conflicts over impor tant issues. Collaborating with the other party promotes creative problem solving, and it is a way of fostering mutual respect and rapport. It also helps build commitment and reduces bad feelings. The drawbacks are that it takes time and energy. In addition, some partners may take advantage of the others' trust and openness.

3 Compromise

This strategy results from a high concern for your group's own interests along with a moderate concern for the interests of other partners. The outcome is "win some/lose some." This strategy is generally used to achieve temporary solutions, to avoid destructive power struggles or when time pressures exist. One drawback is that partners can lose sight of important values and long-term objectives. This approach can also distract the partners from the merits of an issue and create a cynicism.

4 Competition

This strategy is appropriate when a manager has a high concern for the interest of the group interests with less concern for others. The outcome is "win/lose." This strategy requires bargaining. It is generally used when basic rights are at stake or to set precedence. However, it can cause the conflict to escalate and losers may try to retaliate.

5 Accom modation

Accommodation is appropriate when there is a low concern for your group's own interests combined with a high concern for the interests of other partners. The outcome is "lose/win." This strategy is generally used when the issue is more important to others than to you. It is also appropriate when you recognise that you are wrong. When you find yourself in conflict over a fairly unimpor tant issue, using an accommodating strategy is a quick way to resolve the conflict without straining your relationship with the other party. Its demerits are that your own ideas and concerns do not get attention. Managers may also lose credibility and future influence.

6 Avoidance

A manager may employ avoidance strategy results when there is a low concern for his group's own interests coupled with a low concern for the interests of others. The outcome is "lose/lose." This strategy is generally used when the issue is trivial or other issues are more pressing. It is also used when confrontation has a high potential for damage or more

information is needed. Avoiding should normally be reserved for   situations where there is a clear   advantage to waiting to resolve the conflict.   Avoiding is appropriate if you are too busy with more impor tant concerns and if   your   relationship with the other   party is unimportant. The drawbacks are that important decisions may be made by default.

7 Negotiation

Negotiation is an important skill for coming to an agreement when conflicts develop. When negotiating, the manager   is dealing with people who have their own unique needs, emotions and perceptions. Some conflicts are based on differences in thinking and perceptions. These conflicts may exist   mainly in peoples' minds. It helps when managers   empathise; they can understand each   other's   point   of   view,   identify and openly discuss   differences   and   being careful not to place blame(s).

When negotiating,   it is   important to focus on interests, rather   than positions. This posture makes it possible to come up with better   agreements. Even when people stand on opposite positions, they usually have a few   shared interests. It takes time and effort to identify these interests. Groups may not even be clear about their   own interests. It helps to write down each group's interests as they are discovered. It helps to ask why others take the positions or   make the decisions they do. Partners will have multiple interests. When a manager is contemplating developing solutions that meet the interests of all sides, he/she should try to meet as many of each   side's   interests   as   possible.   Start   by   inviting   all   sides   to   brainstorm   ideas (before   reaching a decision.

A   few   key variables   define   conflict   management   situations   and determine   which conflict management strategies are likely to be effective.   Time pressure is an important variable. If there were never any time pressures, collaboration might always be the best approach to use. In   addition   to time   pressures,   some   of   the   most   important   factors   to   consider   are issue   importance (the extent to which important priorities, principles   or values are involved in the conflict, relationship   importance   (how   important it is   that you maintain a   close,   mutually supportive relationship with the other   party)   and relative power   (how much power   you have compared to how much power the other party has).

Self   Assessment Exercise

 (i) As a manager, which strategy would you prefer? Give reasons
 (ii) What is the relevance of competition as a conflict management strategy?

4.0 CONCLUSION

Our discussion shows that because organisations are made up of   diverse people with diverse values/beliefs, expectations and viewpoints and that these differences are avenues for conflict within organisations. Organisational conflicts may emanate from a variety of   sources. From whatever   source,   conflicts   may   contribute   positively   or   negatively   to   the   attainment of   organisational goals.

The   task of   managers   is   to identify these conflicts   and manage   them appropriately so that they do not hamper   the achievement of   organisational goals. The manager   can employ   the

strategy that best fits a given conflict situation since no single strategy is relevant in all situations.

5.0 SUMMARY

We have highlighted that organisations may be large or complex in nature. As a result of the diversity in their constituents, the manager is expected to be mindful of conflicts since they are inevitable. We also identified a number of sources that may lead to a conflict situation and the possible managerial action(s) that abound to manage conflicts.

6.0 TUTOR MARKED ASSIGNMENT

a. What are the sources of organisational conflicts in an educational establishment?
b. What conflict management strategy is most often employed? Give reason(s).

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UNIT 12: THE MANAGEMENT OF ORGANISATIONAL CHANGE

CONTENTS

7.0 References.

1.0 INTRODUCTION

Organisations generally are dynamic entities. If they were static, planning, organizing, leading and controlling would have been quite easy tasks for managers. Stability is very far from being the true position of organisations managers. Change has become an organisational reality. Quite often, there are always forces that drive change (forces pushing for change) and forces restraining change. Hence, handling change becomes an integral task of every management staff of an organization.

The forces that produce change may come from individuals within the firm or form the external environment or from within the organisation itself. The duty of management is to devise appropriate strategies that will facilitate response to these forces. Quite often, management reacts to these forces, while in some instances the management deliberately plans the change. This latter approach may require new objectives/policies. Organisational restructuring or change(s) in leadership style, etc.

2.0 OBJECTIVES

At the end of this unit, the learner should be able to:

i. Identify forces that produce change(s)
ii. Describe why and how resistance to change occur in organisations
iii. Describe how this resistance can be managed
iv. Analyse strategies that managers adapt in managing organisational change.

3.0 THE MANAGEMENT OF ORGANISATIONAL CHANGE

3.1 Forces Causing Change

Unit 10 indicates that an organisation is influenced by internal and external forces, and that these forces constraint organisational managers' ability. These same forces act together and/or individually to bring about the need for change in organisations. It follows that change is a two-way process. In other words, the choice that the manager makes regarding the service or product to make/offer and about the manner of competition in the market affects the environment. For example, the action of telecommunication companies- MTN, GLO, Zain, etc has much implication for NITEL/MTEL in Nigeria. Also, the influences of the environmental factors affect the organisation.

3.1.1 Internal Forces

Forces within the organisation are highly capable of stimulating the need for change in an organisation. These changes may spring from the impact of external forces or from the operations of the firm such as change in strategy will normally result into a number of changes or the introduction of a new technology may lead job redesign, training with respect to the new technology, etc.

In addition, increased dissatisfaction may result into changed attitudes on the part of employees with attendant effects of absenteeism, resignations, or other serious labour related crises-high labour turnover, strikes, sit downs, etc.

3.1.2 External Forces

As there are harmonious external environmental forces, so are there external sources that create the need for change. These sources include government policies or laws, market conditions, technology, etc. for example; developments in science and technology have resulted into sophistication in equipment. Thus, assembly line equipment in many industries have undergone significant and dramatic changes as most firms replace human labour with automated gadgets such as robots. This means fluctuations in labour market which has necessitated a change.

Self -Assessment Exercise

Identify the forces that create organisational change.

3.2 Resistance to Change

Change like conflict (unit 11) may be beneficial as well as harmful. Change is beneficial when it helps to bring about commitment to improvement in organisational effectiveness and efficiency. Some managers view change as a harmful element. Thus, they resist it. Koontz and Weihrich (2005) identified three basic reasons why people resist change. These are:

i. People want to feel secure and have some control over change. This is because what is not known causes fear thus, it induces resistance. For example, organisational restructuring can cause uncertainty of job.
ii. Not being certain of the reason for the change
iii. Change can result in a reduction of benefits or a loss of power.
iv. Another reason may be the feeling that the change is not in the best interest of the organisation, when this feeling becomes dominant, those concerned tend to believe that the change is incompatible with the goals and interests of the organisation unwilling to at the behaviour.

Due to these, people are generally unwilling to accept since they do not always want to alter long established behaviours. The manner and way of exhibiting this resistance may be overt or covert. When it is overtly expressed i.e. positively with substantiation it will be beneficial to the organisation. However, when it is covertly exhibited, it becomes a source of concern to management.

3.2.1 Managing Resistance to Change

As change agents, managers need to appropriately and deliberately aim at reducing change in their organisations. The process of resistance could be achieved via a number of ways. It could be achieved via a planned involvement of organisation members in planning for the change. This approach helps in reducing the uncertainly which is the source of fear and concern of members. Some approaches focus on the organisational structure, the people involved in the change, changes in technology, effective communication about the proposed

change(s). This latter approach helps in facilitating and clarifying the reasons for the change(s) as well as the effects.

In this regard, Stoner, Freeman and Gilbert (2005:416) identified three ways to reducing resistance when dealing with individuals, groups or organisations. These are:

   i. Unfreezing - Making sure that the need for change becomes so obvious that the people involved or organization can readily see and accept the change;
   ii. Leading the people or organisation through the change process - since changing involves discovering and adapting new attitudes, values and behaviours, the change agent (manager) who is trained should lead the individuals, group or organisation through the process via forcing new values, attitudes and behaviours through the processes of identification and international. This helps organisation members to identify with the change agents values/attitudes/behaviours. When they have internalised them, they become perceptive of their effectiveness in performance.
   iii. Refreezing - This implies locking the new behaviour patterns into place by way of supporting or reinforcing mechanisms, thus, it becomes the new pattern.

Similarly, Robbins and Coulter (1996:426-428) identified six approaches to reducing resistance to change. These are.

   i. Education and communication
   ii. Participation - Joining in decision making
   iii. Facilitation and support - employee counselling, new skills training, etc to facilitate the desired adjustment.
   iv. Negotiation - exchanging something of value for a reduction in the resistance e.g. a reward package to meet needs
   v. Manipulation and cooperation - covert attempts at influencing organisation members such as withholding damaging information, to get them accept the change. It also means giving the leaders of the resisting group a key role in the change decision to gain their support.
   vi. Coercion- the use of direct threats or force on those resisting the change.

3.3 Techniques for Managing Change

We have seen that change is inevitable in organisations. The duty of managers is to be able to manage change in a way that it will enhance the attainment of corporate goals.

As change agents, managers must be capable of determining the point(s) in change. Do they have to change the organisation characteristics, structure and behaviour? They also need to know how to prepare so that they are ready for change without overloading the organisation with complex functions at an early stage when such organisations do not require or cannot afford such (a) changes(s).

There are quite a number of approaches to managing change. They centre on the following three main key areas:

   i. Changing people. This approach involves attempts at changing the behaviours, perceptions, attitudes, stereotypes that organisation members have about each

other via managerial techniques so as to help the individuals or groups within the organisation work together more effectively. The goal is to change people, the nature and quality of interpersonal work relationships. One of such techniques aimed at changing people is sensitivity training, which is a method of changing behaviour through unstructured group interaction. Using this technique, an open and free group discussion is created via a professional who is not a leader. The aim is to stimulate improvement in communication skills, perceptual accuracy and willingness in participation. Another technique is team building.

ii. Changing structure. In unit 2, we emphasized that managers have the responsibility of establishing organisational structures that facilitate the accomplishment of goals in an effective and efficient way. These structures need to change with changing operational conditions. Consequently, every responsible manager might need to change the structure as the need for such unfolds.

Essentially, the change introduced may be a minor shift from a normal way of operation. This involves altering one or more of the organization's components such as complexity, formalisation and decentralisation to speed up decision or introduction of more regulations/rules, etc

On the other hand, the change may involve major changes in actual structural design, such as having a functional structure to a product structure.

iii. Changing technology. This involves changing the technology (equipment) used in the process of converting input resources into outputs. In contemporary business environment, competitive forces have resulted into innovations within the industr y. These normally require the introduction of new systems of operations. In some instances, it requires the replacement of human labour with machines/computers.

As change agents, managers need to be conscious of these changes and should be able to manage them effectively so as to be effective and efficient.

Self Assessment Exercise

Why do managers need to study the strategies for managing change since there are control mechanisms in most enterprises?

4.0 CONCLUSION

Managerial control mechanisms have consistently been quite necessary to the success of any enterprise. These controls are needed in ensuring that a reasonable level of conformity to predetermined plans is achieved. However, when significant deviations are noticed, management usually introduces some degree of changes. These changes may be directed at individuals, groups, technologies or procedures. These changes may be minor or major and may emanate from within or from outside the enterprise. Quite often, these changes come with a lot of pains, thus they are often resisted by organisation members. Regardless of the source of change, it is incumbent upon managers to manage resistance to change since not every change is harmful. Thus, change needs a proper management so as to tap its potentials or benefits.

5.0 SUMMARY

Our discussion in this unit revealed that the management of change in an essential ability that each manager needs of he/she must succeed. This is predicated on the fact that change is inevitable. The various sources of change and reasons for change were advanced why people resist change to take place. The techniques for managing resistance to change were also highlighted and discussed.

6.0 TUTOR MARKED ASSIGNMENT

i. If significant resistance to change is encountered, what managerial steps are required?

ii. Describe how organisational changes occur

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UNIT 11: TIME MANAGEMENT

CONTENTS

1.0 INTRODUCTION

Time like air is given freely to humanity in equal proportions. However, its management is a thing of   concern to all   people. The mer e fact   that   each person has so many hours   within

which to accomplish tasks much more pleasurably and enjoy life, yet each individual lives in frustration as a result of inability to fruitfully do so. This calls for an urgent need to address the concept of time management.

Time constraints are so numerous. Thus, there is every need to set goals, prioritise and avoid or reduce the influences of time wasting factors on individuals and organisations alike. In this unit, these influences which act individually or combine to rob people of their time will be identified and the possible strategies or approaches that managers may employ to facilitate the management of time will be discussed so as to help them have a better perspective in the management of time.

2. 0 OBJECTIVES

At the end of this unit, the learner should be able to:

1. Explain the concepts of time and time management
2. Identify those factors that deprive people of their valuable time
3. Analyse the various approaches to the management of time
4. Discuss the strategies that managers can adapt to reduce inefficiency/ineffectiveness in the management of time.

3.0 TIME MANAGEMENT

3.1 Conceptualising Time Management

Time is essentially a resource that everyone globally has equally as the other. This implies that every human being has been allocated 24hrs in a day without regard to one's position, status, race, etc. hence, time should not be farmed a scarce commodity in economic terms, yet it is actually not enough for virtually all people to complete their tasks and does not wait for anyone. The proverbial statement that "Time and tide wait for no one" is quite true since a lost time-second(s) minute(s), hour(s), etc-is irretrievable. Time is a resource that is mostly mismanaged by human beings. Consequently, time is regarded as one of those things that have become the greatest obstacle to humanity because all people complaint of insufficiency of time

However, one of the recent contentions is that the usage of the concept time management is misleading since what is regarded as time management in the strictest sense means the

management of our activities to ensure that they are accomplished within available resources or time period (http://www.time-management-guide.com).

Time may mean that period seconds, minutes, hours, days, etc that is available to undertake a given task. Management essentially involves the deployment of resources in a manner that enhances the attainment of set goals. The management of time therefore refers to the application of those procedures or processes by individuals or groups with a view towards reducing the period it takes to complete an activity which leads to the attainment of set goals.

As lucid and good time management is to individuals and organisations, quite often, the problem is that organisation members are unable to manage time efficiently and effectively. The fundamental issue lies with inability of organisation members to identify what they want to achieve i.e. there are no clear objectives. Besides, where there are clearly stated goals, members soften do not prioritise them. This often amounts to chaos. Time management does not necessarily mean keeping appointment calendars, diaries or routine scheduling of events. It entails the management of oneself in addition to having those planned documents which only aid the individual. At times, these individuals have conflict between their personal goals and organisational goals. The ability to manage this situation well is quite important to a manager and indeed all individuals.

3.2 Factors That Deprive People of Tim e.

There abound a great number of factors which deprive individuals and organisations of their time in such funny way such as keeping them away from doing things that are significantly valuable. The principal factors that rob people of their time include the following:

1 Not having set goals. This situation means the absence of direction and the tendency of doing things without focus since there is no known destination. This is typical of people who do not know what to do at given time periods. Such people are prone to doing anything that comes to mind or following anybody at any time, without any plan to do so.

2 Lack of clarity of priorities. At times individuals have a long list of events to undertake at the same time. In such situations, the ability to choose which to perform first is always not easy. However, where the individual has prioritised each event he/she will find such a task less difficult. Categorisation of the events helps a great deal. The ability to prioritise to some extent is dependent on the ability to analyse, arrange, appraise or reappraise events as they unfold.

3 Procrastination. This refers to the act of putting the execution of a planned event on hold or postponing the performance of an even to a future time.

To overcome procrastination, every individual needs to have tasks broken into stages and learn to start with the easiest stages, ask for help when such is needed, ensure that tasks are performed in the order in which they have been planned, exercise self discipline, etc.

4. Incessant disruptions. This refers to calls or visits from and by those who do not and may not even help one in the execution of an event or task. A great schedule of events is often destroyed by such interruptions and this may be frustrating. Typical examples include a visit by a relation or friend who has not been seen for years or a volunteer for an hour to visit a friend and it turns out to be a whole day's visit. This is perhaps one of the most disturbing thing when it comes to time management. However, there are remedies for such disruptions. Probably, one needs to control and ignore certain interruptions so as not to be overwhelmed by them. To achieve this, there must be a personal policy that helps keep one on track.

These factors waste and rob individuals of their valuable time and quite often they tend to deprive humanity the joy that people would get from the time allotted to them. It means that the sense of pleasures, accomplishment, recognition and gratification that accrue from doing tasks well as well as being deprived of the financial benefits/rewards due to the way and manner in which humanity wastes time.

Self Assessment Exercise

Which factor would you consider robs Nigerian managers more time than others? Give reasons.

3.3 Approaches to Time Managem ent

There are proposed approaches to the management of time. Nwekeaku (2007:25-26) in Ovey, et al (1994) identified the following approaches for effective management of time:

1. Get organised approach. The approach views that there ought to be orderliness by way of such things as filling system, having planning charts, definition of what to do, by whom and delegation. These help remove chaos, restlessness and worries. This may be achieved via reorganisation or restructuring of existing system.
2. The 101 Approach. The emphasis is on mastering basic tasks such as the usage of a planner, check list, appointment calendar, etc, for an effective functioning within the organisation environment.
3. The goal approach. This approach entails setting a goal and applying strategies that will enhance the attainment of predetermined goals.
4. The ABC Approach. The focus of the approach is an orderly sequence in achieving set goals. Hence, it is an approach that builds on the goal approach by placing emphasis on value clarification, ranking of priorities, etc, so as to implement the most significant event ahead of the subsequent ones. This is mostly done by assigning numerical values to the tasks in order of significance which indicates the order in which they are to be executed (e.g. 5 for the most pressing goal which must be performed within a day, 4 for the next and to be performed within the next 2 days, .. and 1 for the least pressing goal which could be performed in the next week)
5. The warrior approach. This approach the manager is involved in practices that protect him/her from people and this permits him/her to concentrate on the job or task. This may mean blocking people from accessing such a manager or preventing them from seeing him/her. Similarly, the warrior oriented manager may employ delegation of certain duties/tasks to subordinates. This helps ease the volume of work and permits

concentration on strategic   manager ial duties. This approach may guarantee   time for productive management of   tasks   but may attract enmity and hostility from those that have been barred or denied access to a warrior oriented manager.

6. The   magic tool or technology approach. The approach strongly believes   that   the expected outcome will result the moment the right thing is done. In essence, when the right systems   and structures facilitate the processes of   keeping track of   priorities, organising   tasks,   accessing   information   and   appropriate   implementation.   This presupposes the elimination of time wastage or procrastination.

7. The recovery or self awareness approach. This approach believes that there are certain fundamental malfunctioning as a result of   the influences   of the environment, which manifest with time as self defeating behaviours or practices; and that such need to be discarded so as to attain the expected progress. The solution lies in the recover y from those inadequacies that lead to time management problems such as poor knowledge and other internal and external incapability.

The adoption of any of these approaches has serious implications for an executive and it is worthy of mention that none can completely eliminate time wastage. However, certain principles of these approaches may be useful to an executive.

Self   Assessment Exercise

Describe the approach that you think is often employed by Nigerian managers in managing time. Give reasons.

3.4 Enhancing Effective and Efficient Tim e Management

It is worth mentioning here to stress that time delayed means time wasted, time wasted means lost time and time lost is an opportunity that cannot be regained. This denotes urgency in the utilisation of time as a resource. The implication is that time is limited and scares and that every moment (time period) that is not used well is a lost business. When time is managed well, it relieves one of worries, stress and strain whether as an individual, group or organization and by implication enhances efficiency and boosts performance. Essentially, when we talk about time management, we are generally emphasising about goal setting, recording and breaking of these goals into projects, action plans, having a list of activities,

establishing deadlines and assignment of priorities.

In this regard it is necessary to identify some vital points to note so as to ensure efficient and effective utilization of time. These include:

- Having a time log to dictate time wasting influences
- Goal setting
- Identifying priority areas
- Appropriate handling of priorities
- Handling of paper work
- Appropriate delegation of tasks
- Self discipline must replace disorganisation

4.0 CONCLUSON

The above discussion categorically identifies time as a vital, free but limited resource that is equally available to all people and yet mostly and poorly managed. This situation calls for a drastic understanding of the approaches and strategies that can help avoid or reduce poor management of time. Most often, time is wasted and a number of factors account for this. These influences include procrastination, absence of or lack of clarity of goals, etc.

5.0 SUMMARY

In this unit, we have identified time as a vital resource that aids in the accomplishment of organisational goals yet poorly managed. Consequently, we highlighted those approaches and techniques that be used in managing time well. Also, factors that deprive people of their useful time were also highlighted.

6.0 TUTOR MARKED ASSIGNMENT

1. What are the ways that a manager may use to reduce or avoid procrastination?
2. Analyse suitable approaches to the management of time by managers and advance possible implications of each approach.

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UNIT 13: TOTAL QUALITY MANAGEMENT (TQM)

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1.0 INTRODUCTION.

Every organisation's first responsibility should be to its customers. That is why all organisations' concern is satisfying customer demands. This is so because without customers, organisations will cease to exist. Consequently, managers must correctly and timely identify, promote and strategically respond to the needs of their customers in a unique manner. Since satisfying customers has become so important, managers must try to design systems that can produce the outputs that have the attributes which customers need or desire. This calls for a continuous improvement of the production system in order to meet with realities of continuous changing customer needs especially, for quality. Besides, high quality products are reliable, dependable and satisfying, thus they meet customers' requirements. High quality products can also boost or increase efficiency thereby, lower operating costs and boost profits. This is based on the premise that higher product quality means that less employee time is wasted in making defective products that must be discarded or in providing substandard services, and less time has to be spent fixing mistakes.

Total quality management (TQM) is at the forefront of the drive to improve product quality. In essence, TQM is a managerial philosophy that is aimed at improving the quality of the firm's products and / or services.

2.0 OBJECTIVES

At the end of this unit, the learner should be able to:

  I. Explain the concept of total quality management
 II. Discuss the principles of total quality management
III. Analyse the benefits of the quality philosophy
 IV. Identify the areas in which total quality management philosophy is being applied

3.0 TOTAL QUALITY MANAGEMENT (TQM)

3.1 Concept of Total Quality Management

According to Hellriegel, Jackson and Slocum (1996) TQM is a continuous process of ensuring that every aspect of production builds in product quality. This agrees with Bateman and Snall (1996) definition when they see TQM as a way of management in which all staff are committed to continuous improvement of their part of the operations. In their separate opinion, Jones and George (2003) opine that TQM is a technique that focuses on improving the quality of an organisation's products and services. Thus, TQM stresses that all of an organisation's functional activities should be directed towards this goal. In other words, it is an organisation wide management programme. Therefore, TQM is a management philosophy that is aimed at instilling quality consciousness/awareness in all organisation processes. It is used extensively in manufacturing and services industries as well as in government enterprises, e.g. in education.

It is a philosophy that provides an avenue or an umbrella under which all and sundry in an enterprise can strive and create customer satisfaction continuously at lower costs. The word total connotes an organisation wide approach i.e. all. ISO (International Organisation for Standardisation) define TQM as "a management approach for an organisation, centred on quality, based on the participation of all its members and aiming at long term success through customer satisfaction, and benefits to the organisation and to society".

As the name implies, TQM is the management of total quality:

> i. Quality of products/services i.e. to satisfy stated needs of end users
>
> ii. Quality of returns of shareholders; and
> iii. Quality of life of employees and those outside the organisation.

TQM therefore goes well beyond meeting customers' needs or merely offering quality products/services. TQM realigns the organisation from detection to prevention via timely monitoring. TQM views quality in relation to the process and not the product. To have such

a process, it has to begin with a corporate transformation where all individualisms for a unified set of corporate values. This can be achieved via a lasting commitment to the process of continuous improvement. The main driving force of TQM is customer satisfaction.

TQM as a management philosophy has revolutionised operations and productivity in modern organisations-manufacturing or services industries. Yalokwu (2002) states that organisations that adopt TQM as a way of life and not just as a programme end up being relatively more successful than those which do not incorporate TQM in their system of doing things. Most organizations therefore must place high premium on not only productivity but high profitability as well as high quality in order to remain relevant in today's competitive global market. Coupled with these are external pressures which fuel the quest for quality improvement in the production/provision of goods and services.

Perhaps this explains the position of Yalokwu (2002) in which he maintains that for every progressive organization to succeed in this turbulent and competitive world is TQM. For an organisation to apply TQM means that it has the potentials of developing efforts towards changing its own managerial approach in the production of goods and services which continue to meet agreed customer requirements at the lowest cost through the utilisation of the potentials of all employees of the organisation. It follows that it is not merely a technique of management but a style of working in the organisation.

From the foregone, TQM is aimed at quality improvement process of individuals, groups and organisations, hence, people need to know what to do, how to do it, having the right equipment to do it, being able to measure performance, and get feedback on present levels of achievement, etc. This implies that TQM does not apply "a fix it quick" principle (or a "fire brigade" approach). However, it requires the cooperation of managers in every function of an organisation if it must succeed.

3.2 Principles of Total Quality Management

Principles are basic truths or guiding rules. For TQM to achieve the much talked about continuous quality improvement in organisations or make positive impact, managers must understand and adhere to these general principles.

1. Be customer centred (Customer orientation)
2. Make continuous improvement a way of life
3. Do it right the first time
4. Build teamwork and empowerment i.e. people based management (employee involvement).
5. Produce at lowest cost
6. Management by fact.

1 Delight the Custom er

The most successful TQM programmes begin by defining quality from the customer's point of view. Increasingly, organisations -manufacturing and services-are using customer satisfaction as a measure of quality. TQM implies that organisations meet or exceed customer expectations so that they are delighted. The driving force towards satisfaction is due to worldwide competition, and it is essential especially, when wining new business and keeping existing business.

2 Make Continuous Im provement a way of Life

This means improving the overall system by constantly improving the little details. TQM managers dedicated to continuous improvement are never totally happy with things and view quality as an endless journey thus, they are always experiencing, adjusting, measuring and improving.

Proponents of TQM see management as a process and not a programme or project. The goal of continuous improvement is to achieve perfection by continuously improving the business and production processes so as to make the process more efficient, effective, under control and adaptable.

3 Build Team work (Empowerment)

TQM is employee-driven. This implies that it empowers employees at all levels in order to tap their full creativity, motivation and commitment. Empower ment occurs when employees are adequately trained, provided with all relevant information and the best possible tools, fully involved in key decisions, and fairly rewarded for results. TQM advocates prefer to recognise the typical hierarchy into teams of people from different specialist disciplines. Building teamwork and empower ment or employee involvement as it is also called is intended to encourage employees to become more closely related to the organisation's goals and objectives.

Appropriate leadership is one of the key ingredients to achieving desired results but achieving desired results is far from one person's effort. This is why management is defined as "getting things done through people'. Team is one of the management terms overused lately. Hence, team is defined as "group of people working towards common goals ". It usually takes sometimes and serious effort. Many managers in most organisations contend that they do not have the time for team building, they are buried in work, racing against tight deadlines. This means they fail to realise the benefits in teaming.

4 Do it right the first time

This is the theme of Crosby's zero defects concept. This means concentrating on preventing defects rather than first finding and fixing them. Proponents of this principle believe that if we consider this carefully and pledge ourselves to make a constant conscious effort to do our jobs right the first time, we will take a giant step toward eliminating the waste of rework, scrap and repair that increases cost and reduces individual's opportunity. The trend in quality has been toward designing and building quality into our products. This trend accepts quality as a very personal obligation and makes employees to contend that errors, if any should be caught and corrected at the source i.e. where the work is performed.

Kreitner (1995) believes that comprehensive training in TQM tools and statistical process control is essential if employees are to accept personal responsibility for quality improvement.

5 Managem ent by fact

Being able to improve requires that we know the current performance levels of our products / services in our improvement. We can forge ahead with the drive towards quality management only when we know where we are starting from. The principle implies that people are given adequate information so that decisions are based on fact rather than guesses.

6 Produce at lowest cost

This means building quality into products / services at a relatively lower cost than other producers. This includes preventing failure from occurring and eliminating financial and time wastes. It does not necessary mean producing at lower price but at lower cost to the organisation as a whole through finding best sources yet cheaper than those of competitors.

Self Assessment Exercise

Which of the principles of TQM do you see being practiced by Nigerian companies?

3.3 Dimensions of Quality

Quality has nine dimensions which are somehow independent. Therefore a product can be excellent in one dimension and poor or average in another. It is very difficult or rare for a product, to excel in all dimensions. Therefore, quality product can be determined by using few of the dimensions.

It is the responsibility of management to identify the relative importance of each dimension of quality and translate them into the requirements for the development of a new product or the improvement of an existing one.

      i. Perform ance – This refers to primary operating product characteristics e.g. brightness of pictures;

      ii. Features – These are secondary added characteristics such as remote control.

      iii. Conf ormance – This refers to the degree to which a product or service meets established industry standards, workmanship, etc.

      i. Durability – This means the probability of the product not malfunctioning i.e. being consistent in performance over time e.g. average time for the product to fail

      ii. Reliability – this refers to the useful life of a product and it includes repairs.

      iii. Service – it refers to resolution of problems and complaints as well as ease of repairs.

      iv. Aesthetics – This refers to the sensory characteristics such as exterior finish, taste, smell, etc.

v. Response – This is the human - to - human interface such as the courtesy of the dealer.

vi. Reputation – Past performance and other intangibles such as being ranked first or highest.

3.4 Importance of TQM

A key element of strategic significance for the economic health of a company and a nation is the quality of its products and services. It is also believed to be the most important characteristic that determines the demand for the products and services of organisations. Quality is the main concern of TQM and it affects a firm in the following ways:

1. Improved image and reputation- quality products promote both the firm and its products/services since perceptions are developed based on customers' experience(s) with such products/services.
2. Improved profits- quality products bring about increased market share, higher sales and cost saving. This means enhanced profitability.
3. International implications- export of products is an important economic factor for countries. In this emerging global world market, quality plays an important role because being able to meet competition and ever emerging customer requirements demands being quality driven
4. Product liability- defective products may generate litigations, complaints which involve cost to the organisation. Quality reduces the instance of being held liable for products' deficiencies.
5. Lower costs – TQM brings about improved performance and increased productivity which means lower rework time, scrap costs, and warranty costs. This means increased profits. Products that result from TQM are cheaper to produce because of efficiency in performance.
6. Competitive advantage – Where a firm provides quality products and services, this is capable of giving such an enterprise a competitive edge over its competitors.
7. Enhanced commitment – since TQM is employee driven, all are deeply involved in the processes and it helps in boosting the team members' morale and productivity.

In manufacturing concerns, TQM starts by making random selection of the product and then the causes of failures for things that matter most to the end users. C auses of any failures are isolated and measures of the production process are designed. This helps to identify the causes of the failures and provides avenues for corrective measures. In applying TQM, redesigns are quite common.

3,5 Application of Total Quality Managem ent

The first step in the right direction in the application of TQM is that the organisation must first realise that something has gone wrong, be prepared to identify what has gone wrong and identify where it has gone wrong. This must be followed by its readiness to identify what needed to be changed, who should change it and how these changes are to be effected. In this way, the organisation is ready and willing to move away from existing non-quality ways of doing things and embrace the new philosophy.

The responsibility for applying TQM squarely rests with top management since it is responsible for creating the system, leadership, etc. In most organisations, workers below the managerial level are unlikely to lead a revolution in organisational philosophy. Top management must create the vision for the firm.

It is the duty of management to ensure that the company's goals and costs are made known, the tools and the power to prevent problems from arising are provided and implemented as well as employees' suggestions and consciousness with respect to quality improvement decisions are encouraged. In addition, management must be patient with workers in transforming the organisation using the principles and tools of TQM. If the management becomes frustrated too soon with the new philosophy, it may not be given a chance to work.

Management must also realise that most workers want responsibility and control over their work and will understand and accept a new approach to their work if management demonstrates commitment in improving systems. It means therefore that workers need to be trained in the tools and techniques of TQM, to be empowered to control their work process and to be encouraged to constantly develop pride in their work and their organisation. In labour intensive organisations, training is found to be the key success factor. Krietner (1995) found out that in addition to being customer centred, 101 widely respected service organisations in the USA share these characteristics:

    i. They listen to, understand and respond to the evolving needs and constantly shift expectations of their customers in often unique and creative way;

    ii. They establish a clear vision of what superior service is, communicate that vision to employees at every level and ensure that service quality is personally and positively important to everyone in the organisation;

    iii. They establish concrete standards of service quality and regularly measure themselves against those standards, not uncommonly guiding against the "acceptable error" mind set by establishing their goal- 100% performance;

    iv. They hire good people, train them carefully and extensively so that they have knowledge and skills to achieve the service standard then empower them to work on behalf of customers, whether inside or outside the organisation; and

    v. They recognise and reward service accomplishment, sometimes individually. Sometimes as a group, in particular, celebrating the success of employees who go "one step beyond" for their customers.

Success in applying TQM comes more from hard work and creativity of employees who are firmly committed to continuous improvement as a way of life. Note that the service providers face a unique set of challenges that differentiate them from the manufacturing industry, since we live in an emerging service economy, it is important to recognize these challenges:

    a. Direct customers' participation
    b. Immediate consumption of services
    c. Provision of services at customers' convenience
    d. Tendency of services to be more labour intensive than manufacturing
    e. Intangibility of services, making them harder to measure
    f. Perishability of services

Self Assessment Exercise

What are the motives for the application of TQM philosophy in enterprises?

4.0 CONCLUSION

The above analyses depict TQM as a managerial philosophy and practice which intends to help keep organisations on board in the midst of emerging global competition and changing customer needs. Managers therefore see TQM as a tool that can help keep the hope of organisations alive.

One major reason for employing TQM is to ensure customer loyalty and satisfaction. This is evidenced by the large volume of sales and profits that accrue to firms that practice TQM. Many firms, having seen the tremendous successes of some organisations as evidenced in the United States of America, Europe and Japan who applied TQM have also started to embrace this philosophy.

5.0 SUMMARY

In this unit, we have described the concept of TQM, explained the principles that TQM employs, highlighted the significance of the quality philosophy and the dimensions of quality. We also discussed that TQM as a managerial practice has been embraced by a number of firms because of the benefits that come with its application.

6.0 TUTOR MARKED ASSIGNMENT

1. Outline the basic principles of TQM
2. What is the linkage between continuous improvement and customer satisfaction?

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UNIT 14: APPROACHES TO MANAGEMENT OF QUALITY IN ORGANISATIONS

CONTENTS

1.0 INTRODUCTION

Today' s organisations are continuously facing formidable new management challenges. They face pressures from customers and competitors to deliver high- quality goods / services on time, reward ethical behaviour of employees. Besides, there is a dominant force by customers who demand high quality. Hellrigel (1999) sees quality as how well a product does what it is supposed to do – how closely and reliably it satisfies the specifications to which it is built. Quality is often used to signify excellence of a product or service or to indicate that a product or service conforms to certain physical dimensions/characteristics often set down in the form of a particular specification or some sort of professionalism. In essence, a quality product or service is that which meets or surpasses customer's expectations or requirements.

If quality is meeting the customer's expectation / requirements, then it has a wider implication because the requirement may include among other things availability, maintainability, reliability, delivery, cost effectiveness, etc. In order to meet the customer's requirements, management must find out what these requirements are and the ability of the organisation in meeting these requirements.

2.0 OBJECTIVES

At the end of this unit, the learner is expected to be able to:

    i. Identify those basic approaches to ensuring that quality goods and services are produced or provided to satisfy customers

    ii. Describe specific quality strategies that managers may employ in their quest for attaining the quality drive.

3.0 APPROACHES TO MANAGEMENT OF QUALITY IN ORGANISATIONS

3.1 Approaches to Quality Managem ent

The experiences of some of the key quality organisations and scholars provide the basis from which quality programmes can be built, developed and made suitable within individual organisations. These approaches basically involve:

a. Emphasis on quality tools, such as statistical process control or quality function deployment without making the fundamental changes in their processes or culture. In such organisations, there is no complete understanding of total quality by the entire organisation; hence, they will realise limited improvements.

b. The second approach that organisations may adopt is problem-solving. Here the focus is at identifying defects in both production and customer services and work to correct them through team approaches. Here, there is lack of management involvement, hence, improvements are sporadic and limited since this approach is not customer centred.

c. The third approach emphasises error prevention and building in quality. This approach though is customer focused; it may overlook many opportunities for continuous improvement.

d. Another approach is focus on continuous im provement coupled with innovation in work processes and organisation strategy. This seems to be a better option towards quality management merely for the fact that it combines more than one approach.

To achieve total quality, a comprehensive effort that encompasses all of these approaches leading to a total change in thinking is needed, not necessarily a new collection of tools. Many organisations easily fall into dangers of lack of complete understanding and the tendency of imitating the easy way out. However, the one best model for firm A may not properly fit firm B or any other firm's culture. Most successful companies have developed unique approaches to suit their own requirements.

The desire for having a comprehensive and good approach is predicated on the premise that any successful quality management effort will typically reduce product liability costs because the application of quality management results into improved product/ service and performance. From the above, decisions about products /services quality should be an integral part of an organisation's strategy. In essence, quality must be the best component of the structure and culture of the organisation so as to be effective and efficient in today's business environment.

It is in this regard that Jones and George (2003) noted that high quality products are reliable, dependable, and satisfying. They do the job they were designed for and meet customer

requirements. This is because quality is the totality of features and characteristics of a product or service that bear on its ability to satisfy implied or stated needs.

Self Assessment Exercise

Critically pinpoint the drawbacks in emphasis on quality tools as a means of ensuring quality in organisations.

3.2 Techniques for enhancing Quality Management in Organisations

The specific techniques that organisations apply in ensuring quality in their enterprises are quite many. These include the following:

3, 2, 1 Continuous Improvem ent

As pointed out earlier in unit 13, continuous improvement means improving the overall system by constantly improving the little details. Managers that are dedicated to continuous improvement are never totally happy with things and view quality as an endless journey thus, they are always seeking ways of making improvement they see management as a process and not a programme or project. The goal of continuous improvement is to achieve perfection by continuously improving the business and production processes so as to make the process more efficient and effective and made adaptable to changes.

Continuous improvement seeks continual improvement in resource utilisation, and production methods through the application of suggestions and ideas of team members. It has its roots in manufacturing plants. It has however become quite relevant and common in services as well.

The approaches companies take to ensure continuous improvement range from very structured programmes that utilise statistical process control tools to simple suggestion systems which rely on brainstorming,

3.2.2 Benchmarking

Apart from using more or less of inward measures i.e. making improvement by analysing in detail the current practices of the company itself, other approaches that attempt at going outside the organization to examine industry competitors and excellent performance outside the industry are also relevant. This is what benchmarking entails. Its major objective is to find the best approaches that lead to superior performance and see how you can use them. Benchmarking is the practice of being humble enough to admit that someone else is better at something, and being wise enough to learn how to match or even surpass them at it."

Organisations have become increasingly committed to service quality and to measuring their own performance. While these measurement and assessment initiatives have been valuable, they have been primarily focused on individual programmes and not comparisons with other organisations.

Such comparisons can be extremely effective in helping organisations learn from one another. Through measurement and benchmarking, organisations can assess progress, understand areas for improvement, and identify best practice(s).

Benchmarking now plays an essential role in helping organisations to understand where they are placed in comparisons to others in the same industry or outside of it. Being able to benchmark one's performance with other organisations provides major advantages in developing best practices in the organisation.

3.2.3 Reengineering

A manager can have less bureaucracy only if the manager eliminates functions that have demonstrably failed, such as loan guarantees, public housing, managing telecommunications and other related services such as public utilities.

Reengineering is a great idea since there is no manager who would not support the idea of taking something that is defective and then fixing it.

Reengineering means the adoption of radical means to achieve corrective actions. This seemingly extreme posture offers what appears to be an instant relief from the pressures on executives to demonstrate immediate improvements. This concept and process focus means forgetting old organizational arrangements because they have failed and to enact a total departure from such traditional methods and processes. Reengineering is aimed at providing a dramatic results or achieving intended outcomes in revolutionary ways. Reengineering is basically comparable to Adam Smith's book- The Wealth of Nations.

Reengineering essentially implies a radical redesign of an organisation's processes, especially its business processes. Rather than organising a firm into functional specialised areas like production, accounting, marketing, etc and looking at the tasks that each function performs, the reengineering theory looks at complete processes right from materials marketing and distribution i.e. reengineering the firm into a series of processes.

Proponents of re-engineering argue the cross-functional team, for example, has become popular because of the desire to re-engineer separate functional tasks into complete cross-functional processes.

Reengineering has many drawbacks

    a. Assumption that the factor that limits an organisation's performance is the ineffectiveness of its processes. This may not be true because there are no means of validating that assumption.

- Assumption that there is the need to totally disregard the status quo and start the process of performance improvement on a "clean slate".

3.2.4 SERVICOM

In the developed economies, the level of consciousness of rights and obligations by both the consuming populace and the producers/providers of goods and services is highly appreciated. In Nigeria for example, there is virtual absence of this scenario. Where such is found, it is significantly at a very low level. This means that consumers are subjected to unethical business practices by both the operators of the private and public sectors. This situation is perhaps more worrisome with government agencies who are supposed to set the pace.

Perhaps it is in recognition of this state of affairs that the then President of the Federal Republic of Nigeria, Chief Olusegun Obasanjo came up with the concept of SERVICOM in 2004. SERVICOM is simply described as as "service compact with all Nigerians" (http://www.consumerawareness.ng.org/era of se.htm).

SERVICOM is a concept that is based on ensuring quality in the delivery of services. The concept is designed around the requirements of consumers, but basically meant to be an applicable scheme in government agencies, departments, parastatals, ministries, etc. This concept is a product of a research report which revealed that services are not serving the people, inaccessible and poor in quality as well as not being based on customers' requirements. SERVICOM is intended to show government's demonstration of leadership commitment to quality of service delivery.

From the foregone, SERVICOM is an approach by government to improve the quality of life of Nigerians. This means that government is also seen to be committed to the quality improvement process by having a charter aimed at providing quality services. When the concept is seen to be visibly practicable, it would mean that this combined effort of government and the private sector could lead to the improvement of the lives of Nigerians and the products and services they produce/provide.

From all indications, much is written and spoken of quality; unfortunately, results to this day have been disappointing. Krietner (1995) reports that only a handful of USA businesses can demonstrate the effect of their quality process in the corporate bottom line. He reported that in three service industries – Department stores, Hotels and Utilities, 68%: 20%, 70%: 40% and 64%: 9% of executives and customers respectively said services had improved. These figures show a gap of 48%, 30% and 55% respectively. This is an indication that mangers in industries need to do a better job of turning words into actions when it comes to improving quality. Good product/ service quality has no magic formula. Success comes from the hard word and creativity of people who must be firmly committed to continuous improvement as a way of life.

Self   Assessment Exercise

Critically identify the strengths and weaknesses of the philosophy of reengineering.

4.0 CONCLUSION

The quest for the development of quality approaches to organisations is basically due to the fact that there are increasing changes in consumer disposition to what constitute quality goods and services. This trend has tremendous impact on the need to develop or apply appropriate approaches to the provision of quality goods and services.

Some of these approaches are more or less an in-house affair but others involve an analysis of the practices of other firms to discover best practices with a view to copying from them. These approaches are however not without their drawbacks.

5.0 SUMMARY

In this unit, we have examined the various approaches – general and specific – that organisations use in ensuring that quality goods and services result. Consequently, we highlighted and analysed some of these quality programmes that firm employ to meet or exceed consumers' expectations. They include emphasis on quality tools, reengineering, benchmarking, etc.

6.0 TUTOR MARKED ASSIGNMENT

1 Outline the tools or approaches that firms use with a view to meeting or exceeding the requirements of customers
2 Why is there the strong desire by firms to apply quality tools in their organisations?

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UNIT 15: ETHICAL ISSUES IN MANAGING ORGANISATIONS

1. INTRODUCTION

To a large extent, managing an organisation entails making profit that is good enough to sustain the interest of key stakeholders in the enterprise. However, doing this may invariably mean behaving in ways that may be termed detrimental to other equally important parties such as the employees and the general public.

To help ensure ethical behaviours, a number of models, sources, levels and strategies have been put in place to aid organisation managers in the performance of their managerial duties.

2.0 OBJECTIVES

At the end of this unit the learner should be able to:

    i. Describe what constitutes organisational ethics

ii. List the levels of ethics

iii. Discuss the various models of ethics

iv. Identify those factors that influence managerial ethical behaviours

v. Explain the sources of ethics

vi. Describe how ethical behaviours could be improved

3.0 ETHICAL ISSUES IN MANAGING ORGANISATIONS

3.1. Nature of Organisational Ethics

Ethnics generally are meant to guide behaviours of organisation members as they decide on which goals to pursue by using resources effectively that can best benefit stakeholders. Such decisions often are quite difficult and challenging. Ethical standards help guide them in such difficult situations.

Ethnics are generally regarded as a reflection of the ideas of a culture about what is right and wrong (Baran, 2002:390). Similarly, Jones and George (2003:89) refer to ethics as moral principles or beliefs about what is right or wrong. These beliefs are the guiding principles that help managers in dealing with individuals or groups in an appropriate way so as to achieve organisational goals, especially where the best course of action is not visibly clear to them.

From the foregone, ethics are basically the ability to apply rationality in thought by managers particularly when making choices among competing alternatives. The word ethics is thought of being derived from a Greek word that means customs, traditions that give guidance to a group or culture. There may be instances where managers are faced with the difficulty of choosing two or more alternative courses of action especially, where each course of action is likely to benefit the other stakeholder at the detriment of the other. Good ethical codes or standards will help bail such managers out. In such instances, the manage needs to weigh the various courses of action. This is not always an easy task. It follows that managers must be conscious of who will be affected in the process of taking a particular decision as well as the effect(s) of such a decision on individuals and/or groups.

An ethical decision would be that which stakeholders, the organisation and the society find acceptable because it helps all the parties. An unethical decision on the other hand is that which enables an organisation or a given individual gains at the expense of the general society or other stakeholders but the manager prefers to hide as a result. An unethical practice is the result of behaviour of organisational managers where they put personal interests above that of organisational stakeholders or when they decide to neglect the harm that their action(s) would bring to others.

Jones & George (2003:89) state that having clearly defined ethnical codes in place in an organisation benefits the firm in the following ways:

i. They guide managers with more permanent and stable guides in their decision making efforts.

ii. Help managers decide how best to respond to interests of various organisational
    members particularly in ethnically ambiguous situations
iii. Help managers in their   dealings with stakeholders thus, it helps serve as a control
    and check against autocracy of employers
iv. Guide in providing the basis for choosing which behaviour is right and proper
    thus, brining about order out of chaos.

3.2 Levels of Ethics

Baran (2002) opines that ethics exist in three levels, namely:

1. Meta ethics level. As the name implies Meta (big)   ethics deals with the broadest rules or
principles that give guidance in certain situations. It means that it provides the broadest basis
or   foundation for ethical decisions which managers are called upon to make regularly. They
concern issues relating to possibility of fairness, that which is right, what justice entails, etc.

2.   Normatic   level.   These   refer   to   generalised guides, rules,   principles   or
theories   of behaviour **of** certain situations. They include standards or codes of ethics developed by
professional associations and organisations. There are more specific than Meta ethics.

3.   Applied   ethics. This is   basically   the   fusion of (1) and (2). It is   so because
here, the manager applies both the generalised rules and the specific guidelines in specific situations.

3.3 Models of   Ethics

Robbins   and Coulter   (1996:160-1 as well as Jones   and George, 2003:91)   identify important
models of ethics. These are;

1. Unilateral model. This model believes that an ethnical `decision is that which produces
    the   greatest benefit   for   the   greatest number   of   stakeholders. This   model
    encourages   and   productivity   thus,   it   is   consistent   with   profit   maximisation
    concept. However, it might   result into biased allocation of resources as well as a tendency of
    ignoring rights of some stakeholders. The constraint of managers is usually related to how
    to determine the relative significance of a given stakeholder   since there are often no
    precise measures   of   benefits   and dangers to each stakeholder. For   example, how
    to determine the relative significance of operations A, B and C or of customer A, B and C?
2. Moral rights model. The moral rights model believes in maintaining and protecting the
    fundamental rights and privileges, e.g. rights   to privacy, freedom of speech, life and
    safety, etc of employees. Applying this model means that managers should select courses
    of   action that protect rights and privileges of employee best. Though when rights of
    stakeholders (employees)   are protected, it might result into having obstacles that inhibit
    efficiency and productivity since it is concerned with legal protection of individual rights
    and privileges and not productivity or efficiency.

3 Justice   model.   The   justice   model   opines   that   an   ethical   decision   is   that
which distributes danger and benefits equitably or   fairly by paying no regard to impartial
        tendencies. In essence, distribution of benefits   should not be   based   on arbitrary

differences. For example managers that have similar   skills, performances, etc should be equally rewarded without   any iota of prejudice. This presupposes that managers must not discriminate or use unfair procedures in distributing benefits or harm to subordinates. In other words, there   shall be no room for double standards in the treatment of subordinates.

4.   **Integrative social   contracts   model. This model believes in the combination of** imperial and normative approaches to business ethnics. Its view is that managers need to compare existing ethical rules or principles (empirical) in organisations with a view to being able to determine right and wrong ethical practice(s).

3.4 Inf luences on Managerial Ethical Behaviour

Quite a number of influences bear to on the behaviours of managers and force them to act

either unethically or ethically. These include.

1. Stage of the manager's moral development. Generally, those who lack a strong moral sense are less likely to be ethical even where quality ethical codes exist. On the contrary, highly moral managers are pruned to make ethical decisions.

2. Individual features. These include beliefs, values, ego, etc. Generally, an individual's values represent that individual's measure of independence from outside influence. These values determine or influence ethical behaviours of managers. A manager with strong values is more independent than the one with lose value systems. Similarly, the one with a strong sense of ego is unlikely to be influenced by outside forces.

3. Organisational design: These are basically structures within the enterprise which help provide   strong   or   weak   guidance   or   create   more   ambiguity   for   managers in organisations. Where there are formal rules   and regulations, managers   are being guided when   faced with   ambiguity, thus such can enhance the practice of ethical decisions.

4. Organisation's culture. Having a strong culture within the organisation can   influence managerial ethical behaviours   than a weak one. Essentially, where the culture is strong and equally supports ethical standards strongly, it is capable of   influencing managerial ethical standards positively. Similar ly, subculture norms   such as   work groups and sectional cultural norms are also strong influences on managerial ethical influences.

3.5 Sources of Ethics

Ethical codes or standards are derived from a variety of sources. Jones and George (2003:96) stated three principal sources of organisational ethics. These are:

1. Professional ethics. These are ethical codes or standards which guide members of professions e.g. Academic Staff Union of Universities (ASUU), NBA, NUT, etc. These professional associations which have codes specify the behavioural patterns particularly, where there is some degree of ambiguity regarding a given situation. These rules or regulations to some large extent may become internalized thus regarded as part of organisational ethical standards.

2. Individual Ethics. These refer to those personalised values, attitudes and beliefs that govern the behaviours of individuals and their relationship with others. They may arise from one's personality or influences of peers, family; etc which are instrumental to how one develops his/her personal values, attitudes, etc.

3. Societal Ethics. These are rules or codes that dictate how the society decides in relation to the conduct of its members when dealing with issues pertaining to justice, fairness, rights and privileges, etc. They originate from laws or practices, values, norms, etc that govern the nature of the interactions that take place between individuals in a society.

It is important to note that accepted ethical practices in one society may be considered unethical or even illegal in others. Societal ethics may or may not be internalised. Where they are internalised, it means that people are obliged to behave ethically because there are norms and values that specify how people are to behave or interact in particular situations. The influence of societal ethics is seen in the light of the fact that they provide level playing ground for organisations and individuals. This they do by stipulating what behaviour is ethical and acceptable or otherwise.

4. A fourth source of ethics is organisational code of ethics. To a large extent, this is generally derived from 1-3 above. Particularly, when 1-3 above are internalised, a

great deal of individual, societal and professional ethics has been accepted by many organisations. Such acceptable ethical codes include norms or values that spell out what is good or appropriate and acceptable conduct of organisation members.

From the foregone, the diverse sources of ethics have much in common because they help influence fairness, justice, etc among organisations and organisation members.

Self   Assessment Exercise

Do managers really need an understanding of societal/ethical codes to succeed?

3.5 How to Enhance Ethical Behaviour.

Having pointed out the benefits of ethical behaviour to the organization stakeholders, it is imperative to identify how such ethical behaviours are to be improved so as to ensure efficiency and fairness in the practice of organization members. Much of the ability to entrench high ethical standards in organisations rests squarely with top level management.

The following are ways through which the much desired ethical standards can be achieved:

1. Employee selection process. Organisations   have the capacity to build in appropriate systems that can eliminate or reduce the tendency of employing unethically and undesirable would be employees. A normal selection process offers much opportunity to learn about potential   employees. Every organisational management must explore this opportunity and learn much about every applicant with a view to avoiding potential applicants. This task may not be easy however; a careful analysis/study may give some clues

2. Organisational goals. Organisations need to have tangible, realistic and attainable goals. When this happens, ambiguity and undue stress will be reduced thus; there are no much unrealistic demands from employees. It follows that employees with clear

and tangible goals are more likely to behave ethically that those with unclear and intangible goals.

3. Codes of Ethical Standards and Decision Rules. Codes of ethics are basically documents of formally accepted standards and rules, values, beliefs about what is right or wrong that organisation managers can use to help them decide appropriately to better the interests of organisation stakeholders. It is recommended that these codes of ethics should be specific enough and at the same time flexible enough to permit for freedom of judgement (Robbins and Coulter (1996:167).

4. Commitment from top management. Top management must not be hypocritical about their posture concerning ethnical behaviours in organisations. They must not show double standards in their treatment of subordinates. If they are treated poorly and disrespectfully then, the business loses tremendous amount of internal credibility. It follows therefore that top management must create the vision for ethical behaviour and be seen implementing it religiously codes of

5. Training on Ethics. Though ethical behaviours are often established by individual value systems and beliefs, it is necessary to set up training sessions to attempt improving ethical behaviours and awareness on ethical issues in the business circles. In essence, they help reinforce, remind reassure organisation members about the existence and need to abide by them.

6. Inclusion of ethics in appraisal. It is suggested that there is need to appraise employees not only along economic basis of performance but also in terms of how good the staff performed on ethical standards too. This serves as reinforcement in conducting oneself in ethically acceptable manner.

Self Assessment Exercise

i. What is the effect of ethics on organisational performance?

4.0 CONCLUSION

Perhaps the greatest concern of all businesses is maximising profits for the stakeholders. However, recent attention is on the attempts at maximising profits as well as on the general wellbeing of the society. Organisation members in realising this recent development are more prone to achieving a balance between the profit maximisation concern and societal/employee welfare. The reality for achieving this is quite multidimensional in nature as a result of the diversity in the business environment.

To ease the realisation of this dual concern of organisation members, scholars have developed extensive literature on ethical considerations including models, strategies and sources of ethics.

5.0 SUMMARY

In this unit, we have analysed the need for addressing ethical issues alongside the profit maximisation concern of organisation members. Also, the various levels, sources, models and strategies for enhancing ethical behaviours in organisations were also highlighted.

6.0 TUTOR MARKED ASSIGNMENT

1. Why are large organisations giving much attention to ethical issues in recent times?
2. Discuss how managers can reduce influences of unethical practices in organisations.

7.0 REFERENCES

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