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Study Notes

MANAGING PEOPLE & SYETSM CAT Paper

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by

**Mohammad Faizan Farooq
Qadri Attari**

faizanacca@yahoo.com
<http://www.ffqacca.co.cc>

SECTION C

CHAPTER 9

Leadership v Management

Leadership and management are distinct concepts but the words are often used as though they have the same meaning. This confusion may arise from the fact that sometimes the same person is employed to do the job of leader and manager.

A leader's job is to decide where the team they are leading is heading. A leader will set the ultimate aim, objective and goals for the team. They will then inspire and motivate the team to achieve the objectives set. This will involve reviewing progress and ensure that the team is on course to achieve the objectives set.

A manager's job is to set how the team will achieve the objectives set by the leader. They will overcome any problems the team encounter and decide how to deal with complexity.

A simple way of illustrating the difference between leader and manager is to use the example of a team who are set the goal of building a path from point A to point B.

The leader's job will be to

- ◆ Set the goal of building a path.
- ◆ Decide that the path will go from A to B.
- ◆ Inspire and motivate the team so that they want to build a path for their leader.
- ◆ Review progress as the path is built and ensure that the team are building the path from A to B.

The manager's job will be to

- ◆ Plan the project and decide things such as budgets, pay and materials used.
- ◆ Implement plans and control building of the path.
- ◆ Organise the team and delegate tasks to them.
- ◆ Overcome any problems eg trees blocking the route where the path is to be built.

Another way of differentiating a leader from a manager is to think of someone known as a world leader for example Martin Luther King and think about what they did. You will discover that each of these leaders are great visionaries, and are able to inspire and motivate their audience. They will present their ideas and dreams to the world in a way that they feel appeals to the audience. They will give them an overview of the vision and will not set the small details of how their vision will be achieved. Instead the small details will be decided by other people. Other people will plan and manage the work needed to achieve the leader's vision. The leader's job is to continue motivating and ensuring that project is on course to achieve it's objectives

DIFFERENCE BETWEEN MANAGEMENT AND LEADERSHIP BY TOP MANAGEMENT WRITERS

Kotter (2001) argues that leadership and management involve two distinct sets of action. Management is about coping with complexity: its functions are to do with logical structure, analysis and control, and are aimed at producing order, consistency and predictability. Leadership, by contrast, is about coping with change: its activities include creating a sense of direction, communicating strategy, and energising, inspiring and motivating others to translate the vision into action.

Yukl (1998) suggests that while management is defined by a prescribed role and position in the structure of the organisation, leaders are given their roles by the perception of others, through election, choice or influence. Leadership is an interpersonal process. Managers have subordinates; leaders have followers.

Zaleznik (1992) suggests that managers are mainly concerned with order and maintaining the status quo, exercising their skills in diplomacy and focusing on decision-making processes within the organisation. Leaders, in contrast, direct their energies towards introducing new approaches and ideas. They create excitement and vision in order to arouse motivation and focus with empathy on the meanings of events and actions for people. Leaders search out opportunities for change.

Katz and Kahn (1974) point out that while management aims to secure compliance with stated organisational objectives, leadership aims to secure willingness, enthusiasm and commitment. Leadership is the influential increment over and above mechanical compliance with the routine directives of the organisation.

What is Management?

Managers are leaders who are responsible for helping organizations achieve their goals.

Management is the process of working with people to achieve objectives by coordinating resources and making decisions.

Fayol five basic functions of a manager:

Planning

- ◆ thinking ahead and selecting future actions
- ◆ establishing goals and objectives and determining how to achieve them
- ◆ gathering and analyzing information to make decisions

Organizing

- ◆ deciding what activities are needed to reach the goals and objectives
- ◆ dividing employees into work groups and assigning managers
- ◆ bringing together physical, financial and human resources to meet objectives

Staffing

- ◆ determining human resource needs
- ◆ recruiting, selecting, training, developing, promoting and paying the best employees
- ◆ laying off and terminating employees

Leading

- ◆ motivating, guiding and supervising staff
- ◆ communicating goals, objectives, plans, and instructions

Controlling

- ◆ setting planned performance standards
- ◆ comparing actual performance with planned performance
- ◆ taking corrective action to achieve objectives

Mintzberg Managerial Roles

He noted three basic management roles, grouped into three areas:

INTERPERSONAL role ‘leading’.

This role arises from the manager’s formal position within the organisation and the consequent authority which arises from it.

He suggests three categories:

Figurehead:

Because of the formal authority and position in the organisation, the manager acts as a focus both internally and externally, but this is not necessarily a formal leadership role. Often in reality the manager is simply a figurehead.

Leader:

Brings together organisational and individual goals and needs, especially through motivation, hiring and firing.

Liaison:

Maintains a network of relationships within and especially outside the organisation. A substantial amount of management time is spent fulfilling this role.

INFORMATIONAL role ‘administrating’.

This role arises because managers have access to and contact with all staff and many contacts outside the organisation.

Monitor:

The manager ‘monitors’ the environment by receiving information (internal and external) and transmitting it to others. A great deal of information may be of an informal nature.

Disseminator:

Passes on factual and value information to the department.

Spokesman:

Acts as the spokesman for the organisation by providing information about the organisation, both internally but especially externally.

DECISIONAL role ‘fixing’.

This role is the most crucial and arises from the manager’s position of formal authority, which means that he or she has unique access to information. Consequently, the manager is the only person able to take decisions which arise from and affect the department.

Entrepreneur:

The manager makes decisions about changing what happens within the organisation or department by initiating action and encouraging change, especially in a changed environment.

Disturbance Handler:

Has to make decisions about events because these events are often outside his or her control. Has to react to unpredictable situations. Thus it is important to be able to *react* as well as plan.

Resource Allocator:

Central to the organisation, the manager has to take control of the allocation of scarce resources and determine the direction of the organisation.

Negotiator:

Negotiates inside and outside the organisation and at the same time commit resources. A great time user. These three basic management roles are not all embracing and change depending upon the manager’s position in the organisation.

Managerial skills

Managers need to have many skills in order to be successful.

Communication skills

- ◆ involve the ability to give accurate and clear information to people
- ◆ help to ensure that decisions are properly implemented
- ◆ needed most by middle managers

People skills

- ◆ involve the ability to understand people and interact effectively
- ◆ help to motivate people
- ◆ needed most by middle managers

Conceptual skills

- ◆ involve the ability to think and analyze
- ◆ are needed for strategic planning and decision making
- ◆ needed most by top managers

Technical skills

- ◆ involve understanding the tasks that the non-managerial employees do
- ◆ managers need enough of these skills to ensure that the day-to-day work is done properly
- ◆ needed most by first line managers

Powers of Leader / Leadership Power

An essential part of leadership or management is to influence the people you manage so that they do what you want them to do. The influence of a leader will depend on a variety of factors including their personality and of those around them. For the purposes of this article we will refer to the people that the leader is managing or leading as followers. The influence of a leader over his followers is often referred to as power. Below we will explore the different types of power a leader may have.

Reward Power

This type of influence is created when the leader is able to offer a reward to his followers for completing tasks/behaving in a certain manner. Rewards in the workplace can take a variety of forms from chocolates, gift vouchers and holidays to promotions, commission and pay rises. This reward will only be effective if ;

- ◆ Firstly - the reward appeals to the followers. As you are aware there is no point offering chocolate as a reward to somebody that likes crisps. This is because they will not view chocolate as a reward, so there is no incentive to complete the task.
- ◆ Secondly – the followers have to believe that the leader will give them (or arrange for them to receive) the reward promised once the task is completed by them.
- ◆ Thirdly – the reward should be proportionate to the task the follower has to complete. For example it would be disproportionate to reward an employee with a promotion for making a cup of tea. Similarly a follower would feel undervalued, if rewarded with a £5 gift voucher after they spent six months doing their managers job without a pay rise.

Coercive Power

This is the opposite of reward power because this power is based on the leader having control over what happens if followers do not act as required. If followers do not undertake the action required, the leader will impose a penalty. Penalties take a variety of forms including withdrawal of priviledges, job losses, verbal abuse, and delayed or loss of promotion. In all cases the leader will need to choose the penalty carefully to prevent breaking the law or being the subject of an employment tribunal.

Coercive power requires followers to believe that the leader has the ability to impose the stated penalty. Also the penalty has to be something that the followers do not want to have imposed on them. For example a penalty results in coffee being banned is unlikely to influence a tea drinker.

Finally (just as the reward in reward power should be proportional to the action taken by the follower), the penalty should be proportionate to the action not completed by the follower.

Legitimate Power

This is the power that a leader has when the followers believe that the leader has “a right” to instruct them and that they have an obligation to follow instructions. Sometimes legitimacy power is created by the leader’s job title (such as captain, doctor, or area manager), combined with the follower’s belief that the job title gives the leader the right to give them orders.

Referent Power

This is created when the followers believe that the leader possess qualities that they admire and would like to possess. The followers identify with their leader and attempt to copy their leader. As referent power is dependant on how the follower views the personality of their leader, a leader will not have referent power over every follower they lead. Some leaders will have referent power over just a few, whilst others such as Ghandi have lead millions through their personality and charisma.

Expert Power

As the title suggests a leader has expert power when the followers believe that the leader has “expert” knowledge or skills that are relevant to the job or tasks they have to complete. Often an experienced member of the team or staff in an organisation, can have expert power even though they are not a supervisor or manager.

LEADERSHIP THEORIES

SCHOOLS' OF LEADERSHIP

A leader is someone who exercises influence over other people. There are many different leadership models and theories which try to explain the process of leadership.

Trait theories

These are based on analysing the personality characteristics or preferences of successful leaders and assume that leaders are born, not made.

Lists of traits included

- ◆ physical traits
- ◆ personality traits
- ◆ social traits.

Style theories

These are based on the view that leadership is an interpersonal process whereby different leadership behaviours influence people in different ways. More or less effective patterns of behaviour (or styles) can therefore be adopted.

Contingency theories – these are based on the belief that there is no 'one best way' of leading, but that effective leaders adapt their behaviour to the specific and changing variables in the leadership context: the nature of the task, the personalities of team members, the organisation culture etc.

HERSEY AND BLANCHARD'S MODEL OF SITUATIONAL LEADERSHIP

Hersey and Blanchard's model of situational leadership is based on the amount of direction (task behaviour) and the amount of support (relationship behaviour) a leader must provide given the situation and the 'level of maturity' of the followers. Task behaviour is the extent to which the leader provides directions for the actions of followers, sets goals for them, and defines their roles and how to undertake them. Relationship behaviour is the extent to which the leader engages in two way communication with followers, listens to them and provides support and encouragement.

The Hersey and Blanchard model also considers the 'readiness' level of people the leader is seeking to influence. Readiness is the extent to which followers have the ability and willingness to accomplish a specific task. This notion of 'readiness' is divided into a continuum of four stages from low to high.

The four stages are described as

R1 (low)

R2 (moderate)

R3 (moderate)

R4 (high).

The 'level of maturity' is the extent to which the people are willing and able to take responsibility for directing their own behaviour. People tend to have varying degrees of maturity depending on the specific task, function or objective that a leader is attempting to accomplish. To determine the appropriate leadership style to use in a given situation, leaders must first determine the maturity level of their followers in relation to the specific task that they want to accomplish through the effort of the followers. As the level of maturity increases leaders should begin to reduce their task behaviour and increase their relationship behaviour. As the followers begin to move into an above average level of maturity, leaders should decrease not only task behaviour but also relationship behaviour.

From the combination of task behaviour and relationship behaviour, four leadership styles (S) emerge:

- ◆ telling (S1),
- ◆ selling (S2),
- ◆ participating (S3)
- ◆ delegating (S4).

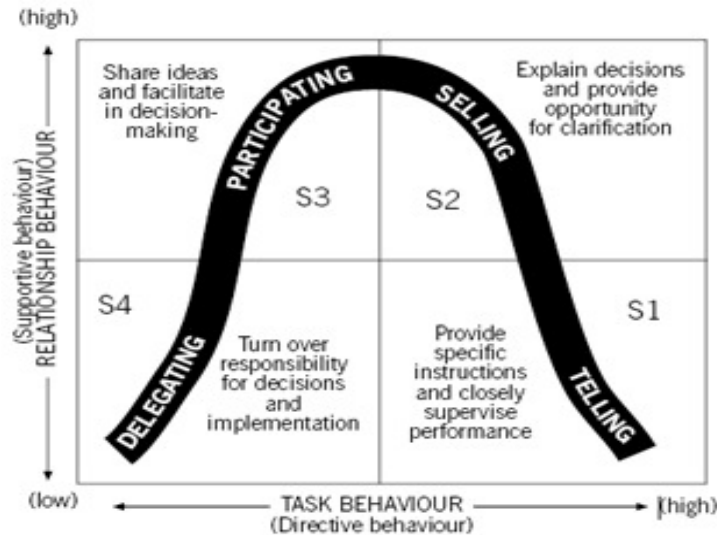
S1 – telling – emphasises high amounts of guidance (task behaviour) but limited supportive (relationship) behaviour. This leader provides clear instructions and specific direction. This style is most appropriate for low follower readiness (R1).

S2 – selling – emphasises high amounts of both directive (task) and relationship behaviours. The leader encourages two-way communication and helps build confidence and motivation in followers. The leader retains responsibility and controls decision-making. This style is most appropriate for low to moderate follower readiness (R2).

S3 – participating – emphasises a high amount of two-way communication and supportive (relationship) behaviour but low amounts of guidance (task behaviour). The leader and the followers share decision making and no longer need or expect the relationship to be directive. This style is most appropriate for moderate to high follower readiness (R3).

S4 – delegating – emphasises little direction or support with low levels of both task and relationship behaviours. This style is appropriate for leaders whose followers are ready to accomplish a particular task and are both competent and motivated to take full responsibility. This style is most appropriate for high follower readiness.

Hersey and Blanchard suggest that the key to using situational leadership is that any leader behaviour may be more or less effective according to the readiness of the person the leader is attempting to influence. The model draws attention to the importance of developing the ability, confidence and commitment of subordinates. The leader should help followers to develop in readiness to the extent that they are able and willing to successfully accomplish the task. This development should take place by adjusting leadership behaviour through the four styles of telling, selling, participating and delegating. This can be summed up as follows:



DELEGATION

Delegation of authority is the process whereby a superior devolves to the subordinate part of his or her own authority to make decisions.

IMPORTANCE

WHY MANAGERS DELEGATE?

Managers and supervisors might need to delegate authority for a number of reasons, including the following. There are physical and mental limitations to the workload of any one individual in authority and it may be necessary to delegate to ensure that the workload can be effectively managed. Managers and supervisors may wish to delegate in order that they are free to concentrate on the aspects of their work which only they are competent to do (e.g. detailed planning or aspects of budgeting). The increasing size and complexity of many of today's Organisations demands increasing specialisation and effective delegation is one way of developing this. Managers also need to consider that delegation provide subordinates with development opportunities.

FACTORS AFFECTING DELEGATION

The decision of whether or not it is appropriate to delegate authority is an important one and there are a number of factors which may need to be taken into consideration. It is always important that authority resides where it is best placed to be exercised effectively. The manager or supervisor will need to be confident that the subordinate has the necessary experience and expertise to undertake the task. The manager will also need to trust the reliability and competence of the subordinate to undertake the task or make the decision. The task or decision should be within the capability of the subordinate and he or she must be consulted and be prepared to accept it.

WHY MANAGERS NOT DELEGATE?

Many managers and supervisors are reluctant to delegate and attempt to do many routine tasks themselves as well as more important ones. Some of the reasons for this might be as follows:

- ◆ They may have low confidence and trust in the abilities of their staff
- ◆ They may believe that they are the only one capable of doing the task properly;
- ◆ They may wish to keep enjoyable parts of the job to themselves;
- ◆ Some managers feel more powerful by retaining their decision making privileges;
- ◆ They may fear that their subordinates will use the authority poorly;
- ◆ They may not wish to take on the additional burden of being accountable for any mistakes that their subordinates might make while executing the task;
- ◆ They may believe that their subordinates do not wish to have broader decision making responsibilities;
- ◆ They may wish to 'stay in touch' with the department or team and feel that any act of delegation removes them from the day to day activities;
- ◆ They may feel threatened and be unwilling to admit that assistants have developed to the extent that they could perform some of the manager's duties. They may feel threatened by this sense of redundancy.
- ◆ There may be poor control and communication in the organisation so that the manager feels he has to do everything himself in order to retain control and responsibility for the tasks;
- ◆ There may be an organisational culture which has failed in the past to recognise and reward effective delegation. In this climate the manager may feel that delegation is seen as shirking responsibility;
- ◆ There may be a lack of understanding about what delegation involves;
- ◆ There may be a lack of training and development of managers in the skills needed for effective delegation;
- ◆ Managers and supervisors may have had poor experiences of delegating to others.

SUPERVISOR

There are different levels of management in most organisations. The supervisor is the first level of management.

Features of Supervision

The key features of supervision are as follows;

- (i) A supervisor is usually a front-line manager, dealing with the levels of the organisation where the day-to-day work is done. The supervisor will deal with matters such as staffing and health and safety at the day-to-day operational level, whereas a manager might deal with them at a policy making level.
- (ii) A supervisor does not spend all of his or her time on the managerial aspects of the job. Much of the time will be spent doing technical/operational work.
- (iii) A supervisor is a gatekeeper or filter for communication between managerial and non-managerial staff, both upward (conveying reports and suggestions) and downward (conveying policies, instructions and feedback).
- (iv) The supervisor monitors and controls work by means of day-to-day, frequent and detailed information: higher levels of management plan and control using longer-term, less frequent and less detailed information, which must be 'edited' or selected and reported by the supervisor.
- (v) Supervisors often carry out Fayol's five functions of management (planning, organising, commanding, coordinating and controlling) at a lower, more operational level.

What Supervisor Do .????

- ◆ ***Planning***
- ◆ ***Organising and overseeing the work of others***
- ◆ ***Controlling***
- ◆ ***Motivating Employees***
- ◆ ***Dealing with Employees and Others***
- ◆ ***Communicating***

Blake & Mouton Managerial grid

Robert Blake and Jane Mouton carried out research (The Ohio State Leadership Studies) into managerial behaviour and developed a grid to explain their findings.

Blake and Mouton carried out research into managerial behaviour and observed two basic dimensions of leadership:

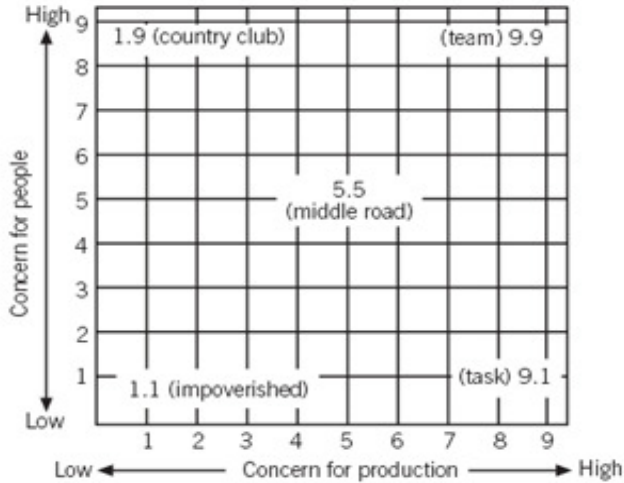
- ◆ concern for production (or task performance)
- ◆ concern for people.

Along each of these two dimensions managers could be located at any point on a continuum from very low concern to a very high concern.

Blake and Mouton observed that the two concerns did not seem to correlate either positively or negatively – for example a high concern in one dimension did not seem to imply a high or low concern in the other dimension. Individual managers could reflect varying degrees of concern for people or concern for task.

The five styles of management can be seen on the grid which follows. This plots a manager’s style in terms of concern for people and concern for production.

The managerial grid



- ◆ **(9:9)** – the ‘team management style’ this combines deep concern for people with a clear concern for production. This is a high performance manager who achieves high work achievements through ‘leading’ committed people who identify themselves with organisational aims.
- ◆ **(1:9)** – the ‘country club management style’, this manager is too concerned with people and often gets very little work done. The manager is very attentive to staff needs and has developed satisfying relationships. However, little attention is paid to achieving results.

- ◆ **(9:1)** – ‘task management style’, this is too concerned with production and creates an atmosphere of low morale. This approach shows almost total concentration on achieving results. People’s needs are virtually ignored.
- ◆ **(1:1)** – ‘impoverished management style’, – this has no concern for either people or output.
- ◆ **(5:5)** – ‘middle-of-the-road management style’, (sometimes also referred to as the dampened pendulum), this shows some concern for people and some concern for production. The manager adopting this style will achieve adequate performance through balancing the necessity to get results while maintaining the morale of people at a satisfactory level.

There are a number of practical applications of the managerial grid. These include:

- ◆ As a training aid
- ◆ As a management development tool
- ◆ As part of an appraisal
- ◆ Enables managers to reflect on and assess the appropriateness of their own management style in different situations and circumstances.

CHAPTER 10

PERSONALITY may refer to:

- ❖ **Personality psychology** is the theory and study of personality types, personality traits and individual differences
- ❖ **Personality development**, the study of personality development over time
- ❖ **Personality disorders**, a class of mental disorders that is characterized by long-lasting rigid patterns of thought and actions
- ❖ **Personality pathology** is characterized by adaptive inflexibility, vicious cycles of maladaptive behavior, and emotional instability under stress
- ❖ **Personality quiz**, a series of questions (usually multiple-choice) intended to reveal something about the person who answers them
- ❖ **Personality tests** aim to describe aspects of an individual's character, thoughts, and feelings
- ❖ **Personality type** refers to patterns of relatively enduring characteristics of behavior and the psychological classification of different types of individuals
- ❖ **Personality traits** refer to attributes by which people may vary in relative terms, rather than their being divided into absolute types
- ❖ **Personality alteration**, a theory often associated with cults or brainwashing

ORGANISATION CULTURE

There are many different definitions of culture, some examples are as follows:

‘the collection of traditions, values, policies, beliefs and attitudes that constitute a pervasive context for everything we do and think in an organisation’ (McLean and Marshall);

‘the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration’ (Edgar Schein).

Culture then can be seen to be a collection of the organisation’s past achievements, current ambitions, attitudes, values and assumptions.

More simply it is often described as ‘the way we do things around here’. Culture gives an organisation a sense of identity. The formal culture of the organisation is often seen as the ‘party line’.

All definitions and explanations of culture emphasise that it is concerned with abstract concepts and themes like values and norms and as such it is difficult to articulate and often difficult to recognise.

HANDY’S CULTURAL TYPES.

Charles Handy’s classification is based on Harrison’s ‘organisation ideologies’. Handy used the word culture as opposed to ideology as it was perceived to convey a feeling of deep seated and more pervasive way of doing things.

His four types are:

- ◆ the power/club culture,
- ◆ the role culture,
- ◆ the task culture,
- ◆ the person culture.

The power/club culture (Zeus) is dependent on a central power source which controls the organisation. The rays of influence emanate from the centre and hence there is little need for formal rules and procedures. The organisation relies on interpersonal relationships and communications rather than hierarchy and power structures. It is typically found in small entrepreneurial firms, small family firms and small businesses controlled by the owner/manager. As the organisation increases in size this culture is less evident as the powerful rays of influence cease to reach all members of the organisation and there then becomes a need for more formality which comes with the introduction of systems and procedures.

The role culture (Apollo) is typified by large bureaucratic organisations. Work is controlled by procedures and rules. Power is associated with positions and not people. It is based on order and rationality. The role culture is often represented diagrammatically as a Greek temple, with the pillars representing the functional specialisms within the organisation, all of which are controlled centrally by the senior managers. In addition to the strength of the functional 'pillars' the role culture needs a stable external environment to survive.

The task culture (Athena) reflects a team approach to getting a job completed. It often consists of people who solve problems in teams or specially formed work groups. Each person makes a contribution based on their own area of expertise and shares this with the team or group for the overall benefit of the task in hand. Status and job titles are not considered to be important in the task culture – the overall objective is to ensure that the job or task or project is satisfactorily completed. Influence is based on expert power rather than on position or personal power. Often, the team or group will be disbanded once the job or project is completed. Controlling can be difficult in this culture and is usually achieved by senior management through the appropriate allocation of tasks, people and resources. A task culture thrives in organisations that are faced with frequent changes, as they are good at adapting and problem solving.

The person culture (Dionysus) exists to serve the individuals within the organisation and is one of the most unusual in Handy's typology. All rules and procedures within the organisation exist to meet the needs of the individuals within it and can be changed as those needs change. A good example of a person culture would be that which might exist in a small professional business e.g. solicitors' or dentists' partnerships.

FACTORS INFLUENCE THE CULTURE

There are many factors which might affect the way in which an organisation culture develops.

These include, but are not necessarily limited to:

- ◆ the history of the organisation
- ◆ the overall purpose of the organisation
- ◆ the technology employed by the organisation
- ◆ organisation size, location
- ◆ the leaders and key decision makers in the organisation and the overall operating environment.

LAYERS OF CULTURE

Layers of culture including the following;

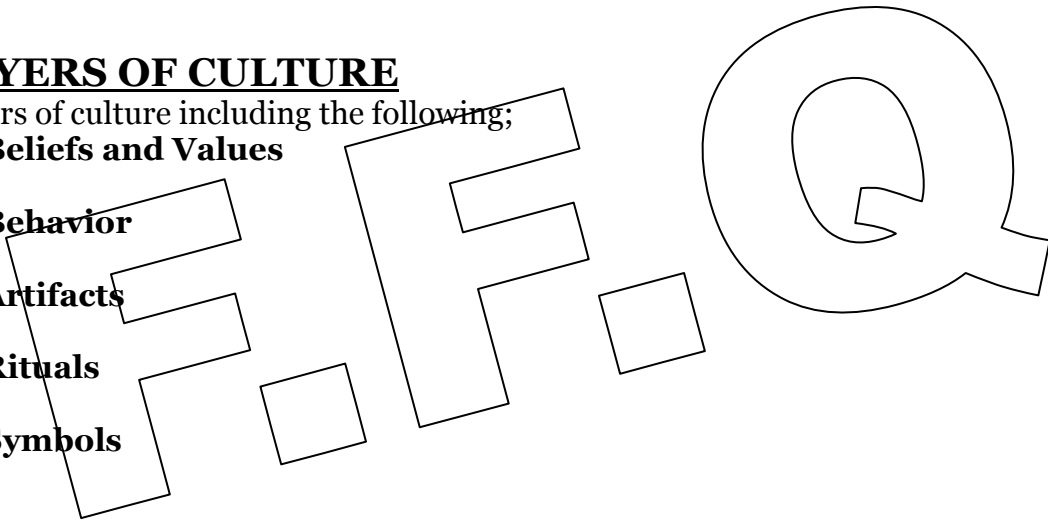
◆ **Beliefs and Values**

◆ **Behavior**

◆ **Artifacts**

◆ **Rituals**

◆ **Symbols**



CHAPTER 11

TEAM

Effective team working is an increasingly important aspect of organisational life.

According to Katzenbach and Smith

A team is a small number of people with complementary skills who are committed to a common purpose, performance goals and approach, for which they hold themselves mutually accountable

According to Mullins

The underlying feature of an *effective* team or work group is ‘a spirit of cooperation in which members work well together as a united team’

CHARACTERISTICS / FEATURES OF TEAM

This is apparent when:

- ◆ Group members have a belief in shared aims and objectives
- ◆ Members show a sense of commitment to the group
- ◆ Members accept group values and norms
- ◆ There is a feeling of mutual trust and dependency
- ◆ There is full participation in decision making
- ◆ Decision making is by consensus
- ◆ There is a free flow of information and open communications
- ◆ Disagreements can be aired and resolved
- ◆ Conflicts are resolved by members themselves

Tuckman Team

The key stages of group development as identified by **Tuckman** are

- ◆ Forming
- ◆ Storming
- ◆ norming
- ◆ performing.

Later writers added two stages to Tuckman’s model –

- ◆ dorming
- ◆ mourning/adjourning.

Forming

The initial formation of the group. Group members get to know one another and test out behaviours to find out what is acceptable to other group members and to find out the nature of the situation and the task. Each member wishes to impress his or her personality on the group. The leader generally acts as a facilitator – helping people to get to know one another and also to understand collectively the nature of the task. The leader has a concern for both task and team but at this early stage of team development is more likely to focus on team issues. Group members tend to be very dependent on the leader.

Storming

Characterised by a lack of unity and the emergence of open conflict as members have now got to know one another better and are prepared to put forward ideas. If the team is developing effectively this can be a very productive phase as more realistic targets are often set and trust between team members increases. The leader tries to resolve any conflicts that may arise and as a consequence is often much more heavily involved with team issues rather than task issues. Because of the dominant role that the leader often needs to take at this stage it is likely that there may be resistance to the leader from other group members.

Norming

A general understanding of one's own role and the role of others. A sense of unity develops as the group 'settles down'. Differences are accommodated. Group cohesion develops and there is mutual support and cooperation. The group acquires a sense of identity. The leader is no longer required to facilitate team processes and resolve conflict and the leadership role changes to one of being much more focused on the task. This involves the leader in coordinating activities and tasks to ensure that the work is completed and the overall team objectives can be met.

Performing

interpersonal problems are resolved and the team begin to focus on the task in hand and how to achieve their goal. The leadership role is much less in evidence at this stage of development as all team members including the leader are focused on completing the task and achieving the agreed objectives. The leader is likely to merge with the rest of the group.

Dorming

Once a group has been performing well for some time, it may become complacent and fall back into self-maintenance functions, at the expense of the task. The role of the leader would be one of trying to keep the group focused on the task, but this is sometimes difficult, or indeed may not happen, as the leader has merged with the rest of the group at the previous stage.

Mourning/Adjourning

The group sees itself as having fulfilled its purpose. This can be a stage of confusion, sadness and anxiety as the group disbands and breaks up. There is evaluation of its achievements and gradual withdrawal of group members. The leader can be important in the evaluation of the group's performance. If the group is to continue and go on to a new task – it will need to renegotiate aims and roles and will return to the forming stage and the group will once again be very dependent on the leader.

APPROACHES TO THE ORGANISATION OF TEAMWORK

There are a number of approaches to the organisation of teamwork: including multi-disciplinary teams, multi-skilled teams, self-managed teams and virtual teams.

- ◆ **Multi-disciplinary teams** bring together individuals with different skills and specialisms so that their skills, experience and knowledge can be pooled or exchanged. Such teams are typically project; customer or product focused and are a feature of matrix type structures. Multi-disciplinary teams increase workers' awareness of their overall objectives and targets. They aid coordination and communication across functional boundaries. They help to generate new ideas and solutions to problems, since the team has access to more perspectives.
- ◆ **Multi-skilled teams** bring together a number of individuals who can perform any of the group's tasks. These tasks can then be shared out in more flexible ways between group members, according to who is available and best placed to do a given job at the time it is required. Multi-skilling is the cornerstone of team empowerment, since it cuts across the barriers of job descriptions and demarcations, to enable teams to respond flexibly to changing demands.
- ◆ **Self-managed teams** are the most highly developed form of team working. They are permanent structures in which team members collaboratively decide all the major issues affecting their work: work processes and schedules, task allocation, the selection and development of team members, the distribution of rewards and the management of group processes (e.g. problem solving, conflict management, internal discipline etc). Self-managed team working has a number of advantages including, saving managerial costs, improvements in quality and productivity, encouraging individual initiative and responsibility and gains in efficiency through multi-skilling.
- ◆ **Virtual teams** the development of ICT has enabled communication and collaboration among people in remote locations, via teleconferencing and video conferencing, locally networked PCs and the Internet. This has created the concept of the 'virtual team': an interconnected group of people who may never be present in the same place at the same time – but who share information and tasks, make joint decisions and fulfil the collaborative functions of a team with 'physical' proximity.

TEAM ROLE / BELBIN TEAM ROLE / IDEAL TEAM

Belbin researched business game teams at the Henley Management College and drew up a widely used framework for understanding roles within teams. He identified nine team roles:

◆ The plant

The plant is creative, imaginative and unorthodox, contributing to the team by solving difficult problems. The plant tends to ignore details and is often too pre-occupied to communicate effectively.

◆ The resource investigator

The resource investigator is extrovert, enthusiastic and communicative; contributing to the team by exploring opportunities and developing contacts. The resource investigator can be over-optimistic and loses interest once the initial enthusiasm has passed.

◆ The coordinator

The coordinator is mature, confident and a good chairperson; contributing to the team by clarifying goals, promoting decision making and delegating well. The coordinator can be seen as manipulative.

◆ The shaper

The shaper is challenging, dynamic and thrives on pressure; contributing to the team by having the drive and courage to overcome obstacles. The shaper can be provocative and sometimes hurts other people's feelings.

◆ The monitor evaluator

The monitor evaluator is strategic and discerning; contributing to the team by seeing all options and making accurate judgements. The monitor evaluator can lack drive and the ability to inspire others and tends to be over critical.

◆ The teamworker

The teamworker is co-operative, mild, perceptive and diplomatic; contributing to the team by listening, building relationships and calming tensions. The teamworker can be indecisive in difficult situations and can be easily influenced.

◆ The implementer

The implementer is disciplined, reliable, conservative and efficient; contributing to the team by turning ideas into practical actions. The implementer can be somewhat inflexible and slow to respond to new possibilities.

◆ **The completer**

The completer is painstaking, conscientious and anxious; contributing to the team by searching out errors and omissions and delivers on time. The completer can be inclined to worry unduly and is often reluctant to delegate.

◆ **The specialist**

The specialist is single-minded, self-starting and dedicated; contributing to the team by providing specialist knowledge and skills. The specialist contributes on a very narrow front, tends to dwell on technicalities and overlooks the bigger picture.

The nine roles are complementary and Belbin suggested that an 'ideal' team should represent a mix or balance of all of them.

CHAPTER 12

MOTIVATION

Motivation is a decision making process through which the individual chooses the desired outcomes and sets in motion the behavior appropriate to acquiring them.

WHY MOTIVATION

If individuals can be motivated they will perform better and more willingly. Low moral, dissatisfaction or de-motivation can cause direct indirect performance problems, as follows;

1. High Labor Turnover
2. Higher level of absenteeism
3. Reduction in Co-ordination
4. High incidence of employee disputes
5. Retired output

MOTIVATION THEORY

1. CONTENT THEORIES

What are the things that motivate people..?

2. PROCESS THEORIES

How can people be motivated..?

CONTENT THEORIES

Maslow's hierarchy of need

Maslow described five needs and put forward a theory about the motivating power of each of those needs. The five needs are:

- ◆ Physiological needs
 - food and shelter.
- ◆ Safety needs
 - the need for security and order and the need to be free from threat.
- ◆ Social needs
 - the need for belonging, for relationships.
- ◆ Esteem needs
 - the need for respect, recognition and status.
- ◆ Self actualisation
 - the need for personal fulfilment

In addition to identifying these needs, Maslow argued that these needs could be seen as hierarchical in nature, from physiological needs at the bottom up to self-actualisation needs at the top. Each level of need is dominant until it is satisfied and only then does the next level of need become a motivating factor. Once a particular need has been satisfied it ceases to be a motivator.

limitations

- ◆ An individual’s behaviour may be in response to several needs simultaneously.
- ◆ The same need may cause different behaviour in different individuals.
- ◆ The theory ignores the concept of deferred gratification, whereby individuals are prepared to ignore current suffering or dis-satisfactions for the promise of future benefits.
- ◆ Verification of the hierarchy is difficult. The role of pay is ambiguous and self-actualisation is very subjective.
- ◆ The hierarchy reflects UK and US cultural values which may not transfer to other contexts.

McClelland Need Theory

David McClelland identified three types of motivating need

- ◆ The Need for Power
- ◆ The need for affiliation
- ◆ The need for achievement

Herzberg’s Two Factor Theory

Herzberg highlighted two basic needs of people

- ◆ The need to avoid unpleasantness
- ◆ The need for Personal Growth and Fulfilment

Herzberg suggest that when people are dissatisfied with their work it is usually because of discontent with environmental factors. Satisfaction can only arise from the job if Motivator factors would build in to the Job

<u>Hygiene Factors</u>	<u>Motivator factors</u>
Company Policy and Admin Salary Style of Supervision Interpersonal relation Job Security	Recognition Responsibility Challenging Work Achievement Growth Development in Work

PROCESS THEORIES

Vroom's Expectancy theory

He suggested that the strength of an individual motivation is the product of two factors.

- ◆ The strength of his preference for a certain outcome
- ◆ His expectation that the outcome will in fact result from a certain behaviour

He stated a Formula

$$F = V \times E$$

F = the force or strength of the individual motivation to behave in a particular way

V = Valence; the strength of the individual preference for a given outcome or reward

E = expectancy; the individual perception that the behaviour will result in the outcome reward

Handy Motivation Calculus

Individual decide how much effort to invest toward a given goal by doing a calculation

- ◆ the strength or salience of a need
- ◆ The expectancy that effort will lead to a particular result
- ◆ The likely effectiveness of that result in satisfying the need

Herzberg Job as a Motivator

Motivation can take many forms. Widening and deepening interest in the organisation and its many tasks and departments is a tried and tested method for motivating employees.

Job enrichment (sometimes referred to as 'vertical job enlargement') is a planned, deliberate action to build greater responsibility, breadth and challenge into the work of the individual. The emphasis is on the individual rather than the organisation, team or group.

It provides the job holder with the responsibility for decision making of a higher order and provides greater freedom to decide how the job or task should be undertaken. It encourages participation in planning procedures, allows for regular feedback between the employee and management, whilst improving the individual's understanding of the whole process.

Job enlargement (sometimes referred to as 'horizontal job enlargement') is aimed at widening the content of jobs by increasing the number of operations in which the job holder is involved. It reduces the level of repetition and dullness whilst providing a horizontal extension to the job. In addition, it reduces both monotony and boredom through the provision of a greater level of challenge and incentive.

Job rotation is the planned rotation of staff between jobs and tasks to reduce monotony and boredom and provide fresh opportunities and challenges. It takes two forms.

The first is where job rotation takes the form of a transfer to another job after some time in an existing job and the introduction of another individual to the job being vacated. Alternatively, it can be used as a form of training where individuals are moved through different jobs to learn new skills. These moves are regular and the employee is invariably regarded as a trainee

THEORY X and Y

Douglas McGregor put forward two suppositions that US managers appeared to subscribe to about human nature and behaviour at work.

He argued that the style of management adopted is a function of the manager's attitudes towards people and assumptions about human nature and behaviour. The two suppositions are called Theory X and Theory Y and are based on opposing assumptions about people and work. Theory X represents the 'carrot and stick' assumptions believing that the average human being has an inherent dislike of work and will avoid it if possible. He or she also prefers to be directed, wishes to avoid responsibility, has relatively little ambition and wants security above all. Because of the human characteristic of disliking work, most people must be coerced, controlled, directed and/or threatened with punishment to get them to put in adequate effort towards the achievement of organisational objectives. Managers who operate according to these assumptions will tend to supervise closely, apply detailed rules and controls and use 'carrot and stick' motivations.

At the other end of the extreme to Theory X is Theory Y. The central principle of Theory Y is the integration of individual and organisational goals.

Theory Y suggests that physical and mental effort in work is as natural as play or rest. The average human being does not inherently dislike work, which can be a source of satisfaction. External control and the threat of punishment are not the only means of bringing about effort towards organisational objectives. People can exercise self-direction and self-control to achieve objectives to which they are committed. Theory Y also assumes that the average human being learns, under proper conditions, not only to accept, but also to seek responsibility. Avoidance of responsibility, emphasis on security and low ambition are the results of experience and are not inherent in human nature.

Under conditions of modern industrial life, the intellectual potential of the average human being is only partially utilised. McGregor was of the view that

Theory Y assumptions provided a better explanation of human nature and indicated the need for a different managerial strategy in dealing with people if they were to be correctly motivated. Managers who hold Theory Y assumptions about people are likely to be more democratic and consultative. Both Theory X and Theory Y are intended to be extreme sets of assumptions – not descriptions of actual types of people. However, they also tend to be self-fulfilling prophecies since people tend to behave in the way expected of them.

THEORY Z

William Ouchi provided a comparison of management style and practice in different cultural settings. Profiling American management culture as Theory A and typical Japanese management as Theory J, he sought to synthesise the two to propose a form of Japanese-style management that could be applied successfully in a Western context. Ouchi called these methods Theory Z.

The characteristics of a Theory Z organisation are as follows

- (i) Long-term employment – not necessarily lifetime, but longer than the average in American and European companies.
- (ii) Slow-progressing managerial career paths (as in the Japanese system, but with a more Western specialisation of skills).
- (iii) Moderately specialised careers – which may not change.
- (iv) Collective consensus decision-making processes (Japanese), but with individual retention of ultimate responsibility for defined areas of accountability (Western).
- (v) Industrial relations characterised by trust, co-operation and mutual adjustment.
- (vi) Concern for the employee – close to the paternalistic attitudes of the old Quaker companies in the UK, such as Cadbury'
- (vii) Implicit informal controls (such as guiding values) alongside explicit, formal controls.

DISCIPLINE

Professional accountants require a knowledge of motivation techniques. However, it is equally important to recognise the other side of motivation, that of discipline and of the need for formal procedures when dealing with disciplinary issues.

Discipline is achieved when the organisation's members behave and conduct themselves in accordance with standards of behaviour acceptable to the organisation's rules, goals and objectives.

Discipline may be positive. The employee is encouraged to conform to good practices and acceptable behaviour through training and by the presence and consistent application of rules and procedures.

Discipline may also be negative. This is the situation where actions may be taken to ensure that the organisation's members behave in an appropriate way. Such actions include punishment, deterrent or reformative measures.

Proper disciplinary procedures are essential for harmonious relationships between management and staff and are increasingly a legal requirement.

A six step approach to disciplinary actions is recommended.

The Informal Talk

If the disciplinary matter is of a minor nature and the individual has had until this occasion a good record, then an informal meeting can often resolve the issue.

Reprimand or Oral Warning

Here the manager draws the attention of the employee to unsatisfactory behaviour, a repeat of which could lead to formal disciplinary proceedings.

Official or Written Warning

A written warning is a serious matter. It draws the attention of the offending employee to a serious breach of conduct and remains a recorded document on the employee's employment history. Such written documents can be used as evidence if further action is taken, including dismissal.

Suspension or Lay-off

If an offence is of a serious enough nature, if the employee has repeated an earlier offence, or if there have been repeated problems then an employee may be suspended from work for a period of time without pay.

Demotion

This is a situation where an employee is demoted to a lower salary or position level within an organisation. This is a very serious step to take and can be regarded as a form of internal dismissal. This course of action can have negative repercussions because the employee concerned will feel dissatisfied and such feelings can affect their own work and that of others.

Dismissal

This is the ultimate disciplinary measure and should be used only in the most extreme cases. As with demotion, the dismissal of a staff member can lead to wider dissatisfaction amongst the employees.

Although a procedure is a legal requirement in some circumstances, this procedure may vary in detail between organizations and countries.