

# TOPIC 4

## ORGANIZING

- ▶ **ORGANIZING**
- ▶ This is an activity which establishes human adjustment among all the factors of production.
- ▶ Organizations are social entities which coordinates the activities of a number of people for their achievement of some common goals through division of labour and well defined systems of working

## **Organizing can be seen as a process.**

**As a process therefore, organizing can be defined as follows**

- ▶ **1. A processing of welding together a framework of position which can be used by the management for the purpose of accomplishing the organizational**
- ▶ **2. It's a process of identifying and grouping the work to be performed, definitions, responsibilities, delegating them and giving authority together with establishing relationship for the purpose of enabling people to work most effectively in accomplishing organizational**
- ▶ **3. It's a process of grouping of activities necessary of the purpose of achieving organizational**
  
- ▶ **Organizing can be seen as a structure.**
- ▶ **As a structure organization, structure consist of those aspect of patterns of organization,**
- ▶ **organizations that are attractively stable and change only slowly.**
  
- ▶ **Equally, organization as a structure can be defined as a system of relationship that governs the**
- ▶ **activities of people who are dependent upper each other / changing the common objectives.**

## IMPORTANCE OF ORGANIZATION

- ▶ ☐ **Organizing is an aid to management**-it aids management in accomplishing organizational
- ▶ ☐ It facilitates growth of the organization i.e. it assists in recruitment of staff, delegation of authority
- ▶ assignment of responsibility
- ▶ ☐ **It helps to ensure optimum use of human resources** because it affects human resources in different ways
- ▶ such as training, placement of workers, creating of harmony, improving communication
- ▶ ☐ **It stimulates creativity** e. it encourages divergent thinking and makes employers to be innovative.
- ▶ ☐ **It facilitates stability of the business organization** because it has flexibility to adjust to
- ▶ ☐ **It encourages adoption to technology** because it facilitates optimum use of technological
- ▶ ☐ **It leads to executive development** because it provides training
- ▶ ☐ **It helps to ensure cooperation among workers** because it entails communication reducing

## Essential elements of a good organization

1. A good organization must be helpful in the achievement of objectives
  - ▶ This means that it must be capable of overcoming the problems of an organization
2. There must be harmonious grouping of functions: meaning that a good organization should divide the functions in the enterprise in such a way that they can be implemented easily and
3. An organization must be complete in all aspects
  - ▶ It means that a good organization must include all the activities of the enterprise and there should be
  - ▶ no any repetition of the activities (duplication)
4. There must be perfect coordination in all the activities
  - ▶ If the activities are not coordinated, the achievement of the objectives of an organization cannot be thought off.
5. There must be reasonable span of control
  - ▶ Through means that each manager or supervisor must have is reasonable number of subordinates under him or her.
6. There must be proper utilization of resources
  - ▶ This means optimal use of resources this minimizes wastage and maximizes profits.
7. There is provision of expansion
  - ▶ This means that the organization must provide for adequate flexibility so that necessary adjustment may be made in accordance to the needs of the changing circumstances
8. There has to be employee satisfaction.
  - ▶ This includes job satisfaction which minimizes high staff turnover
9. There must be a policy which can be executed easily

# The process of organizing

## 1. Determination and division of work

- ▶ This is about determining the tasks required for the accomplishment of established objectives via divided business activities into technical, commercial, financial, security, and accounting and managerial. In a modern business enterprise manufacturing, marketing, financing, purchasing and personnel are considered to be the main business activities.

## 2. Grouping activities

- ▶ The various activities identified above are then classified into appropriate departments and divisions according to similarities and common purpose.
- ▶ Such grouping of activities is known as departmentalization. Activities may be grouped on the basis of functions, territories, customers e.t.c
- ▶ Each department may be further divided into sections and subsections to create a logical structure.

## 3. Assignment of duties

- ▶ The individual departments are being allotted to different positions and individuals. The duties of every individual are defined on the basis of his abilities and aptitude Clearly definition of the responsibility of each individual is necessary to avoid duplication of work and overlapping of efforts. Every individual is made responsible for the specific job assigned to him. In this way, duties are assigned to specific individuals.

## 4. Delegation of authority

- ▶ One of the duties and responsibility of every individual have been fixed, he must be given the authority necessary or equivalent to carry out the duties assigned to him
- ▶ A chain of command is created from top to the bottom through successful delegation of authority.

## Conclusion

- ▶ The process of organizing is a series of steps which must be undertaken to create logical structure
- ▶ of authority responsibility relationship. This process involves division of work, placement of
- ▶ individuals on jobs, delegation of authority, coordination of individual efforts and execution of
- ▶ responsibility for the results.

## Principles of organization

▶ The following are the major principles of organizing:

### 1. Principle of objectives

▶ It states that the objectives of the business concern formulating the organizational structure and achieving the desired results with minimum costs and efforts.

### 2. Principle of specialization

▶ It states that good organization must divide work into smaller activities and entrust each to individuals with enough skills in better performance and quality.

### 3. Principle of span of control

▶ This states that span of control should be minimized because there is a limit to the number of persons that can be effectively supervised by one boss.

### 4. Principle of exception

▶ This means that only exceptionally, complex matters should be referred to the executives for decision making otherwise managers should handle matters relating to their levels.

### 5. Principle of scalar chain

▶ This is sometimes known as the scalar principle. From the chief executive at the top of the enterprise to the first line of the bottom which must be clearly be stated. This is also known as chain of command. This is likely to minimize any confusion in organizational function

### 6. Principle of authority

▶ This means that the responsibility and authority of each manager and supervisors should be clearly defined. It also implies that the authority given must be equal to the responsibility entrusted to the manager.

## 7. Principle of unity of command

- ▶ This states that each subordinate should have only one supervisor to report to. This is likely to minimize the disorders, delays and confusion. It also reduces conflicts

## 8. Principle of delegation of authority

- ▶ According to this principle, the authority delegation should be equal to the responsibility so that to enable the concerned person to accomplish the task assigned to him/ her by his or her supervisor.
- ▶ This helps to minimize partial delegation.

## 9. Principle of responsibility

- ▶ This states that the superiors should not be allowed to avoid responsibility by delegating authority to his or her subordinates. The superiors therefore must be held responsible to the acts of his or her subordinate to whom he or she has delegated authority.

## 10. Principle of flexibility

- ▶ This states that the organization structure should be such which should be adaptable to the changing circumstances, meaning that there should be room for expansion and replacement without disrupting the basic design of the structure. It also means giving room for addition of subtraction if need be.

## 11. Principle of simplicity

- ▶ This states that the organization structure should be simple enough with minimum number of levels.
- ▶ This is likely to reduce the problem of poor coordination and communication.

## 12. Principle of continuity

- ▶ This states that the structure should be such that its serviceable for a long time. This is possible if it's dynamic and capable of adopting itself to the views of changing circumstances.

**Organizing is considered a process which contains the following key components and concepts**

- ▶ ☐ **Job design**
- ▶ ☐ **Grouping of jobs/departmentation**
- ▶ ☐ **Authority and responsibility**
- ▶ ☐ **Span management**
- ▶ ☐ **Organization structure**

**i. Job design**

- ▶ **This is the process of determining what procedures and operations are to be performed by the**
- ▶ **employees in each position based on qualification and experience. The basis for all job design**
- ▶ **activities and job specialization which involves a definition of the task that distinguishes one job from the others**

**ii. Departmentation (grouping of jobs)**

- ▶ **This is the process of grouping jobs into logical sets in an organization.**
- ▶ **It is also a process of grouping individual jobs into departments as well as equipment. A department is a distinct area, unit or a subsystem of an organization over which a manager has authority for**
- ▶ **performance of specific activities. It is also known as division, branch battalion etc.**



## **DEPARTMENTATION IS REQUIRED DUE TO THE FOLLOWING REASONS.**

- ▶ **1. Specialization-** Departmentation enables an enterprise to take advantage of specialization since division of work becomes
- ▶ **2. Expansion-** With expansion only one manager can oversee a limited number of subordinates. In the absence of departmentation the size of the enterprise remains limited.
- ▶ **3. Autonomy-** Departmentation results in the division of the enterprise into semi-autonomous units. In this units every manager is given adequate freedom. Autonomy provides job satisfaction and motivation which in turn leads to higher efficiency of
- ▶ **4. Appraisal-** Appraisal of managerial performance becomes easier when specific tasks are assigned to departmental
- ▶ **5. Fixation of responsibilities-** Departments enables each person to know the specific part he / she is to play in the total organization. It provides a basis for building up loyalty and
- ▶ **6. Management development-** Departmentation facilitates communication, coordination and control. It simplifies the training and development of executives by providing them opportunity to take independent decisions and to exercise
- ▶ **7. Administrative control-** Grouping of activities and personnel into manageable units facilitates administrative control. The standards of performance for each and every department can be precisely

**Departmentalization usually groups jobs according to one of the following bases;**

- ▶ ☐ **Number**
- ▶ ☐ **Time**
- ▶ ☐ **Function**
- ▶ ☐ **Product**
- ▶ ☐ **Location**
- ▶ ☐ **Equipment/process**
- ▶ ☐ **Customer**
  
- ▶ **a. Departmentation by simple numbers**
- ▶ **This was once an important method in organization of tribes, clans, armies e.t.c the simple numbers method of departmentation is achieved by tolling off people who are to perform the same duties and putting them under the supervision of a manager.**
- ▶ **The essential fact is not what these people do, where they work, or what they work with. It is that the success of the undertaking depends on the number of people involved in it.**
- ▶ **b. Departmentation by time**
- ▶ **This is a form of grouping jobs which has generally at lowest levels of organization. The use of shifts in many enterprises where for economic, technological or other reasons, the normal working day would not be enough.**
- ▶ **Example of this kind of department is the hospital where around the clock patient care is essential.**
- ▶ **Similarly, deferent departments have to be ready to respond to the emergencies at any time.**
- ▶ **A factory operating for 24 hrs may have three departments, morning, day and night shifts**

### **c. Departmentation by function**

- ▶ **Functional departmentation entails what enterprises typically do.**
- ▶ **Employees who are involved in the same or very similar features are grouped together. The basic enterprise functions are;**
  - ▶ **1. Production i.e. creating utility or adding utility to a good/ service**
  - ▶ **2. Selling i.e. finding customers, patients, clients, students, or members who will agree to accept the services/ goods at a price**
  - ▶ **3. Financing i.e. raising and collecting, safeguarding and expanding the finances of the enterprise**
- ▶ **The coordination of activities may be achieved through the rules and procedures, various aspects of planning such as budgeting the organization hierarchy e.t.c**

## **Advantages of departmentation by function**

- ▶ **1. It maintains power and prestige of major functions**
- ▶ **2. It is logical and time proven method**
- ▶ **3. It follows the principle of occupational specialization and thereby facilitating efficiency into the utilization of people**
- ▶ **4. It simplifies training**
- ▶ **5. It provides a means of maintaining tidy control at the top because top managers are responsible for the end results**
- ▶ **6. Coordination is improved since work is not duplicated at specific functional levels**
- ▶ **7. It provides better opportunities for growth and career development**

## **Disadvantages of departmentation**

- ▶ **1. Responsibility for profits is at the top level only**
- ▶ **2. It results into slow adaptation to changes in environment**
- ▶ **3. It reduces coordination between functions at overall level**
- ▶ **4. It deemphasizes the overall company objectives i.e. it leads to sub optimization**
- ▶ **5. It limits development of managers who need certain knowledge and experience in all enterprise functions**
- ▶ **6. The chain of command becomes excessively long as new levels are added this may slow down communication**

## Authority and responsibility

- ▶ This involves the determination of how authority and responsibility are managed in the organisation
- ▶ At the level of an individual manager and his subordinates, it involves the delegation process while at the level of the total organisation it relates to decentralization.
- ▶ Delegation is the process through which the manager assigns a portion of his work or task to the subordinates.
- ▶ Decentralization on the other hand is where power is spread down the employees. Power is the ability of an individual or group to influence the believes or the actions of other people or groups
- ▶ Authority in an organisation is the right in a position and through it, the right of the person occupying the position to exercise discretion in making affecting other persons. Responsibility is the obligation
- ▶ of the subordinates to carry out the duties assigned to him. Responsibility is a personal attribute, it's an obligation to ones' own superior, and no person can shift his responsibility by delegating his authority to others.
- ▶ Accountability is subordinates obligation to render an account as report of his activities to the
- ▶ superior. To be accountable, is to be answerable in respect to obligations fulfilled or unfulfilled.

## Sources of power/ bases of power;

### 1. Legitimate power

- ▶ This normally arises from a position and derives from our cultural system of rights, delegation and duties when a position is accepted by people as being legitimate.

### B. Reward power

- ▶ This arises from ability of some people to grant rewards

### C. Expert power

- ▶ This is the power of knowledge, physicians, lawyers; university professor's
- ▶ e.t.c. may have considerable influence on others because they are respected for their special knowledge.

### 1. Referent power/ charismatic power

- ▶ This is the influence that people or groups may exercise because people believe in them and their ideas.

### E. Coercive power

- ▶ It is the power to punish, whether by firing a subordinate or withholding demerit. It arises from legitimate power.

## **Types of authority in an organization**

### **1. Formal authority**

- ▶ **This is normally confined by the law or delegated within an organization based on the organization structure. It has to be in writing and known to all managers or executives and employees in an organization.**

#### **b) Line authority**

- ▶ **This authority can be regarded as the main authority in an organization. It is the ultimate authority to decide upon matters affecting others and it's the main feature of superior subordinate relationship.**
- ▶ **Line authority is not absolute; it must be applied with discretion within the limits of delegated authority and must relate to performance of jobs which leads to the attainment of the objectives of the organization.**

#### **c) Staff authority**

- ▶ **Its scope is very limited as there is no right to command. It is concerned with assisting and advising and it is used where line authority becomes inadequate. Specialized skills are used to direct or perform those activities which the line managers cannot effectively perform.**
- ▶ **Staff authority is subordinate to line authority and its purpose is to aid the activities which are directed and controlled by line managers**

#### **d) Functional authority**

- ▶ **This authority is also subordinate to line authority but in comparison with staff authority, it conflicts upon the holder the right to command in matters relating to the functions. It therefore has limited right to command and help the superior to delegate authority to command to the specialist without bestowing full line authority.**

# Delegation

- ▶ It is the process whereby an individual or group transfers to some other individuals or groups the
- ▶ duty of carrying out some particular action and at the same time taking some particular decisions.
- ▶ ☐ It means, in effect and trusting some part of the work of management to subordinates
- ▶ ☐ It is the process of vesting decision making discretion to subordinates by the superiors
- ▶ ☐ Responsibility is not surrendered since no manager avoids ultimate responsibility by delegating
- ▶ ☐ The work is delegated and the superior holds the subordinates The subordinate is responsible for doing the job and the superiors' responsibility to see the job is done.

## Elements/process of delegation

- ▶ 1. Assignment of duties to subordinates
- ▶ 2. Granting authority to make commitments to the extent necessary to enable them carryout those duties assigned
- ▶ ☐ Creating an obligation on the part of each subordinate; This enables satisfactory performance of the job



# Types of delegation

## 1. General/specific delegation

- ▶ General delegation is where any person is granted authority to perform the various functions his department or division but the exercise of authority by each subordinate continues to be subject to an overall regulation and supervision by his superiors. Specific delegation is functional in character, subordinates are given different specific functions to perform i.e. the production manager may delegate the authority for production and the accounts officer may delegate authority for accounting matters.

## 2. Written/unwritten delegation

- ▶ Written delegation is made by written orders/ instructions. Unwritten delegation is based on customs, conventions, agreements, usage e.t.c.

## 3. Formal/informal delegation

- ▶ Formal delegation of authority is laid down in the organization structure on an enterprise e.g. the sales manager is assigned the responsibility and the accompanying authority to maintain and promote sales.
- ▶ Informal delegation occurs when employees perform certain duties not because these are assigned to them but because they feel that they can perform their tasks better and in time.

## 4. Downward, upward and sideward delegation

- ▶ Downward delegation occurs where the superior assigns duties and delegates authority to his immediate subordinates.
- ▶ In upward delegation, a subordinate assigns some of his tasks to his immediate superior. This is a rare kind of delegation.
- ▶ In sideward delegation, a subordinate assigns some of his duties and tasks to another subordinate of the same rank.

# Guidelines to ensure effective delegation

## 1. Grant proper amount of authority

- ▶ It means that responsibility should not be less than authority delegated. Enough authority should always be delegated to achieve the desired results.

## 2. Make sure that authority is clearly stated.

- ▶ Authority relationship should be clearly defined not only to the subordinates in question but all others concerned as well.

## 3. Define the results expected

- ▶ This will enable the subordinates to know by what standards their performance should be charged

## 4. Consider the capability of the subordinates

- ▶ Authority should be delegated to those who are competent and willing to accept delegation. People should be selected in the right of the jobs to be done.

## 5. Follow unit of command and chain of command.

- ▶ Every subordinate must at a time receive orders and be accountable to only one superior. In delegating, it is also important to follow the chain of command where authority flows from the highest manager to all the subordinates at all levels

## 6. Modify the authority whenever necessary

- ▶ Managers should maintain flexibility attitude about what kind of and how much authority to delegate.
- ▶ This is because the environment of the business is dynamic and authority relationship needs to be altered from time to time

## 7. Develop a willingness to delegate

- ▶ No organization can function without delegation, managers must be willing to let go and let others make mistake if delegation is to work.

## 8. Develop effective communication

- ▶ There should be a free flow of information between the superior and the subordinates. This enables the superior to give clear instructions and the subordinates to seek necessary clarification

## 9. Establish an effective control system

- ▶ Manager should put controls in place to ensure that the authority delegated is used properly. The superior should set the performance standards and evaluate subordinates performance periodically and help them improve.

## 10. Appropriate incentives

- ▶ Suitable financial incentives are provided to reward subordinates for the successful assumption of authority.

## 11. Allocate sufficient resources

## Why managers do not delegate

1. **Feeling of superiority**— a manager may have a feeling that his subordinates are not capable enough to do any work without close supervision. He may therefore concentrate all decision making in his
2. **Fear of exposure**- if the manager is himself not competent to plan ahead, and decide which tasks should he delegate to whom he may avoid delegation of authority because doing so will expose him for what he is incompetent and as a disorganized person
3. **Risk avoidance**— the feeling of insecurity may be a major reason for reactance on the part of the manager to delegate authority. Despite the delegation of authority, the manager will continue to be accountable for the actions of subordinate and these might deter him from running the risk of decision making
4. **Feeling of indispensability**— if a manager has inflated sense of his own worth, and wants others to realize his importance, he may delegate authority such that everyone around him is dependent on him for decision
5. **Habit pattern**— if as a result of practice of close supervision, the manager has developed personal contact with all aspects of work, he may avoid delegation of authority so as to sustain the deep, seated habit
6. **Loss of importance**— a manager may feel that delegation of authority to subordinates may lead to diminution of his authority and divest of the importance enjoyed by him as the centre of whole

# Why do subordinates fear delegation

## a. Fear of criticism

- ▶ The subordinates' reluctance to accept delegation of authority may be due to fear of criticism of mistakes. They may have a fear that even the slightest mistake on their part may lead to their dismissal from service

## b) Insecurity

- ▶ They consider it safe to carry out the decision handed down to them by the superiors than to make decision themselves

## c) Lack of self confidence

- ▶ Sometime, the subordinates may avoid acceptance of delegation due to lack of confidence in their capabilities to discharge new responsibilities

## d) Inadequacy of information and resources

- ▶ They may fear that delegation in their case will mean assignment of activities to them without a matching authority over the relevant information to facilitate decision, making or the necessary human and physical resources to carry out the decision

## e) Inadequate incentives

- ▶ If delegation of authority is not accompanied by suitable incentives, subordinates may not be motivated to accept it willingly

## Advantages of delegation

- ▶ 1. Reduction of managerial work load-delegation reliefs the manager of the need to attend to routine types of duties
- ▶ 2. Basis of effective functioning- it establishes a relationship through the organization and helps in achieving coordination of various activities
- ▶ 3. Benefit of specialized services-it enables the manager to benefit from specialized knowledge and expertise of persons at lower levels
- ▶ 4. Efficient running of the branches- in the big organization, delegation can provide key to smooth and efficiently running of the various branches of the business

## Decentralization

- ▶ This is the process of transferring all the authority to all levels of management to enhance efficiently in the performance of the task. According to Koonts and O Donnell decentralization of authority is a fundamental phase of delegation.
- ▶ According to Allen, decentralization is the systematic effort to delegate to the lowest level of all the authority, except that which can only be exercised at the top (central point).
- ▶ **ASSIGNMENT:** Difference between delegation and decentralization

## Advantages of decentralization

- ▶ 1. It can contribute to staff motivation by enabling the middle and junior staff to get a test of responsibility and encouraging the use of initiative by all employees
- ▶ 2. It encourages decision making and assumption of authority and responsibilities
- ▶ 3. It prevents the top management overload by freeing them from many operational decisions enabling them to concentrate on their strategic responsibilities
- ▶ 4. It speeds up operational decision making by enabling line units to take local actions without reference back

## Disadvantages of decentralization

- ▶ 1. It results into higher operational cost and duplication of resources
- ▶ 2. It requires an adequate control and communication system if major errors of judgment are to be avoided on the part of the operational management
- ▶ 3. It requires greater coordination by senior management to ensure that individual units within the organization are not working against the overall organization e. need to control sub optimization
- ▶ 3. It requires plentiful supplies capable and well motivated managers who are able to respond to the increased responsibility which decentralization brings about
- ▶ 4. It may encourages a parochial attitude in subsidiary units, who may be inclined to look more to their own needs then those of the colleagues in the organization

## Span of management/ span of control

- ▶ This refers to the number of the people or employees that a superior can effectively supervise. It is the number of subordinates or employees reporting directly to one person (a superior)
- ▶ In practice, spans of management can vary between 1-40 or more subordinates directly supervised, although the most likely range is between 3-20. Small spans of management tend to be found among managerial, professional and technical groups.

### Factors affecting the span of management

1. **Location** – in case of geographically scattered operations, the span has to be narrow because one executive cannot effectively manage the distinct and distributed operations
2. **Competence of the superior** – executives who are more capable can supervise large number of subordinates than those who are less competent
3. **Caliber of subordinates** – the more qualified and experienced subordinates are, the lesser will be the pressure on the superior and the wider the span of management
4. **Nature of work** – in case of routine repetitive operations, span can be wider since subordinates do not frequent guidance from the superior. In case of specialized and frequently changing of duties, and those involving constant interaction, the span of management has to be narrow
5. **Level of authority** – at higher levels of management, span of control is generally narrow than at lower
6. **Clarity of plans** – the more clear and understandable the plans are, the wider the span of
- 7 **Communication techniques** – more effective is the communication, lesser is the need for face to face contact and wider may be the
- 8 **Staff assistance** – an executive can supervise more subordinates when advice and assurance of the staff specialists is available to him
9. **System of control** – span of management has to be narrower where the control is exercised through personal supervision



## Organization structure

- ▶ This may be defined as the prescribed pattern of work related behaviors which are deliberately established for the accomplishment of organizational objectives. It serves as an instrument for the introduction of logical and consistency relationship among the various decision function which made up the organization.
- ▶ Specialization and coordination are the key issue on the design of the organization structure.
- ▶ Specialization relates to division of labour and use of special purpose machines and equipment.
- ▶ Coordination means harmony in operations to achieve organizational objectives
- ▶ Organizational structure shows different position and responsibilities attached to the post.

## Types of organization structure

- ▶ 1. Line organization
- ▶ 2. Functional organization
- ▶ 3. Staff organization
- ▶ 4. Matrix organization
- ▶ 5. Project organization
- ▶ 6. Free form organization
- ▶ 7. Committee organization

## 1) Committee organization

- ▶ A committee is a group of persons constituted to deal with specific issues or problems of organization. Committee can also be considered as formal groups with a chairman on agenda and rules on conduct. Committee has specific tasks or set of tasks to achieve. These tasks are made frequently although not always associated with decision making.
- ▶ As a formal group the formality of a committee is expressed by the following features:
  - ▶ 1. A chairman or chairperson who is responsible in ensuring
    - ▶ □ That the committee is conducted in accordance with the rule
    - ▶ □ The committee is supplied with necessary resources
    - ▶ □ A secretary who is responsible for taking the minutes of the meeting standing out the agenda and other papers.
    - ▶ □ An agenda which is set out the agreed subject of matter of the meeting
    - ▶ □ The minutes of the meeting which are the official records of what has taken place
    - ▶ □ Committee papers and reports which provides the committee with the quality of information which will enable it to make usual informed decisions or proposal
    - ▶ □ Rules of procedure which are designed to promote the smooth running of a committee and ensure the consistency and fair play monitoring such rules includes procedures for:
      - ▶ 1. Speaking in a debate
      - ▶ 2. Voting
      - ▶ 3. Proposing a motion
      - ▶ 4. Adding emergency to the operations of the committee as a communication medium.

## Types of committees

### 1. Standing and adhoc committees

- ▶ The standing committee which is always present in the organization Adhoc committee is a temporary special purpose committee which is appointed to deal with many specific problems or issues. It is disbanded and dissolved as soon as the assignment given is completed

### ii. Executive and advisory committee

- ▶ An executive committee s one charged with the responsibility of making and executing his decisions.
- ▶ An advisory committee only remains as specific problem in all the details and makes recommendations

### iii. Line and staff committees

- ▶ A line committee is responsible for controlling and coordinating a specific business function having
- ▶ executive over the subordinate within a formal chain of command.
- ▶ A staff committee only acts in advisory capacity having no authority in its decisions

### iv. Formal and informal committees

- ▶ A formal committee is constituted as per the organization policies and rules deriving its authority from the same policies and rules
- ▶ An informal committee is not consolidated as per the formal policies or rules of the organization. It has no formal authority.

## Advantages of a committee in an organization

- ▶ ☐ Discussion of proposal are based on group assessment of facts and ideas are not a very small grouped working in isolation
- ▶ ☐ Committee can encourage the proofing of special knowledge and talent possessed by individual members
- ▶ ☐ Precisely because they are organized groups, committee can undertake a large volume of work than individuals or vey smaller groups working in isolating
- ▶ ☐ Committee are very useful in achieving coordination and collaboration between worked groups
- ▶ ☐ Committees acts as a vocal point for information and customs within the organization
- ▶ ☐ It's a tool of managerial strategy i.e. the committee may serve as important tool for delusion or consolidation of authority vested on a single individual or postponing

## Limitations of committee organizations

- ▶ ☐ Decision making is on hold together slower process when dominated by committee
- ▶ ☐ Committee works demand certain skills members who are unsure of themselves unskilled in committee practice tend to leave the initiative to the good committee members
- ▶ ☐ Committee sometimes have the tendency to be looked down in procedural matters which reduce the time avoidable for the decision of substantive issues
- ▶ ☐ Committee decision may often represent compromised solution rather than optimum solution
- ▶ ☐ Committee may represent the wishes of a certain group who one or more influenced and not necessarily the riskiness of the

## MAKING COMMITTEES EFFECTIVE

- ▶ 1. The mandate of the committee needs to be clearly defined so as to keep the committee on
- ▶ 2. Committees should have specific agendas to work
- ▶ 3. The size of the committee should be appropriate. (not so large)
- ▶ 4. It should have the right membership.
- ▶ 5. The chairperson should be
- ▶ 6. They should be provided with the necessary resources to accomplish their
- ▶ 7. A committee should be provided with a reasonable
- ▶ 8. A final written report should be presented by the committee for
- ▶ 9. Members of the committees should not devote too much time on committee assignments and forget their regular jobs.

## Matrix organization/ hybrid departmentalization

- ▶ This is normally the combining of functional and project or product patterns of departmentation in the same organization structure. This kind of organization occurs frequently in construction e.g. building a bridge, in aerospace designing and launching a weather satellite, in the installation of an electric data processing system, in management consulting firms in which professional experts work together on project.
- ▶ In case of a two year project to produce a modified fashion of standard air craft, one project manager will coordinate and be held accountable for the work to be undertaken by the project team, and he will be the person who deals on a regular basis with the clients.
- ▶ Functional managers provide technical expertise and organizational stability. Project managers provide the drifting force and the day to day control required to steer the project its temporary life.

## Guidelines for making matrix organization

- ▶ 1. Define the objectives of the project/ task
  - ▶ 2. Balance the power of functional and project and project managers
  - ▶ 3. Clarify roles, authority and responsibilities of managers and team members
  - ▶ 4. Ensure that influence is based on knowledge and information rather than the
  - ▶ 5. Select an experienced manager for the project who can provide
  - ▶ 6. Understand organisation and team development
  - ▶ 7. Install appropriate cost, time and quality control that reposts' derivations from standards in a timely
  - ▶ 8. Reward project managers and team members
- 
- ▶ **Advantages**
  - ▶ 1. It's oriented towards the end result.
  - ▶ 2. It helps to clarify who is responsible for the success of the
  - ▶ 3. It encourages functional managers to understand their contributive role in their organizations productive efforts.
  - ▶ 4. It leads to shorter project development time
  - ▶ 5. It pin points the project profit responsibility
  - ▶ 6. It combines the relative stability and efficiency of hierarchical structure with the flexibility and uniformity of an organic form

## Disadvantages

- ▶ 1. Conflicts can arise concerning the division of authority and the allocation of resources between project groups and functional
- ▶ 2. It requires money time and consuming meetings
- ▶ 3. Too much shifting of staff from one project to another may hinder training of new employees.
- ▶ 4. Relative dilation of functional management responsibilities throughout the organisation mega exist
- ▶ 5. This type of organisation requires the manager to be more effective in human relational and to have interpersonal skills which is not always passed by all managers.

## TOPIC 5

### STAFFING

- ▶ Staffing function is concerned with acquisition, development and maintenance of an efficient and
- ▶ satisfied work force in the organization.
- ▶ It involves the recruitment training development and appraisal of personnel in the organization.
- ▶ This staffing/personal management enables to contribute most effectively to the organization
- ▶ purpose in the performance of their duties, as well as to attain those personal and social satisfactions which they tend to naturally seek within their working environment.
- ▶ Staffing is the acquisition and the maintenance of human resource necessary for the organizational success.



## OBJECTIVES OF STAFFING

- ▶ ☐ To build and maintain cordial relations between people working at different
- ▶ ☐ To ensure effective utilization of available
- ▶ ☐ To provide fair working conditions, wages and amenities to
- ▶ ☐ To achieve the development of employees to their fullest
- ▶ ☐ To help other managers in solving their personnel

## FUNCTIONS OF THE PERSONNEL DEPARTMENT

- ▶ The function of the personnel department can be divided into two:- Managerial Function
- ▶ This is concerned with planning, organizing, directing and controlling the activities related to the human resources..

Operative Function This involves:-

- ▶ ☐ Procurement/employment
- ▶ ☐ Record

## MANPOWER PLANNING

- ▶ Also known as human resource planning manpower planning is the development of a comprehensive staffing strategy for meeting organizational future human resource needs. It is the process by which management determines how the organization should move from its present/current manpower position to its desired manpower position.
- ▶ Through planning the management strives to have the right number and the right kind of people, at the right place and at the right time, doing things which result in both the organization and the individual receiving maximum long-term benefit.

### Features of manpower planning

- ▶ 1. It involves forecasts of the future manpower needs so that an adequate and timely provisions may be made to meet those needs
- ▶ 2. The purpose of manpower planning is to determine the right number and the right type of people required for effectively accomplishing the tasks and goals of the organization
- ▶ 3. It helps in ensuring effective utilization of present and future manpower
- ▶ 4. It has two aspects i.e. quantitative and qualitative aspects
- ▶ 5. It result in the development and policy programmes and procedures for the acquisition, development, preservation and utilization of organizations human assets
- ▶ 6. It is a continuous process because the demand and supply of manpower are subject to frequent

## Significance of manpower planning

- ▶ 1. It helps management to avoid both shortage and surpluses of manpower and thereby to control labour costs.
- ▶ 2. Manpower planning defines human resources required to meet the organizations objectives. By ensuring the right people at the right time, it contributes significantly to the success and growth of the
- ▶ 3. It provides a sound basis for the selection and training of manpower
- ▶ 4. A long term and systematic manpower plan is necessary to ensure a stream of qualified personnel flowing into the organization
- ▶ 5. Manpower planning is important for an organization and an economy. At the firm level, it warns management of upcoming manpower shortage and surpluses. At national level, manpower planning helps to ensure optimum utilization of the country's human resources, to maintain employment to improve productivity and to develop the human assets
- ▶ 6. Inventory of existing manpower helps in ascertaining the status of the available personnel and to disclose untapped talent

## Objectives of manpower planning

- ▶ 1. Making the best use of human resources
- ▶ 2. Obtaining and retaining the quantity and quality of people an organization needs
- ▶ 3. Being able to anticipate the future term of potential surpluses and deficit of people
- ▶ 4. To promote and develop of existing personnel
- ▶ 5. To provide control measures so that human resources are available when required

## Importance of manpower planning

- ▶ ☐ Helps in correcting staff imbalances in time, thus management can reduce labour costs of overstaffing and under utilization of talents is brought to
- ▶ ☐ MPP provides a sound basis for development of personnel to make an optimum use of available
- ▶ ☐ MPP identifies gaps in existing manpower so that suitable training programmes may be developed for building specific skills required in
- ▶ ☐ MPP enables the management to cope with uncertain
- ▶ ☐ MPP involves an inventory of current manpower to determine its status and therefore untapped talents available in the organization can be
- ▶ ☐ Helps management to have the right people at the right jobs at the right

## Manpower Planning Process

- ▶ Manpower planning process involves four basic steps:-
- ▶ 1. Assess current staffing needs. This involves assessment of the current jobs needed the organization, shortages and supplies should be identified in this
- ▶ 2. Forecasting future human resource needs. A systematic attempt to probe into the future human resource needs should be done. This should put into consideration of the organization and also technological
- ▶ 3. formulate staffing strategy
- ▶ A staffing strategy should be formulated based on the needs of the organization.
- ▶ 4. Implementation of the strategy
- ▶ The strategy is adopted and put into use.
- ▶ 5. Evaluate and update
- ▶ The implemented strategy is monitored evaluated and updated to ensure that the goals of the enterprise are being met

## JOB ANALYSIS

- ▶ Job analysis refers to the process of determining the fundamental elements of a job through
- ▶ systematic observation and analysis. Job analysis occurs during the assessment of the organizational manpower needs.
- ▶ It involves breaking up of a job into its basic elements and studying them in details to obtain all the pertinent facts about the job. e.g.
  - ▶ ☐ what the worker is expected to do
  - ▶ ☐ Methods and techniques used
  - ▶ ☐ The working conditions
  - ▶ ☐ Skills required. (Content, job duties and personal qualities)

Job analysis serves the following purposes.

- ▶ ☐ It provides a basis for MPP and for recruitment and selection
- ▶ ☐ Helps in matching the employee competencies and the job during selection
- ▶ ☐ Facilitates job evaluation and performance appraisal which is necessary in wage determination
- ▶ ☐ Helps in devising training and development programmes for
- ▶ ☐ Facilitates proper allocation of authority
- ▶ ☐ It facilitates job

## JOB DESCRIPTION

- ▶ This is a clear summary of duties and responsibilities of a specific job.
- ▶ It describes the title of the job, its location, tasks to be performed and work conditions.

## JOB SPECIFICATION

- ▶ This is a statement of the minimum acceptable human qualities required for the successful performance of a job.
- ▶ It specifies the physical requirements, education and knowledge, work experience, aptitude (ability to learn) and personal characteristic that one should possess in order to handle the duties of a particular job effectively.

## JOB EVALUATION/GRADING

- ▶ This technique/process of establishing the relative merits of jobs within an enterprise in order to establish pay differentials
- ▶ It involves the assessment of the work content of all jobs in the organization and their classification into broad categories called job grades.

## Advantages of job evaluation

- ▶ 1. Helps in selecting new staff
- ▶ 2. Assists in transferring employees from one department to another
- ▶ 3. Ensures that staff doing the same job receives the same rates of pay thus avoid wage
- ▶ 4. Assist in evaluating new jobs and deciding on appropriate rates of pay
- ▶ 5. May improve relationship between management and workers
- ▶ 6. Provide data needed for collective bargaining
- ▶ 7. May result in improved staff morale and thus low labour turn over and increased output
- ▶ 8. Useful for estimating budgets.

## Disadvantages of job evaluation

- ▶ 1. It may place all jobs into few grades and reduce chances of promotion
- ▶ 2. Job grades fails to take into account individual differences in workers abilities
- ▶ 3. There is a tendency to view workers in terms of their grades
- ▶ 4. Job grades are rarely evaluated while job content change time to
- ▶ 5. Salary scales are not solely based on job grading but also other factors such as trade union influence etc

## JOB RECRUITMENT

- ▶ This is the acquisition of human resources to fill up particular positions in the organization
- ▶ ☐ Thus recruitment is to seek out, to explore to evaluate, to induce and to obtain commitment from prospective employees so as to fill up positions required for the successful operation of an
- ▶ ☐ Each organization has its own policies and procedures that guide the recruitment e.g.
- ▶ ☐ When to declare a job vacant
- ▶ ☐ When to advertise for the job
- ▶ ☐ The source of recruitment
- ▶ ☐ How to advertise etc
- ▶ ☐ Recruitment is very important because it increases the number of applicants from which a real choice can be

## SOURCES OF RECRUITMENT

Sources of recruitment can be classified into two broad sources i.e.

### 1. Internal sources

- ▶ ☐ Transfers
- ▶ ☐ Promotions

### 2. External sources

- ▶ ☐ Advertisements
- ▶ ☐ Education institutions etc



# INTERNAL SOURCES OF RECRUITMENT

## Advantages

- ▶ ☐ Increases morale in the organization especially for the person being
- ▶ ☐ It's easier to assess employees because you know
- ▶ ☐ it's a form of rewarding good performance of work
- ▶ ☐ It is less expensive as it does not involve many procedures e.g. advertising short listing.
- ▶ ☐ There is no need for initiation/orientation as the person being recruited understands the procedures & operations

## Disadvantages

- ▶ ☐ There is a danger of inbreeding in the organization
- ▶ ☐ There may be a problem of morale for those who were not promoted
- ▶ ☐ It may create infighting for promotions which may affect
- ▶ ☐ It discourages the hiring of experts
- ▶ ☐ A strong manager development programme becomes necessary
- ▶ ☐ There may be need to retrain the employee so as to suit the new

Organizations do have policies that guide them on transfers and promotions in the organization.

- ▶ For instance a good transfer policy should have the following characteristics.
- ▶ ☐ it should ensure that the transferred workers in their new positions are not given completely new kinds of jobs
- ▶ ☐ Responsibilities for recommending and approving transfers should be clearly defined.
- ▶ ☐ How a transfer is going to affect security of the employee should be spelt out clearly.
- ▶ ☐ Complete accurate job description of the jobs to which transfer are under consideration.

A good promotion policy should entail the following:-

- ▶ ☐ Promotions should be recommended by line managers and decided by their supervisors in line
- ▶ ☐ Likely opening for promotion should be given wide
- ▶ ☐ Accurate job description should be prepared for each

### **External sources of Recruitment**

- ▶ It involves acquiring manpower from outside the organization. The sources include:-
- ▶ ☐ Direct application from suitable candidates
- ▶ ☐ Through management consultants
- ▶ ☐ Academic institutions e.g. colleges, universities
- ▶ ☐ Employment bureaus and agencies
- ▶ ☐ Sister organizations
- ▶ ☐ Government departments
- ▶ ☐ Through recommendations and suggestions current employees

## Merits of External recruitment

- ▶ ☐ It's an inexpensive way of hiring qualified
- ▶ ☐ New blood is brought into the organization thus new insight
- ▶ ☐ There is no danger of inbreeding and
- ▶ ☐ There is a wider choice as the person is selected from among a large number of applicants.

## Demerits of external recruitment

- ▶ ☐ The person selected might not fit well in the organization
- ▶ ☐ There is a longer orientation and initiation
- ▶ ☐ The person recruited may meet with resistance from the other employees
- ▶ ☐ There is a morale problem for those from within who have not chosen
- ▶ ☐ It may be time consuming and costly coz of the many procedures

## JOB ADVERTISEMENT

- ▶ This is informing the public about existence of a vacancy position in an organization. It is a usually
- ▶ done through the mass media or in meetings. The job advert should contain the following elements;
- ▶ -Details of the employing organization
- ▶ -Position to be filled
- ▶ -Location of the position
- ▶ -Key duties and responsibilities of the position holder
- ▶ -Essential requirements of the job
- ▶ -The minimum personal qualifications
- ▶ -Deadline of submitting applications
- ▶ -To whom the application should be directed

## PRINCIPLES OF EFFECTIVE JOB ADVERTISEMENT

- ▶ In order to make an effective job advertisement the following principles should be observed;
- ▶ ☐ Always provide brief but sufficient information about the position to be
- ▶ ☐ Give brief but sufficient information about the employing
- ▶ ☐ Provide details of all the essential personal
- ▶ ☐ Outline clearly the essential requirements of the
- ▶ ☐ Provide the main conditions of the position especially the
- ▶ ☐ State clearly where or to whom the application should be
- ▶ ☐ The advertisement should be presented in an attractive

## JOB SELECTION

- ▶ Selection is the process of offering jobs to one or more candidates from among those who applied for the job.

## Benefits of selecting the right kind of people

- ▶ ☐ Proper selection and placement of personnel go along way towards building up a suitable workforce.
- ▶ This in turn keeps the rate of absenteeism and labour turnover low.
- ▶ ☐ Competent employees will show higher efficiency and enable the organization to achieve its
- ▶ ☐ The rate of industrial accidents will be considerably low if suitable employees are placed on various
- ▶ ☐ When people get jobs of their choice and taste they get higher job satisfaction (contented workforce)
- ▶ ☐ Saves the organization time, money and efforts of having recruit and select incase where wrong selection was

## Factors to consider when selecting employees: –

- ▶ ☐ Physical characteristics –sound body, limb, height, weight, sight etc
- ▶ ☐ Personal characteristics –age, sex, marital status, no of children, family background
- ▶ ☐ Proficiency/skills and abilities –qualification and past
- ▶ ☐ Competence –potentiality of an individual for learning and becoming proficient in a job. Capacity to acquire
- ▶ ☐ Temperament and character –emotional, moral and social qualities, loyalty etc high intelligence can never serve as a substitute for qualities such as honesty and trustworthiness
- ▶ ☐ Interest without interest, work is colorless and monotonous.

## THE SELECTION PROCEDURE

- ▶ The selection procedure usually varies from organisation to organisation and even from department
- ▶ to department depending on the position to be filled. The number of steps in the procedure and their sequence may also vary

### Selection procedure can involve the following process/steps.

#### 1. Preliminary interview

- ▶ Most organizations start with preliminary interview. They are used to eliminate the
- ▶ obvious/unqualified candidates.
- ▶ It offers advantage both to the applicant and organization as it saves time, costs and efforts of both
- ▶ the applicant and the organization. Only those who are suitable are allowed to fill the application
- ▶ blanks.

#### 2. Receiving Applications

- ▶ When a vacant has been advertised or enquiries are made from suitable sources, applications are received from the candidates. This may be standard form or just ordinary application letters.

#### 3. Evaluation of applications

- ▶ The application blanks and letters and curriculum vitae are evaluated as per the individual qualities and the vacant job. Only questions that have job relevance should be encouraged. E.g. education, work experience and other specific job relate data.

#### 4. Employment tests

- ▶ Tests have become an integral part of the selection process. However certain conditions should be met of tests are to be used for employee selection they include:-
  - ▶ ☐ A test should be reliable –provide consistent result
  - ▶ ☐ Should be valid –measure what they are designed to measure (e.g. job performance)
  - ▶ ☐ Should be objective –can be interpreted by different people in the same way
  - ▶ ☐ Should be standardized
- Advantages of tests

#### 5. Interviews

- ▶ Interviews are the most widely used and probably the most important way of assessing the qualification of a candidate. They are able to obtain additional information, provide information about the firm etc.

#### Guidelines for effective interviews

- ▶ ☐ Plan for the interview (job specification & description)
- ▶ ☐ Create a good climate for the interview –friendly and open rapport with the applicant should be established
- ▶ ☐ Allow sufficient time for uninterrupted interviews
- ▶ ☐ Conduct a goal-oriented interview –irrelevant details should be left
- ▶ ☐ Avoid certain types of questions leading questions or those that may imply discrimination or embarrassing
- ▶ ☐ Seek answers to all questions & check for
- ▶ ☐ Record results of the interview immediately on



## Structured interviews

- ▶ These are a series of job related questions with predetermined answers that are consistently applied to all the candidates for a particular post/job.

## Unstructured interviews

- ▶ These are a series of questions asked by interview panels and which do not follow any format.

### They have the following disadvantages

- ▶ ☐ Highly susceptible to distortion and bias
- ▶ ☐ Rarely job oriented
- ▶ ☐ Infringe on individual privacy
- ▶ ☐ Highly inconsistent
- ▶ ☐ The interviewee can only ask questions or look for details/qualities he/she likes and ignore the Significance of interviews in the selection process
- ▶ ☐ Since the candidate is physically present, the interviewer gets an opportunity to study various aspects of his
- ▶ ☐ Mental and social make up the candidate is manifested in the
- ▶ ☐ Its cheaper and effective if properly planned
- ▶ ☐ Correct judgment of the candidate can be made

## STAFF TRAINING AND DEVELOPMENT

- ▶ Training implies the act of increasing the knowledge and skills required for efficient performance.
- ▶ The major purpose of development is to improve managerial behaviour and performance.
- ▶ Staff development refers to the process of changing employee behaviour, attitudes and opinions
- ▶ through some type of guided experience

### Objectives of training

- ▶ ☐ Increase knowledge and skills of worker in doing specific jobs
- ▶ ☐ To impart new skills and techniques among the workers
- ▶ ☐ To bring about change in attitude of the worker towards fellow workers, supervisors and the organization
- ▶ ☐ To make workers handle materials, machines and equipments efficiently thus check on wastage of time and materials.
- ▶ ☐ To reduce the number of accidents by providing safety training to workers
- ▶ ☐ To prepare workers for higher challenges
- ▶ ☐ To make workers adapt to changes in the environment quickly

## TYPES OF TRAINING

- ▶ 1. Internal training (on the job training)
- ▶ 2. External training (off the job training)

### ▶ **Internal training programmes**

They include:-

#### 1. Orientation/induction training

- ▶ Is a type of training meant to adopt workers to specific job requirements? Most organizations have a formal orientation program for new employees who join the organization. Usually the new employees could be put under old or senior employees.

### **Reasons for induction training**

- ▶ 1. It helps to build up new employees' confidence in the organization and himself so as to become an efficient
- ▶ 2. Helps to develop a feeling of belongingness and loyalty to the organization
- ▶ 3. Help to forge good relationship between newcomers and the old employees
- ▶ 4. Helps to give newcomers necessary information in the organization
- ▶ 5. Help to have a good impression of the organization

## 2. Apprenticeship

- ▶ Apprentice is one of the oldest training methods. The worker is placed under a qualified senior who he/she understudies. The worker learns by observing and assisting his senior. It is common for trade jobs.

## 3. Delegation

- ▶ Is a process where by the superior assigning certain responsibilities and authority to his/her subordinates. The subordinate learns through performance of the job or duties delegated.

## 4. Refresher training/retraining

- ▶ This helps worker to learn new ways of handling things while still line their jobs. It also assists workers to refresh the knowledge and skill learned long time age. eg seminars, workshops etc

## 5. Job Rotation

- ▶ In job rotation employees perform more tasks on a given schedule. The objective of job rotation is to make workers conversant with different parts of their jobs. The worker may be assigned duties in different departments on work observe different departmental head.

## 6. Membership to committees

- ▶ Committees enable members to interact together, pool their experiences and ideas with an aim of solving problem. The committee members as a result to develop some problem solving skills

## 7. Creation of “Assistant to” positions

- ▶ A trainee is posted to a department as an assistant. He/she acquire actual managerial experience.

## 8. Vestibule Training

- ▶ It is similar to apprenticeship. The only difference is that the line managers on the job floor itself do not provide it. It is instead provided by special instructors outside/away from the job floor.

## External training programmes

They include: –

### 1. Training institutions

- ▶ Specialized institutions offer training specific field e.g. colleges, universities, polytechnics

### 2. Lectures, Conferences and seminars

- ▶ These may be used to impart knowledge and develop analytical skills

### 3. Case study

- ▶ Workers evaluate and analyze a real life situation suggesting alternative solution to prevailing problems. Such analysis is used in solving problems at hand.

### 4. Brainstorming sessions

- ▶ This consists of evaluating of ideas put forward by a group of people convened for that particular purpose.
- ▶ It encourage creative thinking among participants.
- ▶ Members look forward brainstorming session as they enable them to talk freely. Their deliberations are oriented to problem solving.

## **BENEFITS OF TRAINING TO THE EMPLOYER.**

1. Less supervision –Adequately trained employees will need less supervision as they are self reliant in work
2. Economical operations.- well trained employees will use the organizational resources prudently as there will be less wastage of materials and low rates of accidents.
3. High moral –training help to improve job satisfaction and morale of workers. Their attitude toward the organization will also change
4. Uniformity –training enhances uniformity of procedures as the best method of performance can be standardized and taught to all employees.
5. High productivity –when skills of the employees are increased the performance of the employee is enhanced in term of quality and
6. Manpower development –training enables the organization to have a steady supply of competent people to fulfill the organization's human resource
7. Less learning period –training helps to reduce the learning time to reach acceptable level of performance

## **BENEFITS OF TRAINING TO THE INDIVIDUAL**

- ▶ ☐ Training creates a feeling of confidence in the mind of the
- ▶ ☐ Training enable an individual acquire new skill which are an asset for the individual
- ▶ ☐ Trainings provides opportunities for quick promotion and self development
- ▶ ☐ Trained individuals are likely to earn more
- ▶ ☐ Trained individuals handle machines safely and are less prone to accidents
- ▶ ☐ Training and develops adaptability among

## Factors determining labour compensation

- ▶ ☐ Cost of living
- ▶ ☐ Wages parity/market rates
- ▶ ☐ Employer paying capacity
- ▶ ☐ Degree of unionization
- ▶ ☐ Performance efficiency of the employee
- ▶ ☐ Government regulation
- ▶ ☐ Availability of worker for the particular job

## METHODS OF LABOUR COMPENSATION

### 1. Time Rate

- ▶ This refers to fixed compensation for a particular period of time e.g. week, a day or month or even hours. This method has the advantage of:-
- ▶ ☐ Wages can be calculated easily
- ▶ ☐ Employee is assured of pay at the end of the
- ▶ ☐ It eliminates the need for measure performance
- ▶ ☐ Suitable for jobs that cannot be divided into smaller

### 2. Piece Rate

- ▶ This refers to a fixed compensation per unit of output
- ▶ This method motivates efficient workers and reduces the level of supervision in the organization

### 3. Commission Rate

- ▶ This refers to compensation based on the % of sales made. It's more common in insurance and travel agency businesses.

### 4. Bonus Rates

- ▶ This refers to labour compensation whereby one work on time rate but any extra production or overtime worked, a higher rate is paid.

## Trade Unions

- ▶ This refers to an association of workers whose major aim is to protect and promote the interests of
- ▶ members, through collective bargaining with the management/employers and sometimes in presence of the government.

### Functions of trade unions

- ▶ ☐ They demand for higher wages for their members
- ▶ ☐ They demand for better working conditions for members
- ▶ ☐ Protect members against unfair dismissal and victimization
- ▶ ☐ They educate the workers on their rights
- ▶ ☐ They serve the interaction function with other trade unions in the field which improves their bargaining power
- ▶ ☐ Serves the political function i.e. can be used as stepping stone to ones political ambitions.



## **Types of Trade Unions**

- ▶ ☐ Company unions –comprises employees of only one organization
- ▶ ☐ Craft unions –covers workers with a particular skill irrespective of the organization.
- ▶ ☐ Professional unions – caters for people in the same profession g. doctors./teacher, lawyers etc
- ▶ ☐ General union – cater for workers from various fields occupations and organizations e.g. O.T.U.

## **Factors that have slowed down union growth**

- ▶ ☐ Political dominance and influence
- ▶ ☐ Existence of about surplus
- ▶ ☐ Lack of sufficient funds to run union offices incase of strike
- ▶ ☐ Multiplicity of trade reduces their bargaining
- ▶ ☐ Legal restriction which makes it difficult to organize strikes
- ▶ ☐ Hostile attitude of the employers whereby they don't want to hear anything about trade unions
- ▶ ☐ Lack of good organization due to poor leadership
- ▶ ☐ Poor policies inherited from colonial government
- ▶ ☐ Lack of awareness on the part of the

## **ACHIEVEMENTS OF TRADE UNION**

- ▶ ☐ They have fought for revision of minimum wages and better working
- ▶ ☐ They have successfully challenged management power to dismiss employees
- ▶ ☐ They have provided to their members security and protection from
- ▶ ☐ Have been able to train their workers on labour

## LABOUR TURNOVER

- ▶ This refers to the number of employees that leave the organization within a specified period. It's expressed as a percentage
- ▶ For example.  $\text{No of leaver} \times 100$
- ▶ No of employees

## CAUSES OF LABOUR TURNOVER

Causes can be internal or external

### **Internal causes of labour turnover. e.g.**

- ▶ ☐ Low wages
- ▶ ☐ Unsuitable work or working conditions
- ▶ ☐ Inability to perform
- ▶ ☐ Breach of discipline

### **External causes of labour turnover..**

- ▶ ☐ Lack of transport
- ▶ ☐ Retirement age
- ▶ ☐ Natural attrition
- ▶ ☐ Health reasons

## TOPIC 6

### DIRECTING

It is the function of management that involves instructing, guiding and inspiring human factor in the organization to achieve organizational goals.

It covers the following elements

- ▶ ☐ Communication/ supervision
- ▶ ☐ Leadership
- ▶ ☐ Motivation
- ▶ ☐ Coordination

#### PROCESS OF DIRECTION

- ▶ The process of directing should include the following steps:
- ▶ 1. Determine what is to be
- ▶ 2. Issue specific orders 3. Provide guidance
- ▶ 4. Motivate the
- ▶ 5. Maintain constant communication with
- ▶ 6. Maintain discipline and reward those who perform better
- ▶ 7. Provide effective leadership to the subordinates so that they work with

## MOTIVATION

- ▶ This is an act of stimulating someone or oneself to get a desired course of action. It is that inner state of mind that channels workers behavior and energy towards the attainment of desired goals.

### Factors Affecting or Determining Motivation

- ▶ ☐ The Nature of the job: –A job that is challenging and good enough will motivate an individual and use
- ▶ ☐ The Work environment: –When the work environment is conducive, worker will be motivated e.g. a spacious office will motivate an
- ▶ ☐ Participation in planning: –When employees are given an opportunity to participate in planning & implementation the highly
- ▶ ☐ Better reward system : –When the employees are well compensated they become more
- ▶ ☐ Security: –When employees are provided with security at work and have security of tenure, they are highly motivated.
- ▶ ☐ Recognition by management: –When the management recognizes the efforts of the workers, they will be highly
- ▶ ☐ Trust and loyalty: –When there is trust and loyalty between the subordinates & the management motivation become high in the
- ▶ ☐ Room for advancement. : –career growth and
- ▶ ☐ Delegation of authority: –transfer of authority from upper to lower
- ▶ ☐ Good management

## Importance of Motivation

- ▶ ☐ Through motivation high performance in the organization can be
- ▶ ☐ Motivation enhances willingness of people to work thus minimizes conflicts and resistance to
- ▶ ☐ Sound motivation minimizes chances of absenteeism and labour
- ▶ ☐ Increases motivation reduces the need of close supervision which may be expensive to the organization
- ▶ ☐ Effective motivation leads to cordial relationship between workers and management, as there is increased job
- ▶ ☐ Good motivation may lead to improvement of skills of individuals within the organization.

## Methods of Motivating employees

- ▶ A motive is a need or driving force within a person. The management can motivate their employees through:
- ▶ ☐ Fair remuneration –Fair & reasonable reward for the services
- ▶ ☐ Incentives –Bonuses, pension scheme & profit sharing
- ▶ ☐ Security of tenure –Assure continues employment
- ▶ ☐ Good working conditions- working hours, medical,
- ▶ ☐ Recognition
- ▶ ☐ Participation- In decision making
- ▶ ☐ Communication –Adequate upward & downward
- ▶ ☐ Safety programmes –Compensation / hospital expenses
- ▶ ☐ Health programmes –protection against health hazards
- ▶ ☐ Education & development

## Features of a Sound Motivation Programmes

- ▶ ☐ It should be productive –Must result into positive increase of productivity of labour.
- ▶ ☐ Must be competitive –The costs of the motivation system /programme must be justified in its
- ▶ ☐ Should be comprehensive. It should provide for both physiological and psychological need and cover all employees at all
- ▶ ☐ Should be flexible –It should be capable of being adjusted easily in case of changes in the environment and
- ▶ ☐ It should be acceptable to the
- ▶ ☐ It's a psychological concept i.e. its concerned with intrinsic forces operating within an individual which compels him to act in a particular way. A motive is a personal and individual
- ▶ ☐ It is dynamic and continuous process i.e. it deals with human beings which are error changing and modifying themselves every moment with their needs being unlimited.
- ▶ ☐ Motivation is a complex and difficult function. In order to motivate people a manager needs to
- ▶ understand and satisfy a multiplicity of human needs, but needs are mental feelings which cannot be described and measured accurately. They are vague and have to be deduced from external behavior of needs. Moreover needs are basically
- ▶ ☐ It is a circular process- feeling of unsatisfied needs causes tension and an individual takes action to reduce these

# MC GREGOR'S THEORY X AND Y

- ▶ Mc Gregor has classified the basic assumptions about human nature into two parts. Theory X and theory Y.

## THEORY X

- ▶ This is based on the assumption that people don't want to work and are forced to work. It assumes that:
  - ▶ ☐ The average human being has an inherent dislike of work and will avoid it if he can (lazy)
  - ▶ ☐ He lacks ambition, dislike responsibilities and prefers to be led-incapable of directing his own behaviour & is not interested in achievement (lack creativity)
  - ▶ ☐ People are inherently self-centered and are indifferently to organizational
  - ▶ ☐ People are naturally/ by nature resistant to change thus have a conservative nature.
  - ▶ ☐ People are not by nature very bright and are prove to be influenced by
  - ▶ ☐ Motivation only occurs at physiological and safety

## THEORY Y

- ▶ Under this theory people love work and enjoy it .The theory assumes:
  - ▶ 1. Work is as natural as play or rest provided the conditions are
  - ▶ 2. The average human being love work provided it's meaningful and can be a source of
  - ▶ 3. Commitment to objectives of an organization is a result of the rewards associated with the
  - ▶ 4. The average human being is dynamic and adopts to change when is brought in a logical
  - ▶ 5. The average human being love
  - ▶ 6. People are creative and self-directed.

## Management under theory X

- ▶ ☐ They should be directly supervised and controlled
- ▶ ☐ They should receive specific instructions, written where possible
- ▶ ☐ They should be given deadlines
- ▶ ☐ There should be close communication between the management and employees
- ▶ ☐ They should not participate in decision making at any Management under theory Y
- ▶ ☐ People should be involved in decision making
- ▶ ☐ Delegate work to them
- ▶ ☐ They do not need to be coerced.
- ▶ ☐ No close supervision is needed
- ▶ ☐ Recognize their contribution and reward them appropriately



# MOTIVATING FACTORS

## 1. Participation in planning

- ▶ When employees are given a choice to plan their own work and contribute in organizational planning, the plans, are more acceptable to them.

## 2. Challenging work

- ▶ When work is not challenging, boredom sets in and this is likely to cause laziness and dissatisfactions at the place of work

## 3. Recognition of status

- ▶ Most people want approval by peers, friends or supervisors. Benefits that show status may increase motivation.

## 4. Authority, responsibility and power

- ▶ Some people are motivated greatly by being responsible for the work of others. Many people stay in the organization with the hope of rising to upper levels

## 5. Independence to action

- ▶ Being allowed to work without close supervision motivates a person.

## 6. Security

- ▶ This includes financial and non financial incentives that are given to the employee will be motivating

## 7. Advancement

- ▶ People are motivated by upward mobility in their job

## 8. Personal growth

- ▶ People want to grow wholesomely both in aspects related to the job of those outside the job

## MORALE

- ▶ This is a term used to describe the overall climate prevailing among workers. Its an attitude of a satisfaction with desire to continue in willingness to strive for goals for a particular enterprise.

### **Lack of morale can result in:-**

- ▶ ☐ Increased cases of Absenteeism
- ▶ ☐ Antagonism towards rules and supervision
- ▶ ☐ Excessive complains & grievances
- ▶ ☐ High labour turnover
- ▶ ☐ Friction between employees and the management or the employer
- ▶ ☐ Lateness at work
- ▶ ☐ Increased accidents at work
- ▶ ☐ Alcoholism as a result of frustration

## LEADERSHIP

- ▶ According to Chester Barnard, leadership is the ability of a supervisor or manager to influence the behavior of his subordinates and persuade them to follow a particular course of action.

### IMPORTANCE OF LEADERSHIP

- ▶ 1. Efficient leadership motivates the members of
- ▶ 2. Efficient leadership helps in directly group activities.
- ▶ 3. Leadership helps to reduce resistance and conflicts in the
- ▶ 4. Good leadership assists in bringing change and increase interpersonal communication.
- ▶ 5. Leadership ensures cohesiveness among group
- ▶ 6. Leadership helps to develop talents of
- ▶ 7. Good leadership enables optimal utilization of the organizational

# LEADERSHIP STYLES

## 1. Autocratic / Authoritarian Leadership

- ▶ This is whereby power is highly centralized. The subordinates are not allowed to make or participate in decision-making.
- ▶ An autocratic leader demands complete loyalty and unquestionable obedience from the subordinates.

### Advantages of Autocratic Leadership

- ▶ ☐ Tasks are accomplished on
  - ▶ ☐ Decision-making is not
  - ▶ ☐ Communication is fast
- ### Disadvantages of Autocratic Leadership
- ▶ ☐ There is social distance between the leader & the being
  - ▶ ☐ May lead to high labour turnover because of job
  - ▶ ☐ Members lack commitment to organization

## 2. Democratic /Participative Leadership

- ▶ This is a subordinate centered leadership whereby the leader involves the total participation of the subordinates in decision-making process. He leads by consent of the group rather than by use of authority.

### Advantages of Democratic Leadership

- ▶ □ Effective consultation between the leader &
- ▶ □ Effective delegation since there is trust confidence between sub & the
- ▶ □ High motivation
- ▶ □ High productivity
- ▶ □ New ideas
- ▶ □ Open communication.

### Disadvantages of Democratic Leadership

- ▶ □ Decision-making is time consuming
- ▶ □ The job may not be perfectly done, as the leader may not be able to oversee directly.
- ▶ □ Some workers may take advantage of the freedom and trust given to
- ▶ □ May allow for even unfair criticism by the workers
- ▶ □ Over delegation may lower the quality of work

### **3. Pseudo Democratic or Manipulative Leadership**

- ▶ This leader makes his desires known & then appoints a committee to deliberate but primarily to approve his proposal.
- ▶ Group members go through the nation of cooperative action but to no avail since the decisions have been reached before hand.
- ▶ The leader may be very successfully being tolerated when he rewards those who support him.

### **4. Bureaucratic Leadership**

- ▶ The leader depends upon the rules and regulations developed by him. The rules specify the
- ▶ functions and duties of every member of the organization. The leaderships therefore reduced to a routine job. There is limited scope for initiative and subordinates like to play. The leader is centered leading to total inefficiency.

## **LEADERSHIP STYLE ACCORDING TO LICKERT**

### **1. Exploitative / Authoritative**

- ▶ This is a system that is highly autocratic. It has very little trust in subordinates. People are motivated through fear and punishment with occasional rewards. Communication is downward and decision-making is limited to the top.

### **2. Benevolent Authoritative**

- ▶ The manager has patronized confidence in the subordinates and motivates with some rewards some fear and punishment. The manager permits some upward communication and solicits some ideas and opinions and also allows some delegation of decision making but with close policy control.

### 3. Consultative Leadership

- ▶ The manager has substantial but not complete trust and confidence in subordinates. He tries to use
- ▶ subordinates ideas and opinions and he use rewards for motivation with occasional punishment.
- ▶ Upward & downward communication is allowed and the general policy is made at the top, but specific decisions are made at lower levels.

### 4. Participative Leadership

- ▶ The leaders have complete trust and confidence in subordinates. He gets ideas and opinions from the subordinates. Rewards are given on the basis of group participation. Subordinates engage in communication and also in decision making throughout the organization.

## Factors affecting effectiveness of leadership/ choice of leadership style:

### 1. Factors related to the manager

- ▶ ☐ Self knowledge and experience
- ▶ ☐ Managers personality
- ▶ ☐ Academic and professional background
- ▶ ☐ Personal capacity
- ▶ ☐ Managers values
- ▶ ☐ Managers goals and aspirations

## 2. Factors related to subordinates

- ▶ ☐ Attitude towards authority
- ▶ ☐ Their work ethics
- ▶ ☐ Maturity level of subordinates i.e. task related maturity and not age
- ▶ ☐ Employment value system
- ▶ ☐ Workers experience and skill level
- ▶ ☐ Employees academic and professional background
- ▶ ☐ Employees expectations
- ▶ ☐ Employees need for independence
- ▶ ☐ Employees loyalty to the organization

## 3. Factors related to the situation

- ▶ ☐ Size of work groups
- ▶ ☐ Task structure
- ▶ ☐ Objective of the organization
- ▶ ☐ Leadership styles of the managers/ suppliers
- ▶ ☐ Leader subordinate relationship
- ▶ ☐ Whether or not the company has a trade union
- ▶ ☐ Impact of technology



## COMMUNICATION.

- ▶ Communication is commonly defined as the process by which a person (sender) transmits information (message) to another (receiver).it's the transfer of information, ideas, understanding or feelings between people.
- ▶ An organization must keep in touch with its environment e.g. customers, suppliers the government dealers etc.
- ▶ The purpose of communication in an enterprise is to effect change i.e. to influence action towards the welfare of an enterprise. Communication is essential for the internal function of the enterprise, because it integrate the managerial functions.
- ▶ Communication is especially need to:-
  - ▶ ☐ Establish and disseminate the goal of an enterprise.
  - ▶ ☐ Develop plans for achievement of an organization
  - ▶ ☐ Organize human and other resource in the most effective and efficient
  - ▶ ☐ Select, develop and apprise members of the
  - ▶ ☐ Lead, direct, motivate and create a climate in which people want to
  - ▶ ☐ Control

## Communication process

- ▶ The process traces the movement of information from the sender to the receiver. The process has the following elements of steps:-
- ▶ ☐ **Sender** – This is anyone who wants to communicate something to someone else. The sender has a thought or an idea which must be put into a language understood by the receiver and the sender (encoding).
- ▶ ☐ **Message** – This is the information the sender wants to
- ▶ ☐ **Channel / media**– This is the link between the sender and the receiver of the message. It refers to the model of transmission of the message e.g. a letter, telephone, television, a computer, gestures etc
- ▶ ☐ **Receiver** – This is the person the sender wants to react with the message. Once the receiver gets the message he/ she must decode it. This is the process by which the message and attaches meaning to
- ▶ ☐ **Feedback** –The action taken by the message receiver once the message has been conveyed. Its only trough feedback that the sender can know the process was successful

## NOISE HINDERING COMMUNICATION

- ▶ Unfortunately communication is affected by noise which is anything / whether in the sender, the transmission that hinders communication, for example:-
  - ▶ ☐ A noise or a confined environment may hinder the development of a clear
  - ▶ ☐ Encoding may be faulty because of the use of ambiguous
  - ▶ ☐ Transmission may be interrupted by static in the channel, such as may be experienced in poor telephone
  - ▶ ☐ Inaccurate reception may be caused by in
  - ▶ ☐ Decoding may be faulty because the wrong meaning may be attached to the words and other
- ▶ The process of communication is affected by many situational and organizational factors. Factors in the external environment may be; Educational, sociological factors, legal factors, political factors, economic factors etc.

## TYPES OF COMMUNICATION

### 1) Types of communication according to flow of direction

#### 1. Vertical up word communication

- ▶ In this type of communication, the information flows from the lower levels (subordinates) to the higher levels (superiors) through the chain of command.

#### 2. Vertical down words communication

- ▶ In type of communication, information flows from the higher levels (superiors) to the lower level (subordinates). This type of communication exist especially in organization with an authoritarian atmosphere

#### 3. Direct horizontal communication

- ▶ This involves an individual from one department communicating to another person in another department at the same level

#### 4. Indirect communication

- ▶ This communication occurs between people of different organizational levels of different department

#### 2) Type of communication on the basis of relationship between the parties in the organization

##### a. Formal communication

- ▶ This type of communication follows the course laid down in the organization structure of the enterprises. Members of the enterprise are supposed to communicate with each other strictly as per channels laid down in the structure.

##### b) Information communication

- ▶ In this type of communication the transmission of information is not through any structure or any pattern of relationship provided in the organization. This type of communication is through the grapevine where there is no approval of the management.

## Types of communication on the basis of the method used

### a. Written communication

- ▶ This is the form of a letter, memos, manuals, or minutes. In a formal organization such as a business
- ▶ enterprise, written communication is the most important media for conveying ideas, information etc.

### b) Oral/ verbal communication

- ▶ This provides immediate feedback and unclear issues can be clarified immediately. It gives
- ▶ communication a personal and intimate touch. Verbal communication can be in the following forms:-
  - ▶ ☐ Face to face
  - ▶ ☐ Joint consultations.
  - ▶ ☐ Public communication which may be used to announce a policy decision of workers.
  - ▶ ☐ Broadcasts which relates to statement from the management to the staff generally or to certain section of it also relates to public announcement and communication address to

### c) Non verbal communication

- ▶ In this form of communication, gestures rather than words are used to convey feeling of emotions.
- ▶ Facial expressions, postures, gestures, tone of voice and other body movements are made

## BARRIERS AND BREACK DOWNS IN COMMUNICATION

- ▶ The communication problems or barriers whether arising from mechanical, organizational or personal factors, may often result in distortion of meanings or filtering of information by suppression or with holding.
- ▶ Broadly, the distortion or filtering of information may be due to the following:-
- ▶ 1. Mechanical barriers
- ▶ 2. Organizational barriers
- ▶ 3. Personal barriers

### i) Mechanical barriers Causes

- ▶ 1. **Distortion-** It may be due to noise in the transmission or because the communicator does not use the right words to give meaning and precision to his ideas and
- ▶ 2. **Filtering** – It is caused due to a distance between the communicator and the receiver.
- ▶ 3. **Overloading**– It is caused by over working of the communication channels due to an increase in the number of messages

## ii) Organizational barriers

- ▶ They may be caused by inadequate or improper arrangements for various intra- organizational communication activities.
- ▶ Causes
  - ▶ 1. Inadequate of facilities that pertains to meetings, conference and other mechanisms for hearing and
  - ▶ sorting out suggestions as well as
  - ▶ 2. Inadequate policies, rules and procedures in an organization. Thus rigidity in communication procedures and rules should be avoided.

## iii) Personal barriers

- ▶ Sometimes the failure in communication is due to personal problems of the person to whom the communication is being addressed or the person who is giving out the information.
- ▶ Causes
  - ▶ 1. Lack of attention or interest
  - ▶ 2. Hasty conclusion i.e. the receiver may be by nature a person in hurry such that without going through the message carefully, he may jump to hasty conclusion according to his own opinion or
  - ▶ 3. Lack of confidence in the communication.
  - ▶ 4. Improper state of mind i.e. emotional mentally
  - ▶ 5. Love for the status quo i.e. if the communication tends to disturb the existing scheme of things

## A good system of communication must fulfill the following requirements.

- ▶ ☐ Senders of the message must clarify in their minds what they want to communicate. This means that one of the first steps of communication is clarifying the purpose of the message and making a plan to achieve the intended end.
- ▶ ☐ Effective communication requires that encoding and decoding be done with symbols that are familiar to the sender and receiver of the
- ▶ ☐ The information must be sent off at the proper time and should reach the receiver when he or she
- ▶ ☐ All the messages and information should be formed and transmitted to support the integrity of the organization. The communication system should reflect the objective and policies of the
- ▶ ☐ Participation: –The receiver must be involved in the planning and transmission of the information, such participation helps to promote mutual trust and
- ▶ ☐ The management should use informal communication to supplement and strengthen formal channels. The grapevine can be used to transmit information not considered appropriate for formal
- ▶ ☐ A good communication system must contain feedback mechanism where the sender should try to know the reaction of the receiver. This will enable the management to certain whether or not the messages was properly understood and acted upon by the
- ▶ ☐ Economy: –The communication system should be cost effective. The cost of communication should be controlled by avoiding unwanted messages and communication
- ▶ ☐ Flexibility: –The system of communication must be flexible enough so that it can be adjusted to the changing requirements of the
- ▶ ☐ Attention:- The receiver of the communication must be attentive and have an opened



## CONFLICT MANAGEMENT

- ▶ Conflict is the struggle against status and power in which the aims of the parties conflicting are not only to gain the desired values but also to neutralize, injure or eliminate their rivals. Competition is
- ▶ where two parties are purely involved in a win and lose button. Competition may arise where both parties aim at achieving the same goal.

### Causes of management conflict

- ▶ 1. Breakdown in communication
- ▶ 2. Change in organizational culture
- ▶ 3. Alienating nature of the job and work environment
- ▶ 4. Personality traits-some characters whether senior or junior are highly

### How to solve the conflict

- ▶ Strategies for resolving conflicts can be grouped according to the likely outcomes
- ▶ **i. Win- lose method**
- ▶ One party wins while the other loses. This method includes dominance through power (suppression) ignoring majority of opinion. The winning party uses this power unilaterally.

## ii. Lose- lose method

- ▶ This method is based on compromise
- ▶ Understanding that half of the loaf is better than nothing therefore, this method results into arbitration incase of collective bargaining
- ▶ Common features of win- lose and lose- lose methods
- ▶ ☐ There is a clear “we- they” distinction between the parties e.g. management verses the workers
- ▶ ☐ Parties direct their energies towards each other in an atmosphere of victory and defeat
- ▶ ☐ Parties raises a score run view of issues
- ▶ ☐ Parties only see the issue from their own point of view

## iii. Win- win method

- ▶ In this method both the conflicting parties gain from the conflict. It includes consensus and decision
- ▶ making. Each party treats the problem as something which they have common interests to solve.
- ▶ Each party considers the interests of the owner as important as his own and work towards the solution which helps both sides.

# SUPERVISION

- ▶ Supervision refers to the expert overseeing of workers performance to ensure that workers are efficiently instructed, guided and assisted to ensure effective and efficient performance of their tasks in the organization.

## Functions of Supervision

- ▶ 1. The supervision guides and instructs his subordinates on work
- ▶ 2. He/she communicates important information to the subordinates
- ▶ 3. Maintains effective reporting about work performance in his/her respective section
- ▶ 4. Trains the workers on specific skill of work performance
- ▶ 5. Maintains discipline within his/her section
- ▶ 6. Organizes work within his/her respective sections to ensure

## Guidelines to Effective Supervision

- ▶ ☐ Maintain an appropriate span of control. The supervisor should not supervise too many employees or very few employees
- ▶ ☐ Ensure that the supervisor posses the relevant skill As per their duties are concerned
- ▶ ☐ Motivate the supervisors well so as to ensure that they perform their duties with zeal
- ▶ ☐ Continuously upgrade the skill and knowledge of the supervisor as per as modern technology is concern
- ▶ ☐ Manager should offer necessary support to the supervisors to ensure that they realize the objectives of their section

## Importance of Supervision

- ▶ ☐ Ensures order and discipline in the
- ▶ ☐ Leads to effective and efficient performance of work at the organization
- ▶ ☐ Workers learn new skills that are essential for work
- ▶ ☐ Effective supervision leads to improved morale in the organization
- ▶ ☐ Effective supervision enhances proper flow of information and therefore enhances effective communication

## COORDINATION

- ▶ This may be defined as an on going process whereby manager develop an integrated orderly and
- ▶ synchronized pattern of group effort among the subordinates and tries to attain unity of effort in the pursuit of common objectives.

## NEEDS FOR COORDINATION

- ▶ The following are reasons that make coordination necessary.
- ▶ 1. Increase in size and complexity of operation- coordination becomes necessary when operations become multiple & complex.
- ▶ 2. Clash of interest help to avoid conflict between individual and Organizational goals.
- ▶ 3. Specialization- when there is a lot of specialization in the organization coordination becomes
- ▶ 4. Interdependent of units
- ▶ The various units & department that depend on each other need to be coordinated
- ▶ 5. Conflicts- In order to minimize potential conflicts coordination is necessary especially between the line & staff offers

## STEPS FOR ACHIEVING EFFECTIVE COORDINATION

- ▶ 1. Clearly defined goals of the organization and units/
- ▶ 2. Simplified organization whereby the lines of authority and responsibility from top to bottom of the organization are clearly
- ▶ 3. Effective leadership and supervision.
- ▶ 4. Establishment of an effective communication system within the organization
- ▶ 5. Establishment of liaison departments or employing a liaison officer
- ▶ 6. Introduction of staff groups, task force committees etc to take over some of the coordinative functions of line

## TOPIC

### CONTROLLING

- ▶ **Control** is that function of management that involves monitoring, measurement and correcting performance of employees and other organizational resources according to the plan.
- ▶ The aim of control is to develop a feedback and to establish any deviations from the plan so as to take corrective action.

### IMPORTANCE OF CONTROL

- ▶ 1. To ensure that resources are optimally utilized
- ▶ 2. To ensure the organization objectives are met
- ▶ 3. It limits accumulation of error as they are corrected on time
- ▶ 4. Control has a positive physiological impact on the subordinate i.e. when employees know they are being monitored, they become
- ▶ 5. Control facilitate the decision making process. The organization can verify the quality of various
- ▶ 6. Enables the organization to adopt to environmental changes ie properly designed control system can help managers anticipate, monitor and respond to changing environmental
- ▶ 7. It can be used as an evaluation tool
- ▶ 8. It enables an organization achieve an optimal level of productivity
- ▶ 9. It ensures tasks are completed within the given time
- ▶ 10. It improves communication in the organization
- ▶ 11. Facilitates decentralization of authority duties can be delegated when there is effective control

## ESSENTIAL REQUIREMENT FOR A GOOD CONTROL SYSTEM/FEATURES

- ▶ 1. Economy -A good control system should be affordable and worth the cost.
- ▶ 2. Simplicity - It should be understandable and simple to administer. It should not be complicated.
- ▶ 3. Suitability -It should be suitable to the nature and requirement of the activities being controlled.
- ▶ 4. Promptness -It must detect and report deviations as soon as possible, thus should have time reporting of deviations.
- ▶ 5. Flexibility -It should be able to adjust according to changes in need and circumstances.
- ▶ 6. Suggestive of remedial action. - A good control system should disclose where failures are occurring, who is responsible and what should be done about them.
- ▶ 7. Organizational pattern -It should conform to the basic structure of organization.(authority responsibility relationships of the organization)
- ▶ 8. Objectivity -Control should be objective verifiable and specific it shouldn't be influenced by personalities

## THE CONTROL PROCESS

The control process involves four major steps.

### 1. Establishing the standards

- ▶ The setting of standards against which actual performance/results are to be evaluated is essential in managerial control. The standards should be clearly and precisely stated, accurate acceptable and attainable as they serve as the criteria against which the results are evaluated. They should also be communicated effectively.

### 2. Measurement of actual performance.

- ▶ The actual performance is measured against the set standard. That is comparing the performance with the standards. The major question here is what have we achieved.

### 3. Compare the performance

- ▶ Deviation/gaps from the expected standards are established through comparing the results and the expected performance. Critical deviation should be identified and diagnose their causes and their impacts on the organization.

### 4. Taking corrective

- ▶ This implies taking a remedial action in order to bring back actual results in the line wit the standards. This may involve review of the plan/standards or putting in place steps to prevent deviations.



## TYPES OF CONTROL BUDGETARY CONTROL

- ▶ A budget is a plan expressed in numerical terms for a specific period of time in future. There are several types of budgets. They include:-
  - ▶ ☐ Sales budget – this shows the volume of sales expected
  - ▶ ☐ Production budgets –shows the quantity and quality of goods to produced
  - ▶ ☐ Material budgets –quantity & quality of raw materials
  - ▶ ☐ Labour budgets –labour requirements
  - ▶ ☐ Capital expenditure budgets –capital investment in assets
  - ▶ ☐ Overhead budget –shows the estimates of overhead costs expected
  - ▶ ☐ Master budget – shows the expected expenditure for the whole
- ▶ Budgetary control is therefore the process of defining desired performance through the preparation of budgets, measuring and comparing actual results with the corresponding budget data and taking appropriate actions to correct any deviations.
- ▶ The use of budgets to coordinate, evaluate and control day to day operations in accordance with the specified goals in the budget

## **The following are characteristics of budgetary control**

1. Establish a budget or target performance
2. Record the actual performance
  - ▶ ☐ Compare the actual performance with the budgeted
  - ▶ 1. Calculate the differences and analyze the reasons for them
  - ▶ 2. Act immediately, if necessary for corrective actions to be taken
  - ▶ 3. Follow up

## **ADVANTAGES OF BUDGETARY CONTROL**

- ▶ ☐ Improved planning –expression of plans and policies in quantitative terms gives an overall view of operations and the relative importance of different
- ▶ ☐ Budgetary controls promote efficiency by eliminating wasteful
- ▶ ☐ Budget provides useful information for preparing quotations and filling
- ▶ ☐ Budgeting promotes cooperation and team spirit since all activities of various departments
- ▶ ☐ Budgets serve as a yardstick with which performance of employees can be evaluated and
- ▶ ☐ Helps management to delegate authority more freely over specified

## DISADVANTAGES OF BUDGETARY CONTROL

- ▶ ☐ Budgeting is time consuming process and also
- ▶ ☐ Budgets may be used to hide efficiencies, as past precedents often become evidence for the present
- ▶ ☐ Rigid adherence to budgets discourages
- ▶ ☐ Budgets are estimates and can never be one hundred percent

## ▶ NON-BUDGETARY CONTROLS

### 1. BREAK EVEN ANALYSIS

- ▶ Break-even analysis is frequently used in business and economics to analyze the implication of
- ▶ various pricing and production decisions. This is an important planning and control device as it
- ▶ depicts the relationship between revenue and the total costs (fixed and variable). The break-even point is the point where the sales revenue is equal to the total costs.
- ▶ Therefore below the break-even point losses occur and above it profits occur. The fixed and the variable costs are also indicated

- ▶ Sales Break-even chart
- ▶ Although the break-even analysis is an important control tool, it ignores.
  - ❑ Price changes
  - ❑ Time gap between production and sales
  - ❑ Plant size
  - ❑ Technology

## 2. PERSONAL OBSERVATION

- ▶ Personal observation is a very important control tool as it supplements the other control devices
- ▶ such as budgets, audits reports etc. a manager who sits in his office and depend only on the scientific devices hardly realizes a thorough job.
- ▶ Personal observation allows the manager a better involvement in all the operations of the organization
- ▶ However, personal observation suffers the following limitations,
  - ❑ Manager has to be present thus it consumes a lot of
  - ❑ There may be bias in the assessment of individual
  - ❑ It requires to be supplemented by other devices personal observation cannot give all the
  - ❑ Some critical areas in the organization cannot be effectively evaluated through observation.
  - ❑ Hawthorne effect may affect the efficiency of personal

### 3. AUDITING

- ▶ Auditing can either be external or internal, external auditing is carried out by an external chartered accountant and is enforced by law in respect to all joint stock companies and cooperatives. It ensures that the stakeholders and any interested parties are safe guarded against any manipulations and malpractices of management. The external out for certifies that the profit and loss account and the balance sheet of the firm gives a true and fair picture of profit or loss and the picture of Financial state of affairs of the company respectively.
- ▶ For internal audits and a member of staff is appointed specifically for this function in the organization to verify all financial transactions and records and also analyze the overall control system in the organization.

### 4. REPORTS (Special)

- ▶ Some complex operations in the organization require special analysis and reporting. This system of control can help supplement other control techniques especially where routine accounting and statistical reports falls to give adequate information.

## SYMPTOMS OF INADEQUATE/ DEFECTIVE CONTROLS

- ▶ 1. Unexplained declines in revenue and profits
- ▶ 2. Degradation of services e.g. increase in customer complaints
- ▶ □ Employee dissatisfaction. This will be evidenced by increase in grievances
- ▶ 1. Working capital shortage
- ▶ 2. Idle facilities and personnel
- ▶ 3. Disorganized operations
- ▶ □ Excessive costs

## **DISTINCION BETWEEN PLANNING AND CONTROL**

### **Planning**

- ▶ ☐ It's deciding and present what is to be done
- ▶ ☐ Planning is a decision making activity
- ▶ ☐ Planning uses estimates
- ▶ ☐ Planning is less structured

### **Control**

- ▶ 1. Control rounds off the process of managing organizational resources by measuring results and checking them against previously agreed standards
- ▶ 2. Controlling places more reliance on measured data from specific cases
- ▶ 3. Control is a monitory process
- ▶ 4. Controlling is highly

### **SIMILARITIES**

- ▶ ☐ Both are concerned with identifying and quantifying standards
- ▶ ☐ Measures used for planning purposes are frequently the same with one used for controlling purposes are frequently the same with one used for controlling purposes e.g. targets
- ▶ ☐ Both makes use of quantitative techniques