



**T.Y.B.COM.**  
**SEMESTER - VI (CBCS)**

**BUSINESS MANAGEMENT PAPER-IV**

**MANAGEMENT AND  
ORGANIZATION  
DEVELOPMENT**

**SUBJECT CODE : 83002**

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**Revised Syllabus of Courses of B.Com.**  
**Programme at Semester-VI with effect from the Academic Year**  
**2018-2019**

**Elective Courses (EC)**

**A. Discipline Specific Elective (DSE) Courses Group**

**B: Business Management**

**Business Management Paper-IV**

**Management and Organization Development**

**Modules at a Glance**

Sr.No.	Modules	No. of Lectures
01	Directing & Leading	15
02	Co-ordination & Motivation	15
03	Controlling & Information Management	15
04	Contemporary Issues in Management	15
<b>Total</b>		<b>60</b>

Sr. No.	Modules / Units
<b>1</b>	<b>Directing and Leading</b>
	<ul style="list-style-type: none"> <li>• Communication as an important tool for effective direction and leadership</li> <li>• Barriers to Communication</li> <li>• Ethical issues in using social media for communication</li> <li>• Role of a leader in business organisations - qualities of a good leader</li> <li>• Style of leadership</li> <li>• Leadership continuum – developing an effective leader – path goal theory</li> <li>• Transactional and transformational leaders</li> </ul>
<b>2</b>	<b>Co-ordination and Motivation</b>
	<ul style="list-style-type: none"> <li>• Co-ordination as essence of management</li> <li>• Co-ordination vs co-operation vs conciliation</li> <li>• Motivation – meaning and importance of motivation</li> <li>• Financial and non-financial motivators</li> <li>• Theories of Motivation – Maslow’s theory – Herzberg’s theory – McGregor’s theory.</li> </ul>
<b>3</b>	<b>Controlling and information Management</b>
	<ul style="list-style-type: none"> <li>• Definition and steps in controlling.</li> <li>• Strategic and operational controlling techniques.</li> <li>• Requirements of an effective control system.</li> <li>• Flow of information in a typical organisation - Need for managing information.</li> <li>• Designing and developing modern MIS - Introduction to ERP.</li> </ul>
<b>4</b>	<b>Contemporary Issues in Management</b>
	<ul style="list-style-type: none"> <li>• Challenges in organisational growth and development - management perspective</li> <li>• Change management</li> <li>• Importance of time management and tools for effective time management</li> <li>• Addressing diversity due to human resource mobility</li> <li>• Conflict management.</li> </ul>

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**Revised Syllabus of Courses of B.Com. Programme at Semester V and VI**

**with effect from the Academic Year 2018-2019**

**Question Paper Pattern**

**(Theoretical Courses)**

Maximum Marks: 100 Questions to be

set: 06 Duration: 03 Hrs.

All Questions are Compulsory Carrying 15 Marks each.

Question No	Particular	Marks
Q-1	Objective Questions A) Sub Questions to be asked 12 and to be answered any 10 B) Sub Questions to be asked 12 and to be answered any 10 (*Multiple choice / True or False / Match the columns/Fill in the blanks)	20 Marks
Q-2	Full Length Question <b>OR</b>	15 Marks
Q-2	Full Length Question	15 Marks
Q-3	Full Length Question <b>OR</b>	15 Marks
Q-3	Full Length Question	15 Marks
Q-4	Full Length Question <b>OR</b>	15 Marks
Q-4	Full Length Question	15 Marks
Q-5	Full Length Question <b>OR</b>	15 Marks
Q-5	Full Length Question	15 Marks
Q-6	A) Theory questions B) Theory questions <b>OR</b>	10 Marks 10 Marks
Q-6	Short Notes To be asked 06 To be answered 04	20 Marks

**Note:**

**Theory question of 15 marks may be divided into two sub questions of 7/8 or 10/5 Marks.**

# MODULE I

# 1

## DIRECTING AND LEADING - I

### Unit Structure

- 1.0 Objectives
- 1.1 Introduction
- 1.2 Communication as an important tool
- 1.3 Barriers to Communication
- 1.4 Summary
- 1.5 Exercise

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### 1.0 OBJECTIVES

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After studying this unit, you should be able to:

- Explain the meaning of communication
- Describe the nature and characteristics of communication
- Outline the process of communication

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### 1.1 INTRODUCTIONS

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Communication is as important aspect of the directing function of management as supervision, motivation and leadership. The success of management depends on a great deal on effective communication. Since the purpose of directing is to activate subordinates to work towards the realisation of organisation goals, Communication, and Leadership therefore, the orders, instructions, plans, policies, rules, procedure and methods of operation must be communicated by managers to their subordinates. Similarly, the problems arising in the work process, actual performance of employees etc. must be known to the superiors for proper guidance to be given to them in the day-to-day activities. In this Unit, we will discuss the meaning of communication in a business organisation, its nature, characteristics and importance. We shall also distinguish between the various channels of communication which may be used in an organisation, analyse the barriers to effective communication and discuss how communication can be made effective on the basis of the principles of communication.

## 1.2 COMMUNICATION AS AN IMPORTANT TOOL FOR EFFECTIVE DIRECTION AND LEADERSHIP

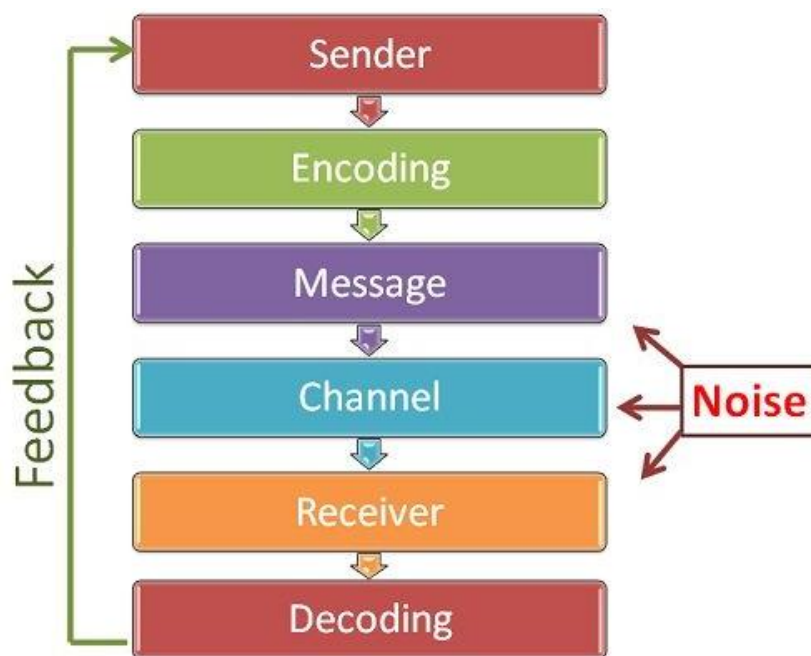
### 1.2.1 Meaning:

Communications is fundamental to the existence and survival of humans as well as to an organization. It is a process of creating and sharing ideas, information, views, facts, feelings, etc. among the people to reach a common understanding.

A manager may be highly qualified and skilled but if he does not possess good communication skills, all his ability becomes irrelevant. A manager must communicate his directions effectively to the subordinates to get the work done from them properly.

### Process of communication:

The communication is a dynamic process that begins with the conceptualizing of ideas by the sender who then transmits the message through a channel to the receiver, who in turn gives the feedback in the form of some message or signal within the given time frame. Thus, there are seven major elements of communication process:



1. **Sender:** The sender or the communicator is the person who initiates the conversation and has conceptualized the idea that he intends to convey it to others.
2. **Encoding:** The sender begins with the encoding process wherein he uses certain words or non-verbal methods such as symbols, signs, body gestures, etc. to translate the information into a message. The sender's knowledge, skills, perception, background, competencies, etc. has a great impact on the success of the message.

3. **Message:** Once the encoding is finished, the sender gets the message that he intends to convey. The message can be written, oral, symbolic or non-verbal such as body gestures, silence, sights, sounds, etc. or any other signal that triggers the response of a receiver.
4. **Communication Channel:** The Sender chooses the medium through which he wants to convey his message to the recipient. It must be selected carefully in order to make the message effective and correctly interpreted by the recipient. The choice of medium depends on the interpersonal relationships between the sender and the receiver and also on the urgency of the message being sent. Oral, virtual, written, sound, gesture, etc. are some of the commonly used communication mediums.
5. **Receiver:** The receiver is the person for whom the message is intended or targeted. He tries to comprehend it in the best possible manner such that the communication objective is attained. The degree to which the receiver decodes the message depends on his knowledge of the subject matter, experience, trust and relationship with the sender.
6. **Decoding:** Here, the receiver interprets the sender's message and tries to understand it in the best possible manner. An effective communication occurs only if the receiver understands the message in exactly the same way as it was intended by the sender.
7. **Feedback:** The Feedback is the final step of the process that ensures the receiver has received the message and interpreted it correctly as it was intended by the sender. It increases the effectiveness of the communication as it permits the sender to know the efficacy of his message. The response of the receiver can be verbal or non-verbal.

### 1.2.2 Directing Meaning:

Directing is said to be a process in which the managers instruct, guide and oversee the performance of the workers to achieve predetermined goals. Directing is said to be the heart of management process. Planning, organizing, staffing has got no importance if direction function does not take place.

Directing initiates action and it is from here actual work starts. Direction is said to be consisting of human factors. In simple words, it can be described as providing guidance to workers is doing work. In field of management, direction is said to be all those activities which are designed to encourage the subordinates to work effectively and efficiently. According to Human, "Directing consists of process or technique by which instruction can be issued and operations can be carried out as originally planned" Therefore, Directing is the function of guiding, inspiring, overseeing and instructing people towards accomplishment of organizational goals.



### 1.2.3 Characteristics:

**Pervasive Function:** Directing is required at all levels of organization. Every manager provides guidance and inspiration to his subordinates.

**Continuous Activity:** Direction is a continuous activity as it continues throughout the life of organization.

**Human Factor:** Directing function is related to subordinates and therefore it is related to human factor. Since human factor is complex and behaviour is unpredictable, direction function becomes important.

**Creative Activity:** Direction function helps in converting plans into performance. Without this function, people become inactive and physical resources are meaningless.

**Executive Function:** Direction function is carried out by all managers and executives at all levels throughout the working of an enterprise, a subordinate receives instructions from his superior only.

**Delegate Function:** Direction is supposed to be a function dealing with human beings. Human behaviour is unpredictable by nature and conditioning the people's behaviour towards the goals of the enterprise is what the executive does in this function. Therefore, it is termed as having delicacy in it to tackle human behaviour.

### 1.2.4 Communication is an Important Tool of directing:

**It Initiates Actions:** Direction is the function which is the starting point of the work performance of subordinates. It is from this function the action takes place, subordinates understand their jobs and do according to the instructions laid. Whatever are plans laid, can be implemented only once the actual work starts. It is there that direction becomes beneficial.

**It Ingrates Efforts:** Through direction, the superiors are able to guide, inspire and instruct the subordinates to work. For this, efforts of every individual towards accomplishment of goals are required. It is through direction the efforts of every department can be related and integrated with others. This can be done through persuasive leadership and effective communication. Integration of efforts brings effectiveness and stability in a concern.

**Means of Motivation:** Direction function helps in achievement of goals. A manager makes use of the element of motivation here to improve the performances of subordinates. This can be done by providing incentives or compensation, whether monetary or non - monetary, which serves as a "Morale booster" to the subordinates. Motivation is also helpful for the subordinates to give the best of their abilities which ultimately helps in growth.

**It Provides Stability:** Stability and balance in concern becomes very important for long term survival in the market. This can be brought upon by the managers with the help of four tools or elements of direction

function - judicious blend of persuasive leadership, effective communication, strict supervision and efficient motivation. Stability is very important since that is an index of growth of an enterprise. Therefore a manager can use of all the four traits in him so that performance standards can be maintained.

**Coping up with the changes:** It is a human behaviour that human beings show resistance to change. Adaptability with changing environment helps in sustaining planned growth and becoming a market leader. It is directing function which is of use to meet with changes in environment, both internal as external. Effective communication helps in coping up with the changes. It is the role of manager here to communicate the nature and contents of changes very clearly to the subordinates. This helps in clarifications, easy adoptions and smooth running of an enterprise. For example, if a concern shifts from handlooms to power looms, an important change in technique of production takes place. The resulting factors are less of manpower and more of machinery. This can be resisted by the subordinates. The manager here can explain that the change was in the benefit of the subordinates. Through more mechanization, production increases and thereby the profits. Indirectly, the subordinates are benefited out of that in form of higher remuneration.

**Efficient Utilization of Resources:** Direction finance helps in clarifying the role of every subordinate towards his work. The resources can be utilized properly only when less of wastages, duplication of efforts, overlapping of performances, etc. doesn't take place. Through direction, the role of subordinates become clear as manager makes use of his supervisory, the guidance, the instructions and motivation skill to inspire the subordinates. This helps in maximum possible utilization of resources of men, machine, materials and money which helps in reducing costs and increasing profits.

### **1.2.5 Leadership:**

Leadership is a process by which an executive can direct, guide and influence the behaviour and work of others towards accomplishment of specific goals in a given situation. Leadership is the ability of a manager to induce the subordinates to work with confidence and zeal.

Leadership is the potential to influence behaviour of others. It is also defined as the capacity to influence a group towards the realization of a goal. Leaders are required to develop future visions, and to motivate the organizational members to want to achieve the visions.

According to Keith Davis, "Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and motivates it towards goals."

### **1.2.6 Characteristics of Leadership:**

It is an inter-personal process in which a manager is into influencing and guiding workers towards attainment of goals.

It denotes a few qualities to be present in a person which includes intelligence, maturity and personality.

It is a group process. It involves two or more people interacting with each other.

A leader is involved in shaping and moulding the behaviour of the group towards accomplishment of organizational goals.

Leadership is situation bound. There is no best style of leadership. It all depends upon tackling with the situations.

### **1.2.7 Leadership and Communication:**

Communication is a core leadership function, meaning effective workplace communication and effective leadership are closely intertwined. An effective leader needs to be a skilled communicator, applying that skill in relationships at the organizational level, in larger communities and groups, and sometimes even on a global scale. However, according to the statistics, 57% of employees report not being given clear directions, and as much as 69% of managers are not comfortable communicating with their employees in general.

The problem here goes beyond managers lacking confidence or the skill levels necessary to be successful business leaders. Rather, leaders who are falling short in the communications department will have a direct negative impact on employee satisfaction, motivation, and productivity levels. Without effective leadership communication in place, a leader cannot and should not expect their employees to be engaged and connected in the workplace, introducing a host of other detrimental impacts on the success of the business.

Keeping employees motivated and driven towards success should remain a top priority for any leader. But, in order to inspire and motivate in the first place, business leaders need to establish and foster a strong line of communication. As a leader, you need to think with clarity, express ideas, and disseminate information to a multitude of audiences. A good leader can handle the rapid flows of information that circulate within the organization, and between customers, partners, and any other stakeholders. Essentially, maintaining strong leadership communication within the workplace is the key to keeping your business not just afloat, but thriving in the industry as a whole

#### **Best Practices for Effective Leadership Communication**

A great leadership communicator can read the individuals or groups they are conversing with, sensing the mood, dynamics, attitudes, values, and concerns associated with the other and can easily adapt their messaging to said environment without missing a beat. To know you have reached the point where your interactions as a leader translate to your presence as an excellent communicator, aim to employ the following best practices into your method of leadership communication:

### **Be honest:**

People won't be open to those they don't trust, and this is especially true when it comes to leadership. When employees, shareholders, partners, or any other key stakeholders have a sense that a leader is worthy of their trust, they will invest time and take risks for the business in a way that they never would if the leader had a reputation built upon a lack of integrity. However, keep in mind that demanding trust rarely works – it is best earned through right actions, thinking, and decision making.

### **Get personal:**

Effective leadership communication should be a dialogue, not a monologue. The more personal and engaging a conversation is the more effective it will be for both parties. If you remain at arm's length from your employees, you will remain in the dark and only ever receive a highly sanitized recounting of the truth. Developing meaningful relationships with people and opening a personable, consistent dialogue with them is key to being able to solve the issues that they encounter before it's too late.

### **Be specific:**

Effective communication hinges on clarity. Being simple and concise in your communication efforts will always be more effective than being complicated, confusing, or superfluous. Especially today, time is a precious commodity, and the best leaders know just how to trim the fat and hit the high points in what they are communicating. Without understanding the value of brevity and clarity, you won't ever be rewarded with insight into the granular level of things, since people will tune you out long before you reach that point.

### **Focus on the leave-behinds:**

Being skilled in leadership communication goes beyond having the ability to learn and gather information while communicating. The best communicators are also adept at transferring ideas, aligning expectations, inspiring action, and disseminating their overall vision. When you approach each interaction with a focus on contributing more than receiving, you can consider yourself an effective communicator.

### **Keep an open mind:**

The rigidity of a closed mind, especially in today's climate, is one of the greatest limiting factors of new opportunities that exists. When a leader is willing to seek out those who hold countering opinions, or who stand in opposing positions, and seeks not to convince them to change their mind but rather to understand their point of view on things, their leadership is elevated to a whole new level. Hold open dialogues with those you confront, challenge, and develop you and your business perspectives. Keep in mind that it is not the opinion that matters, but rather your willingness to discuss, debate, and learn.

**Listen:**

A long-standing cornerstone of great communication is the ability to simply stop talking and listen. A strong leader has an intuitive sense of when they need to dial it up, dial it down, and dial it off altogether. Broadcasting your message is important but doing so add nausea will produce much fewer effective results as starting meaningful conversations with others. The most worthwhile form of dialogue takes place not in the form of a detached lecture or monologue, but rather in an engaging conversation.

**Read between the lines:**

Any strong leader needs to be able to look past the surface-level of things and understand what is not being said, witnessed, or heard outright. It's one of the most useful skills needed to be able to paint a bigger picture of any kind of situation, grounding itself in contextual and situational clues that help you lead in a multifaceted way.

**Speak to groups as individuals:**

A great leader is one who can tailor their communication in such a way that their message still feels personalized, regardless of the size of the audience. Knowing how to work a room and establish credibility, trust, and rapport are the key practices to holding successful interactions with stakeholders.

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## **1.3 BARRIERS TO COMMUNICATION**

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**1.3.1. Definition:**

A communication barrier is anything that comes in the way of receiving and understanding messages that one sends to another to convey his ideas, thoughts, or any other kind of information. These various barriers of communication block or interfere with the message that someone is trying to send.

**1.3.2 Barriers to Effective Communication:**

There are numerous barriers to effective communication that can come in the way. It happens because the message sent by the sender might not be understood exactly as it is meant to be. It can get distorted during the communication exchange. These different types of communication barriers can come at any stage in the process of communication. It can come because of the bias or stereotyping and generalization that exists in the workplace.

There are various problems and difficulties in the process of communication which often result in the occurrence of the barriers to communication. Communication barriers are interferences or obstacles which affects not only the transmission of idea or information but also the understanding and acceptance of it. It has an effect on entirely preventing

communication, filtering part of it, or giving it an incorrect meaning. The three main causes for the barriers in communication are due to: 1. The deficiencies of the sender 2. The deficiencies of the listener 3. Inappropriate means of communication

**The various barriers to the process of communication are given as follows:**

- Physical or environmental barriers
- Physiological barriers
- Semantic or language barriers
- Personal barriers
- Emotional
- Socio- psychological
- Cultural barriers
- Organizational barriers

**Physical or Environmental Barriers:**

These are environmental factors which limit the sending and receiving of messages. Often the term Noise is used as a blanket term to refer to this kind. They include distance, noise, breakdown of communication media, faulty mechanical equipments, etc.

- i. Noise:** It is the first major barrier to communication. Communication gets disturbed by noise that occurs at the transmission level. For example, the noise of traffic around a school obstructs the flow of information between a student and a teacher. Similarly poor signal while talking over cell phone or using public address system or watching TV also disrupts communication. Bad weather conditions may also sometimes cause barrier to communication.
- ii. Time and distance:** These may also obstruct the smooth flow of information. For example time difference between two different countries may affect communication between two people. Another example will be two people working in two different shifts may face problems in communicating effectively. Improper seating arrangement in a class also may act as a barrier to the process of communication.
- iii. Wrong choice of medium:** This can cause a barrier to communication if the sender uses the wrong channel for the transmission of the message which is improper for the audience. For example, if an expert uses a power point presentation for the uneducated factory workers then they will be unable to understand it.

- iv. **Surroundings:** Adverse or extreme weather conditions like, too hot or too cold, their surroundings do have a direct effect on the effectiveness of communication. As environment causes a psychological effect like, too hot weather will cause restlessness and humidity, whereas too cold weather makes a person feel lazy to communicate.
- v. **Inadequacy of message design/Poorly expressed message:** No matter how clear the idea in the mind of the sender, it may still get affected by use of poorly chosen words, long sentences, complex words, poor organization of ideas, use of jargon

### **Physiological or Biological Barriers:**

Physiological barriers are related to a person's health and fitness. These may arise due to disabilities that may affect the physical capability of the sender or the receiver. Proper functioning of the vocal chords, hands, fingers, eyes is necessary for effective communication. For example:

- Speaking can adversely affected by stammering, fumbling, utterance of improper sounds due to defective vocal organ.
- Listening can be ineffective as a result of defective hearing
- Writing can be failed due to hand injury, numbness, etc.
- Reading can be affected due to poor eyesight.

### **Semantic Barriers/Language Barriers:**

The term 'semantic' refers to the systematic study of meaning of the words. Semantic barriers are barriers related to language. They cause obstructions in the process of receiving or understanding of the message during the process of encoding or decoding ideas and words.

The most common semantic barriers are listed below:

- i. **Misinterpretation of words:** Different people mean different meaning while using the same word.
- ii. **Use of technical language:** It is often found that technical people use technical language, which is related to their profession which is known as jargon. For eg: A manager handed over an important document to a new assistant and told him to burn it (here burn means copy in another computer.) But the new assistant took a different meaning to the word burn and literally burn it with a match stick. Doctors, lawyers, etc. uses a language which a layman cannot understand that, due to lack of knowledge of that language.
- iii. **Vocabulary deficiency of both the sender and the receiver may cause semantic barrier to communication.**

**iv. Multiple meaning of the words in different context:** Different words are used in different ways as per the need/ message. For instance consider the word, 'out' in following sentences:

- Get out of here
- Something is out of order in my car
- The truth got out at last
- He really stands out in his class.
- The workers are going out on strike

Thus the word 'out' conveys a different meaning when used in different situations and thus miscommunication occurs.

**v. Connotative meaning:** It differs dramatically from denotative meaning. eg: depart, go, leave, get out, etc

### **Personal Barriers:**

Differences in personal and psychological makeup of individuals may create barrier between people. They arise from judgments, emotions and social values of people.

The following are some of the most common personal barriers.

- i. Attitudes and opinions:** Assumptions and negative feelings about the receiver, such as hostility may have an effect on the message. In a typical superior subordinate relationship, a subordinator may or may not ask questions, may even withhold information due to fear. Some supervisors may not be open to suggestions and feedback as they presume that their subordinates are not capable of advising them. This creates indifference between them and subordinates do not feel motivated. Attitude thus becomes a barrier to communication.
- ii. Lack of self confidence:** Lack of self confidence either on the part of the sender or the receiver while communicating may be a barrier to it.

### **Emotional Barriers:**

Emotional barriers are associated with sentiments and emotions.

- i. Blocked mind:** Blocked mind considers only limited information and ignores or rejects additional information. An individual who has a blocked mind is rigid and dogmatic. He resists all contradictory communication and pays deaf ear to new ideas.
- ii. Bias and prejudice:** if closed minded people are asked for reasons for rejecting a message, they may reveal prejudices. They react with anger and give a sharp rebuff who tries to argue with them. This acts as a barrier in communication.



- iii. **Emotions:** One's state of mind plays an important role in act of communication. If the sender is worried, excited, afraid, nervous, then he will not be able to organize his message properly. Similarly if the receiver is not in a proper state of mind, he may misinterpret the message.

### **Socio-Psychological Barriers:**

They are similar to perceptual barriers

- i. **Selective perception:** This means that the receiver selectively see and hear based on their needs, motivations, experience and expectations. In communication, this tendency means that they hear what they want to hear and ignore other relevant information
- ii. **Status consciousness:** Differences in status and power between the sender and the receiver may constitute another barrier. The subordinate feels very jittery, nervous in front of the supervisor and the supervisors may be reluctant to pass complete information.
- iii. **Prejudices:** People who are not open to discussions, new ideas, viewpoints and have a closed mind may be a great barrier to communication.
- iv. **Halo Effect:** Sometimes the listener may be too much in awe of or completely distrust a speaker. When there is a lack of sufficient trust, confidence and faith between the communicating parties, selective listening takes place. In these situations several types of 'noise' enter the communication process. Similarly things like distrust, threat, fear are vital barriers to effective communication.
- v. **Physical appearance:** Receiver may not like the sender's physical appearance, voice, pronunciation, accent, use of grammar or mannerism. This may cause the receiver to discard the content. Communicator's mood also influences his capacity to communicate, for eg: he may be tired, sleepy, bored, etc.

### **Cultural Barriers:**

Culture shapes the way we think and behave. Each group categorized on the basis of nationality, ethnicity, race, religion, etc. has its own distinctive culture. Cultural differences often cause communication differences. It arises when individuals in one social group have developed different norms, values, or behaviours to individuals associated with another group. The same category of word, phrases, symbols, actions colours mean different things to different cultures. For eg: In western countries black colour is associated with mourning, while in the far east white is the colour of mourning. In U.S people love to be called by their first name, while in Britain, people are addressed by their last name.

### **Organisational Barriers:**

- i. Complex organizational structure:** A complex organisational structure has long communication channels which subjects to breakdown of communication.
- ii. Too many levels in the organization:** As the message has to pass through many levels, there are chances of distortion, delays or total failure of the message.
- iii. Time and timeliness:** time pressures can be a serious obstacle as messages are hastily and inadequately communicated by managers.

### **Barriers to communication can be overcome by:**

- Checking whether it is a good time and place to communicate with the person
- Being clear and using language that the person understands
- Communicating one thing at a time
- Respecting a person's desire to not communicate
- Checking that the person has understood you correctly
- Communicating in a location that is free of distractions
- Acknowledging any emotional responses the person has to what you have said.

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## **1.4 SUMMARY**

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Communication means transmission of messages or exchange of ideas, facts, opinion or feelings by two or more persons. Communication does not only involve sending a message but also its acceptance by the receiver. It is essentially a two way process. It is not complete unless the receiver has understood the message and his reaction is known to the self of the message. Communication is a cooperative process involving two parties, each having the ability to convey and listen to what his counterpart communicates. The response to a communication is as essential as the initial communication. The message may be communicated verbally, in writing, through gestures, signs or symbols. The purpose of communication is to pass information and understanding to bring about commonness of purpose, interest and efforts. It is a continuous process in management. The process of communication includes the following steps; (1) clear perception of the idea or problem by the sender, (2) participation of others involved, (3) transmission of the message, (4) motivation of the receiver, and (5) evaluation of the effectiveness of communication.

To make communication effective, the following factors should be given due attention; (1) regulating the flow of communication; (2) feedback; (3) use of appropriate language; (4) listening carefully; (5) restraint over

emotion; (6) looking for non-verbal cues of compliance; and (7) mutual trust and faith.

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## 1.5 EXERCISE

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### Fill the blanks.

1. The most persuasive communication is that which is conveyed through ..... of the communicator following the communication.  
(action, needs, interest, motive)
2. .... is as important in communication as speaking.  
(listening, reading, writing, learning)
3. \_\_\_\_\_ is the process of guiding the efforts of employees to accomplish the desired goal.  
(supervision, directing, controlling, motivation)
4. Directing is a \_\_\_\_\_ function.  
(Managerial voluntary long-term, short term)
5. Maintaining discipline and rewarding effective performance is \_\_\_\_\_ part of function of management.  
(Planning, staffing, Directing, Forecasting )

### Match the column.

1. Verbal communication	a. transparency and trust
2. Semantic barriers	b. Psychological barriers.
3. Business ethics	c. insturcting and guiding
4. Directing	d. evolves from language usage.
5. Blocked mind	e. oral and written communcation

### True or False.

1. Communication suffers from semantic barrier when the message is conveyed in vague words.
2. As a principle, communication must be consistent with long-term interests and goals while meeting short-term needs.
3. Action should be taken on messages on a 'first come first serve' basis
4. Leadership is not the same thing as managership.
5. Dierecting is not required in any managerial function.

**Short Notes.**

1. Features of communication.
2. Advantages of oral communication.
3. Functions of leadership
4. Leadership and communication.
5. Communication is an important tool of directing.

**Answer in brief.**

1. State and explain the basic elements of the communication process.
2. What are the most common barriers to effective communication?  
How can they be overcome?
3. What do you understand by leadership? Explain briefly.
4. Define Directing. Explain its characteristics.
5. Write a brief note on physical barriers.

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## **DIRECTING AND LEADING – II**

### **Unit Structure**

- 2.0 Objective
- 2.1 Introduction
- 2.2 Ethical issues in using social media for communication
- 2.3 Role of a leader in business organizations
- 2.4 Style of the leadership
- 2.5 Leadership continuum
- 2.6 Transactional and Transformational leaders
- 2.7 Summary
- 2.8 Exercise

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### **2.0 OBJECTIVES**

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1. Explain the meaning of ethical issues in using social media for communication.
2. Describe the nature and characteristics of a good leader
3. Outline the style of leadership

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### **2.1 Introduction**

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It is through the leadership role of managers that employees may be induced to perform their duties properly and maintain harmony in group activities. A manager having formal authority can direct and guide his subordinates and command their obedience by virtue of his positional power. But as a leader, the manager can influence work behaviour by means of his leadership ability to get Communication, Motivation and Leadership the cooperation of all members of the group. In this Unit, you will learn the importance, theories, styles and functions of leadership. You will further learn about the leadership effectiveness and morale.

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### **2.2 ETHICAL ISSUES IN USING SOCIAL MEDIA FOR COMMUNICATION**

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Currently, the use of social media has become the part of human's life everywhere. It allows the users to get and share information all over the world in a very short time.

#### **Ethics in Social Media:**

The fast moving era also influence the technology growth. Nowadays almost everyone can share information and communicate directly by using social media through internet which saves more time and cost.

Indeed, users have freedom in using social media to communicate with anyone. What is ignored here is the ethics in using it. It would much better if users know what ethics should be noticed when using social networking.

### **Ethics in Communication:**

Mostly occurred, ethics is ignored during the communication through social media.

1. The most common case appear is many abusive words during a conversation through social networking, both intentionally and unintentionally. It would be nice if communications on the Internet is using polite and proper words. Always use the correct language when we communicate to anyone through social media.

### **2. Avoid Spreading race, pornography and violence issues:**

It would be wise if we do not spread information relates certain race or religion. Share useful information only and avoid conflict to others and uploading violent photos such as traffic accident photo or other violent images.

### **3. Check the news validity:**

Nowadays it is very common to find out a news that disfigure other parties in social media. Some parties did this to impose the competitors by sharing hoax news. Therefore, social media users should be more intelligent in capture any information. Before you share the news, it will be wiser to check the news validity first.

### **4. Appreciate other's works:**

When sharing information in the form of photographs, writings or videos which belong to others, make sure to mention the source to show your appreciation to other's works. Never copy-paste any contents without showing the source.

### **5. Do not share personal information too much:**

It would be wiser for you to restrict your personal life in using social media. Do not share your personal information such as phone number or home address. There will be possibility that other contacts on your list will use the information to harm you.

So use social media properly and wisely especially in spreading information. Think twice before you act.

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## **2.3 ROLE OF A LEADER IN BUSINESS ORGANISATIONS**

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Leadership is the action of leading people in an organization towards achieving goals. Leaders do this by influencing employee behaviors in

several ways. A leader sets a clear vision for the organization, motivates employees, guides employees through the work process and builds morale.

### **Responsibilities of A Leader:**

1. **Setting A Clear Vision:** Setting a clear vision means influencing employees to understand and accept the future state of the organization. A unit of young soldiers may not believe in a particular mission ordered by their commanding officer. A good leader will influence the soldiers to perform their duties by explaining the vision and the importance of their role in the outcome.
2. **Motivating employees:** Means to find out enough about the needs and wants of employees, giving them what they need and providing praise for a job well done. Being far from home is lonely for a young soldier. A good leader knows this and will communicate with his unit to learn more about their needs and wants. It may be as simple as giving the soldiers a sweet treat for their efforts.
3. **Guiding employees:** It is important to define their role in the work process and provide them with tools needed to perform and participate in their efforts along the way. Often, orders are to perform tasks that involve intricate details, like explaining how to dig a tunnel past enemy lines. A good leader will explain the tasks, provide the digging tools, direct the work and be available to assist the soldiers if they run into a problem.
4. Building morale involves pulling everyone together to work towards a common goal. Let's face it - fighting in a war is stressful. Soldiers are often placed in high-stress situations. This can cause the unit to lose their focus or, worse yet, shut down emotionally.
5. A good leader will let the soldiers know how much their work is appreciated. A simple gesture like throwing an impromptu party to recognize the unit's small victories can reignite the soldiers' spirits.

### **Features of A Leader In An Organization:**

It has been said that without leadership, all other business elements lie dormant. Strong leaders can help an organization to maximize productivity and achieve business goals, whereas weak leadership can hurt productivity and put the health of the business in jeopardy. Leadership is not one blanket characteristic that cures all ills, however, there are many different elements that must be present for an organization's leadership to be considered adequate.

It should also be considered that there are many different effective-and ineffective-leadership styles. Just because one manager is jovial while another is refined doesn't mean that either style will be more effective than the other. To rate the leadership capabilities of the managers in your organization, consider how well each manager does the following.

### **1. Provides Guidance:**

Managers should be able to provide meaningful guidance and advice for employees. If needed, managers should be able to show employees how to perform their job tasks more efficiently and effectively. Managers should also be able to provide the support that employees need to grow and develop.

### **2. Motivates Employees:**

Good leaders motivate employees to work hard and meet organizational needs through one means or another. Some leaders may inspire employees to work hard, while other managers may cause employees to fear the consequences of not working hard. Both methods work to drive motivation and one may work better than the other depending on the manager's specific style and the culture of the organization.

### **3. Initiates Action:**

It is critical that leaders initiate action by planning out who will perform what tasks, when the tasks will be completed, and by what means the tasks will be accomplished. Without a clearly defined plan to complete business goals and good communication between managers and relevant parties, an organization will fail no matter how strong the other aspects of managerial leadership are. Managers should be able to initiate fast action to utilize human resources to complete business needs.

### **4. Builds Morale and Improves Satisfaction:**

Good leaders drive employee productivity by building confidence in employees and creating a positive environment that is conducive to productivity. When employees feel stressed or distracted, job performance and job satisfaction suffer. When managers build morale, it can help to improve retention, increase employee job satisfaction, and may favorably impact the bottom line.

### **5. Coordinates Employee Needs and Organizational Needs:**

One of the most important things that every manager must do in order to be effective is to align employee needs and organizational needs. Employee talents, interests, and scheduling needs can all either benefit or detract from an organization, depending on how well a manager works to align these things with organizational needs and goals. The best managers will find a way to effectively align each employee's needs and talents with the organization's goals.

### **6. Delegates Responsibilities:**

It is possible for leaders to delegate too much and it is possible for leaders to delegate too little. Strong leaders know what to delegate and what to handle so that the organization is as productive as possible. Adequate delegation is also necessary for maintaining employee satisfaction, as



employees may take advantage of a manager that delegates too little and resent a manager that delegates too much.

### **2.3.1 The Organizational Leadership:**

Organizational leadership is not a magic that one person have and other don't have. It is also not all about the ordered by boss and then observed by him that how much these ordered are obeyed. The leadership of an organization is instead, an ability of management to get and protect the company benefits by realizing employees need and company targets and bringing them together to work in a better environment to achieve the common goals (Sansom 1998). Organizational leadership has a central role in evolution and cultivating an organization. It can help the member of an organization and working teams to face the challenges and to work for organizational goal in a worthy way. Dunphy and Stace describe an organization leadership as a person who can promote change in an organization by its vision and strategy (Dunphy and Stace 1994 in Senior and Fleming 2006). In this era of rapidly changing business trends and increased customer demands, the role of leadership is more crucial now a days. The strategic leadership is eagerly needed for organizations, which is well capable to predict the essential alterations and changes, in advance and create required commitment and highly suitable atmosphere for worker and teams to understand and adopt these changes successfully. This action by leaders is decisive not only for the effectiveness of the organization but also for its very survival (Bass, 1990; Burke & Cooper, 2004). As the business goals can't be achieved without adopting any strategic business process, likewise the organizational success and sustainability also can't be accomplished without a strategic role of leaders. From allocation of resources to alignment, from perception of thing to decide future focusing, form commitment and motivating the teams to get the goals of an organization, to confirm the sustainable growth, it's a leadership whose footprints are everywhere (McGuire, 2003).

#### 3.1.4 Visionary Leadership

Leader/Leadership is about leading the organizations and organizational teams to go somewhere. If the leaders and its people don't know where to go, then leadership means nothing. So it is important for leaders to have a clear vision. If we try to put the light on word vision, it may have different pictures and angels. According to Bennis and Nanus "vision is a mental image of a possible and desirable future of the organization" (Bennis & Nanus, 1985, in Lysterly, Maxey 2000, P 48) This mental image grows inside the mind of leaders and depends on the h/her competency to perceive the things accurately and use them intelligently for the betterment and sustainability of an organization. Bennis also describes that there are some practically proven leadership competencies that can affect the performance of an organization, which also includes "vision and goal setting", "interpersonal skills and self knowledge" along with some special characteristics which may be concerned with any specific businesses. Kotter states that the vision is the ability of a leader to look in to future while aligning the team with that vision, and then make them inspire to get the desired goals concerning that future: "Vision is a picture of the future with some implicit or explicit

commentary on why people should strive to create that future” (Kotter, 1996, p 68) Organizations are based on teams, and dedicated team work is required to make things happen. These people and teams need a clear picture of a future that motivate and inspire them to become 11 an efficient part of an effort for getting that desired future. It is also important in the way that what the reason of their work and decisions is? It is the vision of a leader that makes it assure that actions and the decisions of organizational team are fit into the actual picture of desired future (Kotter, 1996) Kotter also discuss that without the vision of leaders the motivation level of organization people may go down and their activities become meaningless which can prove worst for an organizations at the later end. He further said that “Vision plays a key role in producing useful change by helping to direct, align and inspire actions on the part of large numbers of people. Without an appropriate vision, a transformation effort can easily dissolve into a list of confusing, incompatible and time consuming projects that go in the wrong direction or nowhere at all” (Kotter 1996, p7

### 2.3.2 Qualities of A Leader:

A leader has got multidimensional traits in him which makes him appealing and effective in behaviour. The following are the requisites to be present in a good leader:

**Physical appearance:** A leader must have a pleasing appearance. Physique and health are very important for a good leader.

**Vision and foresight:** A leader cannot maintain influence unless he exhibits that he is forward looking. He has to visualize situations and thereby has to frame logical programmes.

**Intelligence:** A leader should be intelligent enough to examine problems and difficult situations. He should be analytical who weighs pros and cons and then summarizes the situation. Therefore, a positive bent of mind and mature outlook is very important.

**Communicative skills:** A leader must be able to communicate the policies and procedures clearly, precisely and effectively. This can be helpful in persuasion and stimulation.

**Objective:** A leader has to be having a fair outlook which is free from bias and which does not reflects his willingness towards a particular individual. He should develop his own opinion and should base his judgment on facts and logic.

**Knowledge of work:** A leader should be very precisely knowing the nature of work of his subordinates because it is then he can win the trust and confidence of his subordinates.

**Sense of responsibility:** Responsibility and accountability towards an individual’s work is very important to bring a sense of influence. A leader must have a sense of responsibility towards organizational goals because only then he can get maximum of capabilities exploited in a real sense. For

this, he has to motivate himself and arouse and urge to give best of his abilities. Only then he can motivate the subordinates to the best.

**Self-confidence and will-power:** Confidence in himself is important to earn the confidence of the subordinates. He should be trustworthy and should handle the situations with full will power. (You can read more about Self-Confidence at: Self Confidence - Tips to be Confident and Eliminate Your Apprehensions).

**Humanist:** This trait to be present in a leader is essential because he deals with human beings and is in personal contact with them. He has to handle the personal problems of his subordinates with great care and attention. Therefore, treating the human beings on humanitarian grounds is essential for building a congenial environment.

**Empathy:** It is an old adage “Stepping into the shoes of others”. This is very important because fair judgment and objectivity comes only then. A leader should understand the problems and complaints of employees and should also have a complete view of the needs and aspirations of the employees. This helps in improving human relations and personal contacts with the employees.

From the above qualities present in a leader, one can understand the scope of leadership and its importance for scope of business. A leader cannot have all traits at one time. But a few of them helps in achieving effective results.

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## 2.4 STYLE OF LEADERSHIP

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A leader is a person who influences a group of people towards the achievement of a goal while leadership is the art of motivating a group of people to act towards achieving a common goal. Different leadership styles will result in different impact to organization. The leader has to choose the most effective approach of leadership style depending on situation because leadership style is crucial for a team success. By understanding these leadership styles and their impact, everyone can become a more flexible and better leader.

### **Transactional Leadership:**

Transactional leadership is a term used to classify a group of leadership theories that inquire the interactions between leaders and followers. This style of leadership starts with the premise that team members agree to obey their leader totally when they take a job on. The “transaction” is usually that the organization pays the team members, in return for their effort and compliance. As such, the leader has the right to “punish” team members if their work doesn’t meet the pre-determined standard. Team members can do little to improve their job satisfaction under transactional leadership. The leader could give team members some control of their income/reward by using incentives that encourage even higher standards or greater productivity. Alternatively a transactional leader could practice

“management by exception”, whereby, rather than rewarding better work, he or she would take corrective action if the required standards were not met.

Transactional leadership is really just a way of managing rather a true leadership style, as the focus is on short-term tasks. It has serious limitations for knowledge-based or creative work, but remains a common style in many organizations.

### **Autocratic Leadership:**

Under the autocratic leadership styles, all decision-making powers are centralized in the leader as shown such leaders are dictators. Autocratic leadership is an extreme form of transactional leadership, where a leader exerts high levels of power over his or her employees or team members. People within the team are given few opportunities for making suggestions, even if these would be in the team's or organization's interest.

Autocratic leadership style is often considered the classical approach. It is one in which the manager retains as much power and decision-making authority as possible. The manager does not consult employees, nor are they allowed to give any input. Employees are expected to obey orders without receiving any explanations. The motivation environment is produced by creating a structured set of rewards and punishments. Autocratic leaders make decisions without consulting their teams. This is considered appropriate when decisions genuinely need to be taken quickly, when there's no need for input, and when team agreement isn't necessary for a successful outcome.

Many people resent being treated like this. Because of this, autocratic leadership often leads to high levels of absenteeism and staff turnover. Also, the team's output does not benefit from the creativity and experience of all team members, so many of the benefits of teamwork are lost.

For some routine and unskilled jobs, however, this style can remain effective, where the advantages of control outweigh the disadvantages.

### **Transformational Leadership:**

Transformational leadership is a leadership style that is defined as leadership that creates valuable and positive change in the followers. A transformational leader focuses on “transforming” others to help each other, to look out for each other, to be encouraging and harmonious, and to look out for the organization as a whole. In this leadership, the leader enhances the motivation, morale and performance of his follower group. A person with this leadership style is a true leader who inspires his or her team with a shared vision of the future. Transformational leaders are highly visible, and spend a lot of time communicating. They don't necessarily lead from the front, as they tend to delegate responsibility amongst their teams. While their enthusiasm is often infectious, they can need to be supported by “detail people”.

In many organizations, both transactional and transformational leadership are needed. The transactional leaders (or managers) ensure that routine work is done reliably, while the transformational leaders look after initiatives that add new value.

### **Servant Leadership:**

This term, coined by Robert Greenleaf in the 1970s, describes a leader who is often not formally recognized as such. When someone, at any level within an organization, leads simply by virtue of meeting the needs of his or her team, he or she is described as a “servant leader”. Servant Leadership’s focus was on the leader as a servant, with his or her key role being in developing, enabling and supporting team members, helping them fully develop their potential and deliver their best. In many ways, servant leadership is a form of democratic leadership, as the whole team tends to be involved in decision-making.

Supporters of the servant leadership model suggest it is an important way ahead in a world where values are increasingly important, and in which servant leaders achieve power on the basis of their values and ideals. Others believe that in competitive leadership situations, people practicing servant leadership can find themselves “left behind” by leaders using other leadership styles. Followers may like the idea of servant leadership so there’s something immediately attractive about the idea of having a boss who’s a servant leader. People without responsibility for results may like it for its obviously democratic and consensual approach.

### **Charismatic Leadership:**

The Charismatic Leader and the Transformational Leader can have many similarities, in that the Transformational Leader may well be charismatic. Their main difference is in their basic focus. Whereas the Transformational Leader has a basic focus of transforming the organization and, quite possibly, their followers, the Charismatic Leader may not want to change anything. A charismatic leadership style can appear similar to a transformational leadership style, in that the leader injects huge doses of enthusiasm into his or her team, and is very energetic in driving others forward.

However, charismatic leaders can tend to believe more in themselves than in their teams. This can create a risk that a project, or even an entire organization, might collapse if the leader were to leave because in the eyes of their followers, success is tied up with the presence of the charismatic leader. As such, charismatic leadership carries great responsibility, and needs long-term commitment from the leader.

### **Democratic Leadership or Participative Leadership:**

Although a democratic leader will make the final decision, he or she invites other members of the team to contribute to the decision-making process. This not only increases job satisfaction by involving employees or team members in what’s going on, but it also helps to develop people’s

skills. Employees and team members feel in control of their own destiny, and so are motivated to work hard by more than just a financial reward. Democratic leadership can produce high quantity work for long periods of time. Many employees like the trust they receive and respond with cooperation, team spirit, and high morale. As participation takes time, this style can lead to things happening more slowly than an autocratic approach, but often the end result is better. It can be most suitable where team working is essential, and where quality is more important than speed to market or productivity.

### **Laissez-Faire Leadership:**

The laissez-faire leadership style is also known as the “hands-off” style. It is one in which the manager provides little or no direction and gives employees as much freedom as possible. All authority or power is given to the employees and they must determine goals, make decisions, and resolve problems on their own.

This French phrase means “leave it be” and is used to describe a leader who leaves his or her colleagues to get on with their work. It can be effective if the leader monitors what is being achieved and communicates this back to his or her team regularly. Most often, laissez-faire leadership works for teams in which the individuals are very experienced and skilled self-starters. Unfortunately, it can also refer to situations where managers are not exerting sufficient control. The advantage of this kind of style is positive only in the case when the employees are very responsible and in case of creative jobs where a person is guided by his own aspirations. In these cases, less direction is required so this style can be good. This style has more disadvantages because usually it is the result of the lack of interest of the leader that leads to his adopting this style. It proves poor management and makes the employees lose their sense of direction and focus. The disinterest of the management and leadership causes the employees to become less interested in their job and their dissatisfaction increases.

### **Bureaucratic Leadership:**

This is style of leadership that emphasizes procedures and historical methods regardless of their usefulness in changing environments. Bureaucratic leaders attempt to solve problems by adding layers of control, and their power comes from controlling the flow of information. Bureaucratic leaders work “by the book”, ensuring that their staff follow procedures exactly. This is a very appropriate style for work involving serious safety risks such as working with machinery, with toxic substances, at heights or where large sums of money are involved such as cash-handling.

In other situations, the inflexibility and high levels of control exerted can demoralize staff, and can diminish the organization’s ability to react to changing external circumstances.

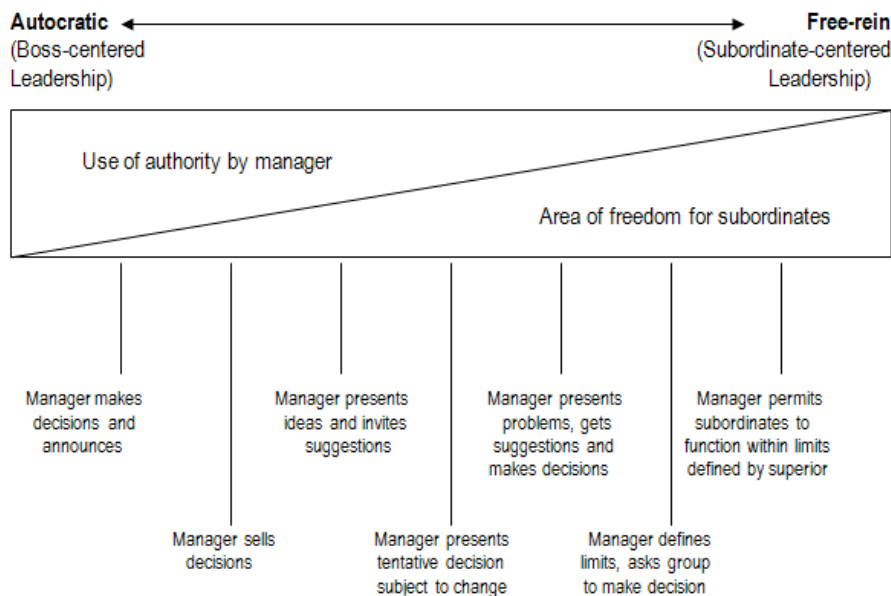
The different leadership styles discussed above proves that leadership styles are the characteristics that critically define the leaders in organizations. They're a mix-and-match of various traits, and goes a long way influence the culture of the whole company and or organization.

## 2.5 LEADERSHIP CONTINUUM

The leadership continuum was originally written in 1958 by Tannenbaum and Schmidt and was later updated in the year 1973. Their work suggests a continuum of possible leadership behaviour available to a manager and along which many leadership styles may be placed. The continuum presents a range of action related to the degree of authority used by the manager and to the area of freedom available to non-managers in arriving at decisions. A broad range of leadership styles have been depicted on the continuum between two extremes of autocratic and free rein (See figure 1). The left side shows a style where control is maintained by a manager and the right side shows the release of control. However, neither extreme is absolute and authority and freedom are never without their limitations.

The Tannenbaum and Schmidt continuum can be related to McGregor's supposition of Theory X and Theory Y. Boss-centered leadership is towards theory X and subordinate-centered leadership is towards theory Y.

**Figure 1: Continuum Leadership Behavior**



A manager is characterized according to degree of control that is maintained by him. According to this approach, four main styles of leadership have been identified:

**Tells:** The manager identifies a problem, chooses a decision, and announces this to subordinates. The subordinates are not a party to the decision making process and the manager expects them to implement his decisions as soon as possible.

**Sells:** The decision is chosen by the manager only but he understands that there will be some amount of resistance from those faced with the decision and therefore makes efforts to persuade them to accept it.

**Consults:** Though the problem is identified by the manager, he does not take a final decision. The problem is presented to the subordinates and the solutions are suggested by the subordinates.

**Joins:** The manager defines the limits within which the decision can be taken by the subordinates and then makes the final decision along with the subordinates.

According to Tannenbaum and Schmidt, if one has to make a choice of the leadership style which is practicable and desirable, then his answer will depend upon the following three factors:

**Forces in the Manager:** The behavior of the leader is influenced by his personality, background, knowledge, and experience. These forces include:

- Value systems
- Confidence in subordinates
- Leadership inclinations
- Feelings of security in an uncertain situation

**Forces in the subordinate:** The personality of the subordinates and their expectations from the leader influences their behavior. The factors include:

- Readiness to assume responsibility in decision-making
- Degree of tolerance for ambiguity
- Interest in the problem and feelings as to its importance
- Strength of the needs for independence
- Knowledge and experience to deal with the problem
- Understanding and identification with the goals of the organization
- If these factors are on a positive side, then more freedom can be allowed to the subordinate by the leader.

**Forces in the situation:** The environmental and general situations also affect the leader's behavior. These include factors like:

**Type of organization:**

- Group effectiveness
- Nature of the problem
- Time pressure



### **2.5.1 Methods for Developing Effective Leaders:**

#### **Proper use of Management by Objectives:**

Management by objectives is a very effective technique for establishing specific and challenging goals. Once managers define clear, specific and challenging goals, they provide direction to subordinates. Managers can also help subordinates if they encounter any problems.

#### **Providing Employees Meaningful and Interesting Work:**

Subordinates have an inherent desire for achievement. Managers should provide work which is interesting and challenging, to subordinates. Moreover, the subordinates should be rewarded when they perform a task well. Finally, as they gain experience and become proficient in their work, subordinates should be given higher responsibilities.

#### **Focusing on Improving Communication Skills:**

Managers should remove all major barriers to effective communication. The manager must communicate clearly, specifically and unambiguously when giving instructions. The leader should not only be able to communicate well, but should also be a good listener.

By being a good listener, managers will be able to understand employee concerns and can address them in an appropriate manner. Another important aspect managers must take care of is feedback. They should provide necessary feedback to subordinates so that they can improve their performance.

#### **Using an Effective Performance Appraisal for Subordinates:**

The manager should determine how well the subordinate has performed, The actual performance should be compared with the desired results. Performance appraisal should reward and reinforce effective employee performance. The appraisal should also highlight the areas of concern, and show subordinates how to improve their performance.

#### **Proper Delegation of Authority and Responsibility:**

The manager should give adequate authority and responsibility to Subordinates to perform the appointed task. The motivation level of subordinates increases if they are given greater responsibilities or tasks which they perceive to be important.

#### **Building a Team:**

The manager should ensure that each subordinate understands his/her role and responsibilities. The manager should also make the employees understand the mission of the organization, and how each subordinate contributes to the profitability of the organization they should make subordinates feel they are part of a team.

## Using Standard Procedures for Effective Decision-Making:

The manager should ensure that the decisions made have merit, and are made within a scheduled time frame and is accepted by employees. For this, the manager should establish procedures for decision-making.

### 2.5.2 Path Goal Theory:

The Path-Goal model is a theory based on specifying a leader's style or behaviour that best fits the employee and work environment in order to achieve a goal (House, Mitchell, 1974). The goal is to increase your employees' motivation, empowerment, and satisfaction so they become productive members of the organization.

Path-Goal is based on Vroom's (1964) expectancy theory in which an individual will act in a certain way based on the expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual. The path-goal theory was first introduced by Martin Evans (1970) and then further developed by House (1971).

The path-goal theory can best be thought of as a process in which leaders select specific behaviours that are best suited to the employees' needs and the working environment so that they may best guide the employees through their path in the obtainment of their daily work activities (goals) (Northouse, 2013).

While Path-Goal Theory is not a detailed process, it generally follows these basic steps as shown in the graphic below:

- Determine the employee and environmental characteristics
- Select a leadership style
- Focus on motivational factors that will help the employee succeed



### **Employee Characteristics:**

Employees interpret their leader's behaviour based on their needs, such as the degree of structure they need, affiliation, perceived level of ability, and desire for control. For example, if a leader provides more structure than what they need, they become less motivated. Thus, a leader needs to understand their employees so they know how to best motivate them.

### **Task and Environmental Characteristics:**

Overcoming obstacles is a special focus of path-goal theory. If an obstacle becomes too strong, then the leader needs to step in and help the employee select a path to work around it. Some of the more difficult task characteristics that often arise are:

**Design of the task:** The design of the task might call for the leader's support. For example, if the task is ambiguous, then the leader might have to give it more structure or an extremely difficult task might call for leader support.

**Formal authority system:** Depending upon the task authority, the leader can provide clear goals and/or give the employee some or all control.

**Work group:** If the team is non-supportive, then the leader needs to be cohesiveness and espouse esprit-de-corps that provides comradeship, enthusiasm, and devotion to all team members.

### **Leader Behavior or Style:**

The independent variables of Path-Goal Theory are the leader's behavior - the leader adjusts her style of behaviour to the employee and task characteristics so that the employee's motivation is to excel at their goal.

House and Mitchell (1974) defined four types of leader behaviours or styles: Directive, Supportive, Participative, and Achievement (explained in detail below). They are based on two factors that were identified by Ohio State University study behaviours (Stogdill, 1974):

**Consideration:** relationship behaviors, such as respect and trust.

**Initiating Structure:** task behaviors, such as organizing, scheduling, and seeing that work is completed.

The first behaviour listed below, Directive, is based on *initiating structure*. The other three (achievement, participative, and supportive) are based upon consideration.

### **The four path-goal types of leader behaviours are:**

**Directive:** The leader informs her followers on what is expected of them, such as telling them what to do, how to perform a task, and scheduling and coordinating work. It is most effective when people are unsure about the task or when there is a lot of uncertainty within the environment.

**Supportive:** The leader makes work pleasant for the workers by showing concern for them and by being friendly and approachable. It is most effective in situations in which tasks and relationships are physically or psychologically challenging.

**Participative:** The leader consults with his followers before making a decision on how to proceed. It is most effective when subordinates are highly trained and involved in their work.

**Achievement:** The leader sets challenging goals for her followers, expects them to perform at their highest level, and shows confidence in their ability to meet this expectation. It is most effective in professional work environments, such as technical, scientific; or achievement environments, such as sales.

The leaders' behaviour is not set in stone, as there are other leadership styles that may be used depending upon the situation. For example, House (1996) defined four other behaviours:

- Work Facilitation
- Group Oriented Decision Process
- Work Group Representation and Networking
- Value Based

As noted earlier, the independent variables of Path-Goal Theory are the leaders' behaviour, thus the path-goal theory assumes that people (leaders) are flexible in that they can change their behaviour or style, depending upon the situation. This coincides with the research that while nature (genes) may be our internal guide, nurture (experience) is our explorer that has the final say in what we do (Ridley, 2003).

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## **2.6 TRANSACTIONAL AND TRANSFORMATIONAL LEADERS**

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Transactional leadership is a more structured approach to management that relies on rigorous checks and balances throughout a company's production lifecycle. Typically, employees are given their short- and long-term goals and expected to work toward them under supervision, and everyone is expected to adhere to strict guidelines set by the company. Employees who meet their goals are rewarded, while those who fail to meet their deadlines are reprimanded.

While it's true that this form of leadership doesn't necessarily work well in creative environments where a more open structure is preferred, transactional leaders work well in environments that thrive on structure and organization. Plus, employees are allowed a certain degree of autonomy within the confines of company policy, so long as they're capable of meeting their goals effectively and on time. For employees who excel in an environment based on consistent company policies, transactional leadership can be a key motivating factor in encouraging them to realize company goals. Rules, regulations, and a high degree of organization is the foundation upon which transactional leaders build their organization.

A managerial approach to enacting transactional leadership may vary based on your organizational structure. For example, some may choose to create a motivation system built on rewards for each goal met or lean on a more intensive approach to supervising if it supports employees in meeting company goals. It can be a more intensive approach to leadership, but in the right environment, it can lead to exceptional motivation and results.

### **2.6.1 Transformational Leaders:**

Transformational leadership is defined as a leadership approach that causes change in individuals and social systems. In its ideal form, it creates valuable and positive change in the followers with the end goal of developing followers into leaders. Enacted in its authentic form, transformational leadership enhances the motivation, morale and performance of followers through a variety of mechanisms. These include connecting the follower's sense of identity and self to the mission and the collective identity of the organization; being a role model for followers that inspires them; challenging followers to take greater ownership for their work, and understanding the strengths and weaknesses of followers, so the leader can align followers with tasks that optimize their performance.

### **2.6.2 Characteristics Of Transformational Leaders:**

- 1. Individualized Consideration:** the degree to which the leader attends to each follower's needs, acts as a mentor or coach to the follower and listens to the follower's concerns and needs. The leader gives empathy and support, keeps communication open and places challenges before the followers. This also encompasses the need for respect and celebrates the individual contribution that each follower can make to the team. The followers have a will and aspirations for self development and have intrinsic motivation for their tasks.
- 2. Intellectual Stimulation:** The degree, to which the leader challenges assumptions, takes risks and solicits followers' ideas. Leaders with this style stimulate and encourage creativity in their followers. They nurture and develop people who think independently. For such a leader, learning is a value and unexpected situations are seen as

opportunities to learn. The followers ask questions, think deeply about things and figure out better ways to execute their tasks.

3. **Inspirational Motivation:** The degree to which the leader articulates a vision that is appealing and inspiring to followers. Leaders with inspirational motivation challenge followers with high standards, communicate optimism about future goals, and provide meaning for the task at hand. Followers need to have a strong sense of purpose if they are to be motivated to act. Purpose and meaning, which provide the energy that drives a group forward. The visionary aspects of leadership are supported by communication skills that make the vision understandable, precise, powerful and engaging. The followers are willing to invest more effort in their tasks; they are encouraged and optimistic about the future and believe in their abilities.
4. **Idealized Influence:** Provides a role model for high ethical behaviour, instils pride, gains respect and trust. As a development tool, transformational leadership has spread already in all sectors of western societies, including governmental organizations. As an example, the Finnish Defence Forces is using widely Deep Lead© Model as basic solution of its leadership training and development. The Deep Lead© Model is based on the theory of transformational leadership.

#### 2.6.3 Transactional Vs. Transformational Leader:

BASIS FOR COMPARISON	TRANSACTIONAL LEADERSHIP	TRANSFORMATIONAL LEADERSHIP
Meaning	A leadership style that employs rewards and punishments for motivating followers is Transactional Leadership.	A leadership style in which the leader employs charisma and enthusiasm to inspire his followers is Transformational Leadership.
Concept	Leader lays emphasis on his relation with followers.	Leader lays emphasis on the values, ideals, morals and needs of the followers.
Nature	Reactive	Proactive
Best suited for	Settled Environment	Turbulent Environment
Works for	Developing the existing organizational culture.	Changing the existing organizational culture.
Style	Bureaucratic	Charismatic

BASIS FOR COMPARISON	TRANSACTIONAL LEADERSHIP	TRANSFORMATIONAL LEADERSHIP
How many leaders are there in a group?	Only one	More than One
Focused on	Planning and Execution	Innovation
Motivational tool	Attracting followers by putting their own self interest in the first place.	Stimulating followers by setting group interest as a priority.

### Key Differences between Transactional and Transformational Leadership:

The following are the major differences between transactional and transformational leadership:

- Transactional Leadership is a type of leadership whereby rewards and punishment are used as a basis for initiating the followers. Transformational Leadership is a leadership style in which the leader uses his charisma and enthusiasm to influence his followers.
- In transactional leadership leader, is lays stress on his relationship with followers. Conversely, in transformational leadership leader lays stress on the values, beliefs and needs of his followers.
- Transactional Leadership is reactive whereas Transformational Leadership is proactive.
- Transactional Leadership is best for a settled environment, but Transformation is good for the turbulent environment.
- Transactional Leadership works for improving the present conditions of the organisation. On the other hand, Transformational Leadership works for changing the present conditions of the organisation.
- Transactional Leadership is bureaucratic while Transformational Leadership is charismatic.
- In Transactional Leadership, there is only one leader in a group. In contrast to transformational leadership, in which there can be more than one leader in a group.
- Transactional Leadership is focused towards planning and execution as compared to transformational leadership which promoted innovation.

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## 2.7 SUMMARY

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Leadership is a process of influencing group activities towards the achievement of certain goals. It is a continuous process whereby the manager influences, guides and directs the behaviour of subordinates to secure willing cooperation of the group. Combination of the managerial and leadership roles in the manager leads to not only effective task performance but also human satisfaction all round.

The dominant behaviour pattern of a leader-manager in relation to his subordinates is known as leadership style. There are three basic styles of leadership: (1) Autocratic, (2) Laissez faire and (3) Democratic style. An autocratic leader centralises power and decision-making in himself and exercises complete control over the subordinates. Hence it results in low morale, and decline of productivity in the long run. In democratic style of leadership decisions are taken by the leader in consultation with members of the group and with their participations in the decision-making process. It helps subordinates to develop their potential abilities, provides job Leadership satisfaction and improves morale. In laissez faire style, subordinates are left to take the decisions and perform their work as they like. Hence there may be chaos and mismanagement under this leadership style. The functions of a leader manager include : developing teamwork, representing the group and acting as a link with top management, advising and counseling subordinates, managing the time schedule of work performance, using power properly, and securing effectiveness of group effort. Effective leadership makes a positive impact on the motivation of the members of the work group. The manager-leader may be effective or ineffective depending upon the leadership style adopted by him. The concept of managerial grid helps managers to identify their own leadership style in terms of the degrees of concern for people and concern for work combined in the style. More effective styles are said to be the following which reflect the manager's orientation: Executive, developer, benevolent autocrat, and Bureaucrat.. An effective leader must possess certain qualities like physical and mental health empathy, self-confidence, awareness of his strength and weaknesses, objectivity, knowledge and intelligence, decisiveness, ability to communicate, etc.

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## 2.8 EXERCISE

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### Fill the blanks.

1. \_\_\_\_\_ is the process of guiding the efforts of employees to accomplish the desired goal.  
(supervision, directing, controlling, motivation)
2. Directing is a \_\_\_\_\_function.  
(Managerial voluntary long-term, short term)
3. Leadership style that follows "command and control approach is \_\_\_\_\_  
(Transactional, Cross cultural, Autocratic, Democratic)



4. Maintaining discipline and rewarding effective performance is \_\_\_\_\_ part of function of management.  
(Planning, staffing, Directing, Forecasting )
5. Directing function of management implies \_\_\_\_\_  
(Staffing, Leading, Controlling, Organizing)

**Match the column.**

1. Bureaucratic style	a. The leader shares the problem with the group
2. Unityofcommand	b. The Leader follows the rules and regulation in totality.
3. Formal organisation	c. Directing
4. Matrix organisation	d. Clear lines of Authority
5. Laissez-faire Style	e. Hybrid Structure

**True or false.**

1. Directing function is all pervasive.
2. The directing function of a management initiate action.
3. Some managers may be effective leaders without ever having taken a course or training program in leadership
4. Good leadership is all about calculation, planning, and following a checklist.
5. You only need common sense to be a good leader

**Short Notes.**

1. Steps in Directing
2. Ethics in communication.
3. Qualities of a leader
4. Path Goal Theory
5. Bureaucratic Style.

**Answer in brief.**

1. Enumerate the principal characteristics of leadership
2. Distinguish between Transactional and transformational leaders.
3. What are the features of directing?
4. Explain continuum leadership behaviour in brief.
5. What do you understand by leadership? Explain briefly.

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# MODULE II

# 3

## CO-ORDINATION

### Unit Structure

- 3.0 Objective
- 3.1 Introduction
- 3.2 Co-ordination
- 3.3 Co-ordination vs co-operation vs conciliation
- 3.4 Summary
- 3.5 Exercise

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### 3.0 OBJECTIVES

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After studying this module learner able to understand:

1. What is coordination?
2. Difference between cooperation and conciliation
3. Motivational factors
4. Different theories of motivation

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### 3.1 INTRODUCTION

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This entire topic is based on Co-ordination and Motivation. In this topic all the basic concept is cover like Meaning and importance of Co-ordination, why the co-ordination is very much essential for the management. Meaning of motivation, how the motivation theory is very much helpful from the employee point of view. The topic also gives the focus on how the motivational factors affect the carrier development of each and every individual.

Over here Maslow's need hierarchy theory gives the more focus on the life satisfaction of each and every individual.

At the end of this topic the students are defiantly understand the value of co-ordination and co-operation. As well as how the motivational theory is quite effective in organisational climate and culture.

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### 3.2 CO-ORDINATION

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Co-ordination means to integrate or we can say to bring together all the activities of an organization. It is done for the achieving the goal of the organization. There must be proper co-ordination throughout the organizational department. The top-level co-ordinates the activities of the

middle-level. The middle level coordinates the activities of the lower level. And the lower-level managers coordinate the activities of the subordinates.

According to the management experts, co-ordination is very much essential because:

- Co-ordination affects all the function of management i.e., planning, organising, directing, controlling and staffing.
- Co-ordination is also the main function of management.
- According to the Mary Parker Follet, Co-ordination is the “plus-value of the group.” That is, if there is good co-ordination then the combined group achievement will be greater than the total of the individual achievement, i.e.,  $2+2=5$ . This is impossible in the physical world, but it is possible in human affairs through Co-ordination.

### 3.2.1 Importance of Co-ordination:

The need and importance of co-ordination can be definitely judge from the below point.



- **Co-ordination encourages team spirit:**

All organisations have some conflicts between individuals, departments, line and staff etc. conflicts are also between individual and organisational objectives. Co-ordination plays an important role to minimise the conflict within the organization. It encourages the employees to work as a team and achieve the target of organization. This ultimately increase the team spirit among the employees.

- **Co-ordination gives proper direction:**

There are many departments in the organization like, finance, marketing, HR, Human Personnel, Seles, logistic etc. Each department performs different activities. Co-ordination helps them to achieve common goals of the organization. Thus, co-ordination gives proper direction to all the departments of the organization.

- **Motivates Subordinates:**

Co-ordination gives complete freedom to employees. It also gives them many financial and non-financial incentives. Therefore, the employee gets job satisfaction, and they are motivated to perform better.

- **Optimum utilization of resources:**

Co-ordination helps to bring together human and material resources of the organization. These resources are used to achieve the objectives of the organization. It also minimizes the wastage of resources in the organization. The resources of the organization are put to best possible use by the members of the organization.

- **Helps to achieve Objectives:**

Coordination helps to achieve objectives of the organisation. Effective coordination improves relationships and results in team work. Therefore, the firm is in a better position to achieve its objectives.

- **Better relations:**

The Top-level Managers coordinate the activities of the Middle Level Managers and develop good relations with them. The middle level managers coordinate the activities of the lower-level managers and develop good relations with them. The lower-level managers coordinate the activities of the workers and develop good relations with them. Thus, coordination, overall improves the relations in the organization.

- **Higher efficiency:**

Efficiency is the relationship between Returns and Cost. There will be higher efficiency when the returns are more and the cost is less. Thus, coordination gives more focus on optimum utilisation of resources. It results in more returns and low cost. Thus, coordination leads to higher efficiency as well.

- **Corporate image:**

Coordination helps an organization to sell high quality goods and services at lower prices. This improves the goodwill of the organization and helps it earn a good name and image in the market and corporate world.

### **3.2.2 Coordination is the essence of management:**

“Co-ordination is the Essence of Management.” The meaning of this sentence implies, co-ordination affects all the function of management. In other words, you can say, co-ordination affects planning, Organising, Staffing, Directing, Communicating, Leading, Motivating and Controlling.



- **Planning and Coordination:**

According to Harold Koontz, "Planning is deciding in advance what to do, how to do it, when to do it, and who is to do it."

There are many departmental plans in business. These include, Purchase Plan, Sales Plan, Production Plan, Finance Plan, etc. All these plans must be coordinated and one Master Plan must be made for the full business. Therefore, we can say over here planning is affected by coordination.

- **Organising and coordination:**

There are many steps in Organising. All these steps must be coordinated, to achieve organisational objectives. i.e., to achieve profit, to achieve goodwill and to achieve customer satisfaction. In organisation higher level, middle level and lower-level management play an important role to maintain the coordination. The top-level managers must coordinate the efforts of the Middle Level Managers. The middle level Managers must coordinate the efforts of the lower-level managers. The lower-level managers must also coordinate the efforts of the worker.

- **Staffing and Coordination:**

Staffing involves Recruitment and Selection, Training, Placement, Promotion, Transfer etc. All these steps must be properly coordinated. The efforts of all the individuals, groups and departments must be coordinated for achieving the objectives of the business. Therefore, staffing is affected by coordination.

- **Directing and Coordination:**

Directing means giving necessary information, proper instructions and guidance to the employees. For eg in the department of production, the production manager gives the instruction to the co-workers relate to the specific goods production as per the requirements from the customers. Say shoes, ornaments, electronic equipment. Therefore, direction is affected by coordination.

- **Communicating and Coordination:**

Many types of communication methods are used in a business. These methods include, Formal communication, Informal Communication, Upward and Downward communication, oral and written communication,

etc. All these types of communication must be properly coordinated. Lack of better coordination ultimately affect the expansion of the business process. It will also restrict the important information flow and cause many economic problems in the business. Therefore, communicating and coordination maintain the link with each other.

- **Motivating and Coordination:**

There are many types of motivation like positive, negative, financial and non-financial motivation. All these types of motivation must be properly coordinated. For achieving the business target, every organisation offers monetary and non-monetary benefits to the employees which result in motivation.

- **Leading and Coordination:**

Every manager must be a good leader. He must coordinate the efforts of his subordinates for achieving the objectives. Being a good leader, every employee has to give the focus on good communication, coordination, facing any business situation confidently. He must also coordinate the material and financial resources of the organization. Leadership won't be able to perform without the best coordination. Therefore, leadership affected by the coordination.

- **Controlling and Coordination:**

Controlling refers to monitoring actual performance, and taking corrective measures, if it is required. There is a need for coordination in controlling the activities of the organization. E.g., when control measures are initiated, the manager must coordinate the activities of his subordinates to achieve the desired result.

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### 3.3 CO-ORDINATION VS. CO-OPERATION VS. CONCILIATION

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Parameter of Comparison	Coordination	Cooperation	Conciliation
<b>Definition</b>	It refers to inter-linking of activities in the organization. It is a process of integration of activities of the members of an organisation to accomplish objectives.	It is described as a voluntary effort of individuals who work together to accomplish organization goals.	It is a part of the dispute resolution technique between the management and union, which helps to resolve the issue between two parties on a point of disagreement.
<b>Process</b>	It is the part of the management process.	It is voluntary in nature and act as an action that	It begins with the acceptance by the parties in dispute to

		arises due to already shared informal relations.	choose the conciliation method to resolve the organisational disputes.
<b>Need</b>	It is required for the achievement of the goals within an organization.	It gives the focus on informal relations and acting to work together.	It is the last opportunity to the parties to the dispute to resolve dispute in a mutually agreeable and convenient way.
<b>Scope</b>	Wider scope	Narrow scope	Wider scope
<b>Activity</b>	Performed only at the top levels of management within an organization for a long course of action.	Performed at every level within an organization for a short course of a period as it involves the voluntary actions.	Examples of conciliation process include claims for the improvements in pay or condition of employment, disciplinary cases, grading issues, disputes arising from proposed changes to the way work is done, company restructuring etc.

**Check your progress:**

- what is the meaning of Coordination?
- What is the meaning of Cooperation?
- What is the meaning of Conciliation?
- Co-ordination affects all the functions of management whether true or false?
- Cooperation is the wider concept whether true or false?

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**3.4 SUMMARY**

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Organizational development is a critical and science-based process that helps organizations build their capacity to change and achieve greater effectiveness by developing, improving and reinforcing strategies, structures and processes. Co-ordination is the function of management which ensures that different departments and groups work is synchronize. Therefore, there is unity of action among employees, groups and departments. It also brings harmony in carrying out the different tasks and activities to achieve. As per the above discussion conciliation and co.ordiantion is smooth process. Conciliatation is an alternative dispute resolution. It is wider in scope





3. Organising is the process of defining and grouping the activities of the organization.
4. Co-ordination is needed at all the levels of management.
5. Conciliation is the dispute resolution techniques between the management and union.

**Ans key:**

True :- 3,4,5

False :- 1,2

**Short Notes.**

1. Importance of Co-ordination
2. Corporate Image
3. Co-operation
4. Conciliation
5. Process of Co-ordination, co-operation and conciliation

**Answer in brief Explain the functions of Co-operation.**

1. Co-ordination is the essence of management
2. Distinguish between co-ordination and co-operation
3. Distinguish between Co-ordination and Conciliation.
4. Explain in Brief the concept of Conciliation.

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# MOTIVATION

## Unit Structure

- 4.0 Objective
- 4.1 Introduction
- 4.2 Motivation
- 4.3 Financial and non financial motivators
- 4.4 Theories of motivation
- 4.5 Summary
- 4.6 Exercise

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## 4.0 OBJECTIVES

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1. To learn the concept of motivation
2. To learn the types of motivation
3. To learn the theories of motivation

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## 4.1 INTRODUCTION

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In this unit you are going to learn the motivation concept, why the motivation is very much essential for the organizational development. Various motivation theories and How its essential for the same.

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## 4.2 MOTIVATION

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Motivation is an inspiration (intrinsic and extrinsic value) that helps to use the employees' knowledge and skill for the growth and development of the organization. It is the inner drive that energizes you to do something. It is an inner drive that causes you to do something and persevere at something. For example, hunger is a motivation that elicits a desire to eat. A person who is motivated enjoys the thing. A person who is motivated enjoys the thing that he/she does in his real life. For example, a student who is excited about learning. The term motivation is derived from the word "motive ". Behind every human action there is a motive. Therefore, management must provide motives to the people to make them work for the organization.

In the words of Michael Lucious" Motivation is the act of stimulating someone or oneself to get a desired course of action, to push the right button to get a desired reaction."

According to the Steven L. Meshane& Mary Ann. "Motivation refers to the forces within a person that affect his or her direction, intensity and persistence of voluntary behaviour."

#### **4.2.1 Importance of Motivation:**

The process of motivation plays a very important role in any organization, profit or non-profit. The managerial process of direction is primarily by the process of motivation as it creates within the mind of an employee a desire to work in the direction determined by the manager.

##### **1. Increased Productivity:**

Motivation is a process that leads to an increase in the productivity of the employee. Motivation meets the needs of the employees and therefore to give the more focus on the best work. A well-employee will be willing to put in more effort towards the betterment of the organization than another disheartened employee.

##### **2. Higher efficiency:**

Motivation plays an important role in changing the attitudes of the employee in the organization, A different attitude is extinguished most efficiently by motivation. Therefore, motivated employees definitely achieve the goal of the organization.

##### **3. Reduce Absenteeism:**

Motivated employees feel like they are highly important for the organization. Therefore, their absenteeism is ultimately reduced. The best example over here TCS, Infosys and L&T where the organization takes so many efforts for the employee's satisfaction towards the job. When employees are not motivated, they find excuses to remain absent.

##### **4. Utilization of Resources:**

Motivation helps stimulate the employees. They make the best possible choices, and so the best utilization of the factors of production and other resources. Motivated employees try to minimize their wastages and costs to better their performances.

##### **5. Readiness for change:**

Every organization functions in a very dynamic business environment. And with the changes in the environment, the organization also must change to adapt and keep up with times. When such technological, environmental etc changes may occur in the organization sometimes employees are hesitant to accept and adapt to such changes. But motivated employees easily accept the facts.

##### **6. Healthy Industrial Relations:**

Motivation creates healthy industrial relations within the organization. The relation between management and trade unions with the help of motivation. So, motivation provides a healthy relationship in the industrial field too.

## **7. Realizing Organizational Goals:**

Motivated employees develop a feeling of total involvement in the task of organization and work wholeheartedly for the realization of organizational goals. The employee should give more focus on the organizational goals while motivating them. So, motivation helps to realize the organizational goals of the employees.

## **8. Reduced Wastages, and Breakages:**

Motivated employees take utmost care in handling machines, materials and other resources. This would reduce wastages and breakages. Thus, it results in higher benefits to the organisation. When employees are not motivated, they tend to deliberately waste materials and may even damage or break machines and equipment.

## **9. Facilitates initiative and Innovation:**

Satisfied employees find out ways and means to improve the efficiency of the organisation. They provide suggestions to their superiors to improve the quality and to reduce costs. They use their initiative to find out innovative ways and methods in the performance of their operations.

## **10. Improves Corporate Image:**

Satisfied employees are more loyal to the company. They work with a sense of commitment and dedication. This results in better relations with the public, the shareholders, clients and others, which in turn develops good corporate image.

### **Other benefits:**

- Increased job satisfaction to the employees.
- Helps to overcome resistance to change.
- Develops positive attitude in the employees.

### **Check your progress:**

- Define motivation.
- Whether motivation is important for the organizational development? Say true or false.
- Motivation includes \_\_\_\_\_ and \_\_\_\_\_ factors. (Intrinsic, extrinsic, diversion, conclude)

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## **4.3 FINANCIAL AND NON-FINANCIAL MOTIVATORS**

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The various methods of motivation can actually be applied in the workplace, normally sub-divide them into financial and non-financial methods. Financial methods directly involve monetary rewards, e.g., bonuses, pay raises, pensions etc. Nonfinancial methods, though perhaps

indirectly bringing monetary rewards, are targeted at providing psychological benefits for workers. These are given following way: -

### **A. Financial Motivators:**

These relate to direct monetary benefits which are motivating employees and create an effect on their efficiency. These are included salary, bonus, commission, performance pay, reward in cash, allowances, etc.

- **Payment / Salary:** Per month salary is motivating employees fixed amounts per month or year for performing a role; these are common for almost all employees.
- **Wages:** Wages are often paid every week, mostly in cash. It is a common way of remuneration for manual workers or daily wage workers. It can be calculated in two ways:
  - (i) **Piece Rate:** This is where the workers are paid depending on the quantity of products made. Those produce more, they get a more wage.
  - (ii) **Time Rate:** This payment by the hour. The longer you work the more you get paid.
- **Allowances:** Amount paid to employees as part of their salary package, or to defray their out-of-pocket expenses incurred on behalf of the firm. It included city, house rent, foreign travelling, conveyance, medical, kit allowance, maintenance allowance.
- **PLWL:** It is productivity linked wage incentives. The productivity linked incentive systems is a system which establishes a closer link between wages and productivity so as to enhance competitiveness.
- **Bonus:** Extra amount is paid to workers once a year or at intervals during the year as an appreciation for their hard work. It included performance bonus, festival bonus etc.
- **Share ownership:** As a gesture of appreciation for the hard work of the employees a businessman might offer stock options to its employees. This motivates them to work even harder because they are also the owners of the company.
- **Profit Sharing:** Some businesses will pay a percentage of profits to employees. This amount depends on the salary and according to their seniority.
- **Performance related pay:** Employee pay is linked to their performance at work. An appraisal is carried out for the employee and they get paid according to their appraisal.
- **The commission:** It is often paid to sales staff. The certain percentage of commission is paid to sales person who exceed a certain level of sales. It motivates the sales staff to sell more.

- **Fringe Benefits:** Other forms of financial motivation include company cars, pension schemes, retirement schemes, sickness benefits, subsidised meals and travel, and staff discounts. These are often grouped together under the heading fringe benefits.

## **B. Nonfinancial Motivators:**

According to theories of Abraham Maslow's hierarchy needs theory, Elton Mayo's behavioural theory, and Herzberg's Motivation factor theory, the use of non-financial methods of motivation must used by the employer for the benefits of the employees and thereby companies. The non-financial methods of motivation outlined below can be linked to one of more of these theories.

- **Same status in the company:** If workers are feeling separate from each other than they are de-motivating. The single status, like same dining facilities, same uniform of the workers will remove all artificial barriers and this will motivate employees.
- **KSI:** Knowledge of Secret information given to the organizational employees, is one of the non-motivating factors can increase efficiency of these employees as they are thinking a very important part of the organizational relations.
- **CAO:** Career Advancement Opportunity, many of the organisations find a trusted advisor and mentor for career guidance and information to their employees and give them a career advancement opportunity for their promotions.
- **ERP:** It is Employees Recognition Programmes, where the organization will organize ERP and give awards and rewards to the efficient employee.
- **Guarantee of Justice:** The organization must commit to the employees about justification, if they need for their any problems.
- **Job Rotation:** Where workers switch from one job to another. So the employees can do different times. Job rotation involves the movement of employees through a range of jobs in order to increase interest and motivation. It avoids the saturation in the work which is done by them and increase efficiency.
- **Job enlargement:** It involves increasing the scope of a job or broadcasting the task assigned to the worker. More variety in the job carried out by the worker leads to more job satisfaction. Job enlargement involves adding extra, similar, tasks to a job. In Job enlargement, the job itself remains essentially unchanged.
- **Job enrichment:** Where employees give greater depth to their range of work rather than simply a wider variety of tasks of a similar level. They take part in decision making and problem solving. Job Enrichment attempts to give employees greater responsibility by

increasing the range and complexity of tasks they are asked to do and giving them the necessary authority.

- **Job Security:** The employees need job security as it will improve their efficiency. Temporary employees cannot concentrate on their job which is resulting in less productivity.
- **Team working:** A group of workers is given responsibility for a particular process, product or development. The group is involved in the decision and free to decide the way the job is done and how to organise the job. This creates a sense of purpose and commitment to the job at hand, thus leading to greater satisfaction.
- **Various facilities of employees:** There are various non-monetary facilities provided by the companies to improve the morale of the employees such as free children education, discount on firms' products, health care facilities, company vehicle, Free accommodation, expenses for clothing and food, leave travel allowance, Pension facilities.

**Check your progress:**

**Whether following statement is true or false.**

- 1) Brainstorming session is done only inside the office.
- 2) Work-life balance is a part of motivation.

**Write in one sentence.**

- 1) The term monetary benefits include.
- 2) The term non-monetary benefits include.
- 3) The full form of CSR
- 4) How many elements are included in company's culture?

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## **4.4 THEORIES OF MOTIVATION**

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Motivation is defined as “the intention of achieving a goal, leading to goal-directed behaviour” when we say that someone is motivated, we mean that the person is trying hard to accomplish a certain task. Motivation is clearly important in order for someone to perform well. Motivation alone is not sufficient. Motivation theory is the study of understanding what drives a person to work towards a particular goal or outcome. Its relevant to all of society but is especially important to business and management.

That's because a motivated employee is more productive and a more productive employees is more profitable. Indeed, research has shown that happy, motivated employees can increase productivity by around 12%.

## Motivation Theories: The Basics:

- **Extrinsic Factors:** Here people are motivated by external factors such as bonus for hard work or a sanction of targets are not met.
- **Intrinsic Factors:** Here people are motivated by a desire to satisfy human needs. These might include a desire to please their boss or to achieve certain professional or personal goals.

Most people are motivated by a combination of extrinsic and intrinsic motivation factors.

## Using employee's motivation theories to increase productivity:

- **Reward:** A thoughtfully created employees reward scheme can go a long way to motivating your team and increasing productivity. While there are number of common ways companies reward employees (Friday beers, staff lunch etc) a reward scheme is not a one-size fits all policy. Instead, think about what works best to your team specifically, make them inclusive and appropriately sized.

Whether they are geared towards personal goals or embodying company values, chances are you will see your team reinforcing your company values and better teamwork. Don't sleep on small rewards either, a hand – written note, or a shout-out at team meeting can ensure your team stays motivated.

- **Trust:** Employees want to know you have their best interests at heart while employees want to know they can trust employees to do a job well. Building a culture around trust creates a positive atmosphere which motivates your staff and benefits productivity.
- **Recognition:** It is simple but recognising an employee's hard work can have a tremendous impact. Recognition can take many forms from an informal "thank you "or employee of the month of year award.
- **Career advancement:** One study found that the number one reason for employees leaving their jobs was career development. It makes sense- employees want to use their skills. They also want to learn new skills. If your company doesn't offer a clear career development path, they may leave. And if they don't leave, they will be far from productive. Combat this by talking to your employees about their career expectations and by building career development into your business.
- **Purpose:** Increasing numbers of employees want more from their jobs than a paycheque. Organisational purpose is a strong motivator for many workers- especially younger employees. Engaging your staff with your business's purpose can help increase commitment to your business and improve motivation.



- **Office Environment:** The likelihood that someone is going to love their job 100% of the time is slim. There will always be the occasional down day where people simply won't feel as capable to perform in their role. It is just as important to motivate your team on a bad day as it is a good one. Thankfully, one way you can tackle this is by creating an office environment that is pleasant to be in. Studies have also shown that plants are a cost-effective way to improve office life and increase positivity and motivation.
- **Feedback:** Everyone likes to hear that they have done a good job, but unfortunately not everyone is given the opportunity. The benefits of giving feedback to your team and employees are numerous, and improved motivation is one of them. Employees want to develop and improve and giving regular feedback enables them to see what they are doing and how well they are doing it.
- **Talk-and listen:** Whether it is at a performance management meeting, formalised in a company survey or in the kitchen making a drink., talking with your team is the best way to understand what motivates them. Good communication is an effective tool that can be used to boost morale and employee value. Take the time to listen to what your team has to say and come up with ways to address their concerns. Ask what they want, but be prepared that different generations may want different things from their job and the workplace.

#### 4.4.1 Maslow's Need Hierarchy Theory Y:

Maslow (1943, 1954) stated that people are motivated to achieve certain needs and that some needs take precedence over others.

Our most basic need is for physical survival, and this will be the first thing that motivates our behaviour. Once that level is fulfilled the next level up is what motivates us and so on



##### 1. Physiological needs:

These are biological requirements for human survival e.g., Air, food, drink, shelter, clothing, warmth, sex, sleep.

If these needs are not satisfied the human body cannot function properly. Maslow considered physiological needs the most important as all the other needs become secondary until these needs are met.

## **2. Safety needs:**

Once an individual's physiological needs are satisfied, the needs for security and safety become salient. People want to experience order, predictability and control in their lives. These needs can be fulfilled by the family and society (e.g., police, schools, business and medical care)

For example, emotional security, financial security (e.g., employment, social welfare), law and order, freedom from fear, social stability, property, health and wellbeing (e.g., safety against accidents and injury).

## **3. Love and belongingness needs:**

After physiological and safety needs have been fulfilled, the third level of human needs is social and involves feeling of belongingness. Belongingness, refers to a human emotional need for interpersonal relationships, connectedness and being part of a group. It includes friendship, trust and acceptance, receiving and giving love and respect.

## **4. Esteem needs:**

It is fourth level in Maslow's hierarchy and include self-worth, accomplishment and respect. Maslow classified esteem needs into two categories: (i) esteem for oneself (dignity, achievement, mastery, independence) and (ii) the desire for reputation or respect from others (e.g, status, prestige)

Maslow indicated that the need for respect or reputation is more important for children and adolescents and precedes real self-esteem or dignity.

## **5. Self-actualization needs:**

Is the highest level in Maslow's hierarchy and refer to the realization of a person's potential, self-fulfilment, seeking personal growth and peak experiences? Individual may perceive or focus on this need very specifically. For example, one individual may have a strong desire to become an ideal parent. In another, the desire may be expressed economically, academically. For others, it may be expressed creatively, in paintings, pictures or inventions.

### **Check your progress:**

#### **Fill in the blanks and write in one sentence.**

1. The fourth level of Maslow's need hierarchy theory is known as \_\_\_\_\_.
2. Need hierarchy theory was declared by \_\_\_\_\_.

3. Seeking for person growth is include in which need theory of Maslow's? \_\_\_\_\_.

#### **4.4.2 McGregor Theory X and Theory Y:**

In 1960, Douglas McGregor first presented his ideas on “Theory X and Theory Y” in a classic article “The Human Side Enterprise”. McGregor called Theory X as the traditional approach of managing people, and Theory Y as the professional approach of management.

Theory X and Theory Y are based on certain Assumptions as follows:

##### **1. Creativity:**

- Theory X assumes that people are not creative. They are dull and lack of rational thinking.
- Theory Y assumes that people are creative. They can come up with innovative ideas. if they are properly motivated.

##### **2. Responsibility:**

- Mostly average person is irresponsible. They try to transfer the responsibility onto to others- Theory X.
- People are responsible. They accept responsibility for their task- Theory Y.

##### **3. Activeness:**

- Theory X- People are basically lazy. They have to hate work. They always give excuses for not doing work.
- Theory Y- People are active and alert. They take work as challenge and fulfil the task before time period.

##### **4. Challenges:**

- People prefer to do the routine work; they do not want to change in their routine work - Theory X.
- People prefer challenging tasks. They drive satisfaction by implementing challenging and difficult tasks – Theory Y.

##### **5. Freedom:**

- Theory X- People prefer to be followers. They seek guidance and directions from their superior at all the times.
- Theory Y- People prefer to be independent. They want freedom in their work. They would like to guide others under all the circumstances.

**6. Openness to changes:**

- Theory X- People are orthodox in nature. They do not want to accept new ideas.
- Theory Y- People are ready to accept new ideas. They always prefer to change themselves according to the surrounding situation.

**7. Opportunities:**

- Theory X- People do not want to grab the opportunities that come in their way.
- Theory Y- People always have ambitions and are willing to grab the opportunities.

**8. Lower/ Higher Level Needs:**

- Theory X assumes that lower-level needs like Job security dominate individuals.
- Theory Y assumes that higher level needs like esteem needs dominate individuals.

**9. Self-motivation:**

- Theory X assumes that people lack self-motivation and require to be controlled and closely supervised.
- Theory Y assumes that people are self-directed and prefer self-control.

**10. Nature of people:**

- Theory X assumes that people are selfish and work for their personal interest only.
- Theory Y assumes that people are selfless and work in the interest of their organisation.

**11. Leadership style:**

- Theory X gives the focus on autocratic leadership style.
- Theory Y gives the focus on situational leadership style.

**12. Centralisation v/s Decentralisation:**

- Theory X gives the focus on centralisation of authority.
- Theory Y gives the focus on decentralisation of authority.

### **Conclusion:**

In real practice, manager can follow both the theories, i.e., Theory X and Theory Y, depending upon the situation. Managers, who support Theory Y assumptions about human nature, may assume a very autocratic and controlling manner with some people in the short run-in order to help them to develop, until they are truly theory Y people.

#### **4.4.3 Fredrick Herzberg's Two Factor Theory:**

From a study titled "The Motivation to Work", based on interviews of 200 accountants and engineers representing a cross section of Pittsburgh industry. (U.S.A), Herzberg and his associates found substantial evidence indicating that employees have two sets of needs.

- 1) One is related to Job Dissatisfaction, and
- 2) The other one relating to job motivation.

#### **Job Dissatisfying Factors:**

According to Herzberg, there are certain factors which must be satisfied, otherwise, employees will be dissatisfied with the job. He called such factors as Hygiene Factors. The provision of hygiene factors would help to reduce job dissatisfaction.

#### **The Hygiene factors include:**

- Salaries and wages
- Bonus and other incentives
- Working conditions
- Job security
- Welfare facilities

#### **Job Motivation Factors:**

According to Herzberg, people would be motivated only when certain motivational factors are provided to the employees. Herzberg stressed that job motivation factors must be related to the job to motivate the employees to perform effectively. He called such factors as "Motivators". The motivators include:

- Challenging Tasks
- Appreciation and recognition
- Responsibility
- Delegation
- Career Development

To conclude, it can be stated that hygiene factors, when satisfied, tend to eliminate dis-satisfaction and work restriction, but they do little to motivate to better performance. Presence of the motivators, however, permits an individual to grow and develop, often resulting in higher efficiency. Hygiene factors affect an individual's willingness and motivators affect an individual's efficiency or ability.

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## 4.5 SUMMARY

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Motivation is the process that initiates, guides and maintains goal-oriented behaviours. It is what causes you to act, whether it is getting a glass of water to reduce thirst or reading a book to gain knowledge. Motivation involves the biological, emotional, social and cognitive forces that activate behaviour. Motivational theory is the study of understanding what drives a person to work towards a particular goal or outcome.

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## 4.6 EXERCISE

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### A. Fill in the blanks with the help of the correct options:

1. \_\_\_\_\_ refers to extra payment over and above salary given to an employee as an incentive.
 

(a) Motive	(b) <b>Bonus</b>
(c) Reward	(d) Appreciation
2. According to Abraham Maslow's Need Hierarchy Theory, there are \_\_\_\_\_ sets of needs.
 

(a) Four	(b) <b>five</b>
(c) Six	(d) seven
3. \_\_\_\_\_ refers to ego needs.
 

(a) Safety and security needs	(b) Social needs
(c) <b>Esteem needs</b>	(d) Self-actualization needs.
4. Theory X and Theory Y was first presented by \_\_\_\_\_.
 

(a) Abraham Douglas	(b) <b>Douglas McGregor</b>
(c) Fedrick Herzberg	(d) Peter Drucker
5. Job Dissatisfaction factors are also called as \_\_\_\_\_.
 

(a) <b>Hygiene factors</b>	(b) Job Motivation Factors
(c) Motivators	(d) Rewards

### B. State whether the following statements are True or False:

1. Delegation of authority is a non-financial factor affecting motivation.

2. According to Abraham Maslow's, Physiological needs should be satisfied first.
3. Hygiene factors affect individual's efficiency whereas motivators affect individual's willingness.
4. Motivation is a result of an interaction between a person and a situation.
5. Job enlargement increase job depth.

**Ans:** True: 1, 2,4

False: 3,5

**2. Match The following:**

<b>Group A</b>	<b>Group B</b>
1. Social Needs	(a) Traditional approach of management
2. Self-actualization Needs	(b) Career Development
3. Theory X	(c) Love and affection by others
4. Theory Y	(c) Professional approach of management
5. Job Motivators	(e) Highest level of hierarchy

**Answer:**

Social Needs: - C

Self- actualization Needs: - E

Theory X: -A

Theory Y: - D

Job Motivators: - B

**C. Short Notes.**

1. Job Rotation
2. Brain storming session
3. Motivational Theories the basics
4. Finacncial Motivators
5. CSR

**D. Answer In brief.**

1. Define Motivation. State the need and importance of motivation.

2. Explain the financial and non-financial factors that affect motivation.
3. Explain the Need Hierarchy Theory advocated by Abraham Maslow.
4. Explain McGregor's Theory X and Theory Y.
5. Briefly explain Two Factors Theory advocated by Herzberg.

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## CONTROLLING

### Unit Structure

- 5.0 Objectives
- 5.1 Introduction
- 5.2 Definition of Controlling
- 5.3 Steps in Controlling Process
- 5.4 Strategic and Operational Controlling Techniques
- 5.5 Requirement of Effective Control System
- 5.6 Summary
- 5.7 Exercise

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### 5.0 OBJECTIVE

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After studying this module students will be able to understand the following points:

1. What is controlling and steps of controlling which will help for the betterment of the organisation
2. Difference between strategic and operational control
3. How controlling can be effective in an organisation

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### 5.1 INTRODUCTION

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Controlling has major role in any organization to achieve any objective or goal. Manager has to control all the subordinate to get the work done. Control is closely related to planning. Planning provides a framework and control process works. An organization cannot work without effective control mechanism.

To control means to see that there is no deviation between the expected results and the actual results. Control covers all aspects of management as we use the term production control, quality control, inventory control and so on.

In this chapter we are going to how effective a controlling is to done and what the techniques of the controlling and what are the requirement of good controlling.

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### 5.2 DEFINITION OF CONTROLLING

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Controlling plays a very important role in any organization as it ensures that activities in an organization are performed as per the plans. Managers

at all levels of management it may be top, middle or lower need to perform controlling functions to keep a control over activities in their areas.

Controlling helps the manager to get the work done by his subordinates as per standard fixed. Controlling can be defined as follows:

According to George R. Terry, “Controlling is determining what is being accomplished i.e evaluating the performance and if necessary, applying corrective measures so that the performance takes place according to plans.”

According to Robert N. Anthony, “Management control is the process by which managers assure that resources are obtained and used effectively and efficiently.”

In the words of Henry Fayol, “Control consists in verifying whether everything occurs in conformity with the plan adopted, the instructions issued and the principles established. Its object is to find out the weakness and errors in order to rectify them and prevent recurrence. It operates on everything, i.e things, people and actions.”

According to Billy E. Goetz, “Management Control seeks to control events to conform plans.”

According to J.L.Massie, “Control is the process that measures current performance and guides it towards some predetermined goals.”

From the above definitions it is understood that controlling is getting performance done with the planned performance with the view to find whether all is going well according to the plans or not and if not why. Controlling cannot take place without previous planning, organizing and directing. Controlling is the nature of follow up to the other three fundamental functions of management.

An organization cannot work without effective control. Controlling is a regulatory activity. It is rightly treated as the soul of management process.

It is true that without control, planning will be only an academic exercise. Controlling enables an enterprise to move towards its objectives.

### **Characteristics of Managerial Control:**

#### **1. Control involves measurement:**

Controlling involves the checking of actual performance and then comparing it with the planned targets. It is the measurement between actual and planned targets.

#### **2. Continuous process:**

Controlling is a continuous Process as there is a need to monitor the performance throughout the lifetime of the organization. As if one target is achieved the next target is aimed to be achieved.

### 3. Influences Employee:

A effective Control system is always required as the influencing force, employees work effectively and efficiently as per the plans.

### 4. Universal Process:

Control has a Universal application as every organization has to control its activities to achieve their planned targets. Managers at all levels have to control their subordinates as they have get their work done.

### 5. Facilitates Direction:

Control helps management to decide a direction of action. Efforts are directed at planned activities and unwanted activities are avoided.

### 6. Effective Use of Resources:

Control helps in making optimum use of Resources and helps in avoiding wastages in respect of materials as well as expenditure.

### 7. Goal Oriented:

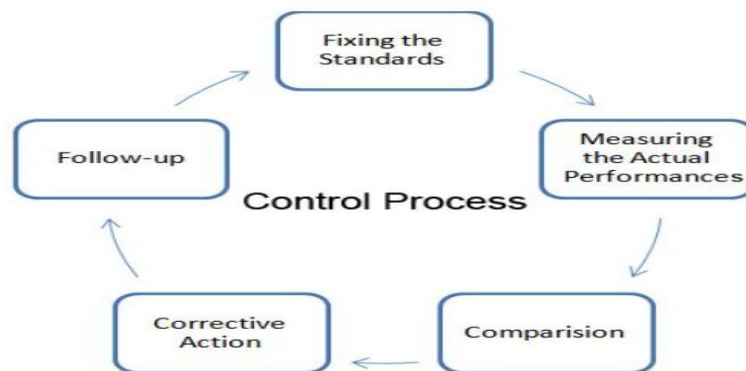
Control is a goal oriented as control takes place to achieve the targets or goals which are planned to achieve. If there is difference between target and actual performance corrective measures are undertaken to achieve target or goals.

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## 5.3 STEPS IN CONTROLLING PROCESS

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There are various steps while having control on any process. Why and how control is to be done is very important. If Controlling is not done properly or steps wise then we can't achieve anything for which controlling takes place.



### 1. Establishing or Fixing the standards:

The first step in the control process is setting standards without which we can't proceed as we have to control on the work done and if there is no fixed standards then how we can come to know whether the work done is correct or not. (e.g production of 2000 units per day).

## **2. Measuring the Actual Performance:**

The second step in the control process is measuring the actual performance. In this stage there is a comparison between actual performance with standards fixed for the process or work. The actual performance may or may not be as per fixed standards. If it is not as per the fixed standards then it may be because of certain unforeseen situations and ad-hoc decisions taken to achieve it. It is therefore desirable to accept small margin of deviations.

## **3. Comparison:**

The actual performance is compared with the standard performance for identifying the deviation in the third stage of control. The cause of deviation may be defective materials, machinery, lack of experience etc. The manager has to find out not only the extent of deviations but also the causes of deviations. It is necessary to find out because some of the deviations may be unimportant, while others may be important and may need immediate attention and may have to take corrective action by the manager.

## **4. Corrective Action:**

The fourth stage in Control process is to adopt the remedial or corrective action so that deviations may not occur again and the target of the management are achieved. The corrective actions must be taken as early as possible so that normal position can be achieved quickly.

## **5. Follow up:**

Follow up stage is the most important stage in control process as deviations can be removed only through the implementation of corrective measures for this inbuilt feedback mechanism is required.

The actual achievements of control process only when the corrective measured are done properly with logical end. Hence we can say that Feedback mechanism is most important in the control process.

From the above points we can understand that controlling has various steps. In short it setting of standards and then to check actual performance of subordinates. The Manager compares the output with the standard which was set by the organization. If there is a negative difference between the standard and actual performance then management has to take corrective measures for it so that they can overcome it. Then finally the management has to follow up with corrective measures which they adopted to achieve the standard performance.

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## **5.4 STRATEGIC AND OPERATIONAL CONTROLLING TECHNIQUES**

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It is important for a manager to know the areas of control and tools and techniques of control. Proper use of controlling techniques helps an

organization to survive in the current economic world. The Controlling techniques can be broadly classified as strategic Control and Operational Control. As organization can achieve their targets or goals when they use proper strategy and have their operations working properly.

According to Pearce and Robinson, “Strategic control must provide the basis for correcting the actions and directions of the firm in implementing its strategy as development and changes in its environmental and internal situations take place.”

The key participants in determining techniques of control are board of directors, CEO, divisional heads and corporate planning staff. Two related decisions are needed in making strategic control firstly what criteria should be used in measuring strategic performance and secondly how to get the results of the assessment process to management. There is lot of time gap between formulation and implementation of strategies

### **Strategic Controlling Techniques:**

Strategic Control is defined as the process of continuously evaluating the strategy as it is being implemented and take necessary corrective actions as it required. Strategic control is exercised by top level executives. It is related to the future direction of the organisation or management. It focuses on long-term plan so strategic control have longtime horizon. It effects the external Environment of the organisation. The main technique of strategic control is Environmental scanning, information gathering, questioning and review. Strategic control refers to are we moving in the right direction?

**There are four basic type of strategic control which is as follows:**

#### **a. Premise Control:**

Every organisation creates a strategy based on certain assumptions or premises. It is designed to keep track of any change in them to assess its impact on strategy and implementation. The sooner you identify a false premise, the sooner you can adjust the aspects of your strategy that it affects. In reality it is very difficult to review every single strategic premise, so focus on those most likely to change or have a major impact on your strategy. During the planning the key premise should be identified. Some of the premises are controllable while most of the premises are uncontrollable. This makes the task of premise control highly challenging.

#### **b. Implementation control:**

This type of control is a step by step assessment of implementation activities. It includes evaluating plans, projects to see if they properly give direction to the organisation to achieve organisational goals or not.

**Implementation Control is exercised through two methods:**

- a) Monitoring strategic thrusts

## b) Milestone reviews

**a) Monitoring Strategic Thrusts:**

Projects are called thrusts. Implementation of a major strategy involves several new projects. These projects provide a source of information from which managers can obtain feedback that helps to determine whether the overall strategy is processing well or it needs to be changed.

**b) Milestone reviews:**

Under this method Critical milestone are identified. Strategy is implemented over a period of time in the form of major resource allocation, facing critical events etc. This method makes full scale reassessment of the strategy e.g when a project is undertaken it must be completed within the specified time with available resources. In this case cost and time become milestone.

**c. Special Alert Control:**

Special Alert Control is designed in such a way it can be implemented when something unexpected happens. The unexpected event could be

Anything from a natural disaster or to product recall. It is a predetermined contingency plans which are implemented by comprising members of the strategic planning and leadership team.

**d. Strategic Surveillance Control:**

It is designed to monitor a board range of events inside and outside the organisation that might impact your strategy. The surveillance could encompass industry publications, industry trends, conference activities etc.

**Operational Controlling Techniques:**

Operational control is defined as the process of evaluating and correcting the performance of various organizational units to assess their contribution to the achievement of organizational objectives. Operational control is exercised by Functional level executives. It is related to day to day operations of the organization. Its primary concern is the action control of the organisation. Internal Environment is effected due operational control. The main techniques of operational control are Budgets, Schedules and MBO. Operational Control refers to how we are performing?

**Following are the types of Operational Control techniques:****1. Personal Observation:**

This technique helps the manager to know worker's attitude towards the work and correct their work and methods if necessary. This makes the workers alert and they avoid wasting time. It is the oldest technique of controlling. The manager himself observes and employees and their work.

This brings manager in direct contact with the workers and many problems are solved during the time of supervision. This helps the manager to obtain first hand information and establish better coordination with the workers. This technique is most suitable in a case of small sized organisation.

## **2. Financial Statements:**

All organisations prepare various financial statements like profit and loss, income and expenditure, balance sheet. This all statements help the organisation to have a control in any of the way. As the current year statements are compared with the previous year's figures and this helps the organisation to take decisions.

When a comparative study is make for changes in the profits, assets and liabilities of the business. Based on such study it is possible to prepare a project for financial transactions in future.

Ratio analysis can be used to compute and analyse the financial statements. Ratio analysis is the relationship between two figures connected with each other.

## **3. Budgetary Control:**

A Budget is a planning and controlling device. Budgetary control is a technique of managerial control through budgets. Budgetary control is done for all aspects of a business such as income, expenditure, production, capital and revenue.

Zero base budgeting is the latest technique. Zero base budgeting does not prepare budget on the past year budget. It is constructed from a Zero base.

All the activities are evaluated and ranked on the basis of benefits of the organization.

## **4. Break Even Analysis:**

Break Even Analysis or Break Even point is the point of no Profit no loss.

The break-even point analysis acts as a control device. It helps the organisation to find out the organisations performance and take corrective action to improve its performance in the future. It is a simple control tool.

**For eg:** When an organisation is able to make a sell of 25000 cars it would be breaking even. It means that any sale below this point will cause losses and any sale above this point will earn profits.

## **5. PERT and CPM Techniques:**

Programme Evaluation and Review Techniques (PERT) and Critical Path Method (CPM) techniques. Any programme consists of various activities and sub activities. Successful completion of any activity depends upon doing the work in a given sequence and in given time. Under this techniques importance is given to identifying the critical activities. More

importance is given to the completion of these critical activities. So by controlling the time of the critical activities the total time and cost of the job are minimised.

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## **5.5 REQUIREMENTS OF EFFECTIVE CONTROL SYSTEM**

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It is the duty of manager to improve the effectiveness of organisation's control system. An effective control system will disclose where failures are occurring and who is/are responsible for the failure and it will ensure that some corrective action is taken. Effective control Systems tend to have certain common characteristics. The importance of these characteristics varies with the situation, but in general effective control systems have following characteristics.

**The requirements of effective control system are as follows:**

### **1. Accuracy:**

As manager depends on control system its necessary the system must be accurate; if it is inaccurate than it may affect the decisions taken by the managers.

### **2. Timeliness:**

There are many problems that require may require prompt action. If information about such problem is not given immediate attention then it may create an issue which cannot be solved. So Timeliness is a important requirement of effective control system.

### **3. Flexibility:**

In modern world every change takes place spontaneously and that sudden change is to be implemented in policy of organisation so it is every much necessary that our control policy must be flexible.

### **4. Integration:**

When the control is consistent with corporate values and culture, they work in harmony with organizational policies and hence are easier to enforce.

### **5. Forward looking:**

Control must be forward looking that is future oriented. Many of the control are happening immediately or extremely quickly, they must focus attention as to how future actions can be taken place.

### **6. Focus on objectives:**

The control system should always give importance on objectives. It should aim the accomplishment of organizational goals.



### **7. Suitability:**

The control system should be suitable to the requirements of the organisation and all the departments as if it is not suitable then we may face problem in achieving our objectives.

### **8. Simplicity:**

The Control system must be simple. It must be understood by both the parties i.e those who are going to use it or on whom it is implemented.

### **9. Economical:**

Control System must be economical in nature. It should have more returns than the amount spent on it. The organisation must feel it is affordable to them as it give more profit in long run.

### **10. Motivating:**

A control System must motivate the employees to work rather than discouraging them to work. It must be designed in such a manner that it prevents the mistakes rather than to punish the individuals.

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## **5.6 SUMMARY**

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We have discussed about Controlling. Controlling helps the manager to get the work done by his subordinates as per fixed standard. Process of controlling includes fixing the standards, measuring the actual performance, comparison, corrective action and follow up.

Strategic controlling technique involves continuous evaluation of strategy implemented. As per the need of the management or situations corrective actions will be taken by the top management.

To have upto date controlling system management need to adopt the ever changing technology and inculcate talents which are able look after the same.

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## **5.7 EXERCISE**

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### **Fill in the blanks.**

1. Controlling is related to \_\_\_\_\_ (Results)
2. \_\_\_\_\_ standard is associated with Production (Quality and Quantity)
3. First step in Controlling process is \_\_\_\_\_ (Determining standards)
4. Last function of Management is \_\_\_\_\_ (Controlling)
5. Budgetary control requires the preparation of \_\_\_\_\_ (Budgets)

6. Control is closely related to the \_\_\_\_\_ job of the manager  
(Planning)

**Answer In Brief.**

1. Define Controlling and Explain its characteristics
2. What are different types of controlling techniques
3. Write in short about strategic control and its types
4. What are operational Control and its types
5. What are the various steps in Controlling
6. What are the requirements of Good Controlling System

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# INFORMATION MANAGEMENT

## Unit Structure

- 6.0 Objective
- 6.1 Introduction
- 6.2 Flow of Information in Organization
- 6.3 Designing and Developing Modern MIS
- 6.4 Introduction to ERP
- 6.5 Summary
- 6.6 Exercise

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## 6.0 OBJECTIVE

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1. How flow of information takes place in an organisation
2. What is MIS and Introduction to ERP

Students will get answer to all the above questions and they will come to know how controlling plays an important role in Management of an organisation and how MIS i.e. Management Information System plays important role in decision making of any organisation and how ERP Software is introduced in an organisation for its smooth running.

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## 6.1 INTRODUCTION

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Management information system plays important role in any organization. Every management requires various informations for its smooth running and functioning. In Modern world ERP helps the management to collect all the information at one place within a short span of time they can get all the information in a small space and anywhere and anytime they require.

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## 6.2 FLOW OF INFORMATION IN AN ORGANISATION

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Flow of information in an organisation represents the communication taking place between different departments, subordinated and systems which is required for the smooth working of the organisation. Flow of information must be in a proper manner because information plays very important in any organisation. If proper communication is not their then organisation cannot work properly and cannot achieve its targets. Information flow it is known as nervous system of any organisation.

**Information flows generally flow in following four directions:**

1. Downward Direction
2. Upward Direction

3. Horizontal Direction
4. Diagonally

### **Downward Information Flow:**

Downward Information Flows refers to the flow of information from top level executives to lower level employees. Whenever any instructions are issued by top level management to other level of employee then it is known as downward flow of information. The instruction or notices issued by top level managers to department managers or line managers to employees.

Downward Information is helpful for the managers in informing the employees, the vision, mission, goals, objectives, policies and procedures of the organisation. It can take the form of oral communication as face to face conversation, meetings, speeches, conferences etc and written communication like handbook, notices, circulars, digital news, display, warnings and so forth.

This type of communication suffers from various short comings like filtration of message, misunderstanding and confusion etc.

### **Upward Information Flow:**

Upward Information Flows takes place from the lower level of a hierarchy to the upper levels. The main purpose of Upward communication is to provide information to the managers from subordinates. The lower level employees initiate upward communication and the message ultimately reaches to the top level management. Upward information flow is also sometimes called Vertical information flow.

Upward information flows from subordinate to superior which helps in the increase in acceptance of management decision by the subordinates. However, it suffers from various limitations like the long chain of command, lack of confidence in superiors, fear of criticism, lack of common sharing etc.

In this type of information the message can be transmitted either through oral media, employer-employee meeting, grievance procedure etc and written media – reports, letters, complaints, suggestions etc

### **Horizontal Information Flow:**

When flow of information takes place across the departments at the same level in an organisation i.e. peer to peer. The communication between two employees who have to report the same manager is example of horizontal information flow.

Every department must work hand in hand with each other to make the organisation survive. A horizontal way of information involves coordination amongst various people of the same rank or position along with the managers of different departments to communicate effectively.

This type of information sharing will help the organisation grow more and more eventually.

As the business is a 'fist' and the various departments in the organisation are the 'fingers' and if all the fingers come together it becomes a fist and in the same manner if all the same level managers come together they can achieve the targets easily which is the motive of any organisation.

### **Diagonal Flow of Information:**



When flow of information takes place between different levels of the organisation and also it's a cross functional flow of information. When information flows between or among the persons at different level who have no direct reporting relationship with each other, it is called diagonal or crosswise communication.

The shortest distance between the two points is a straight line. Diagonal information routes are the straight line that speed flow of information directly to the recipients, at the moment communication is necessary.

The Information flow in an organisation is all the communication between the departments, employees and systems that is required for a business to function properly. The above explained are the various types of flow of information which helps the organisation to work smoothly and do its activities properly.

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## **6.3 DESIGNING AND DEVELOPING MODERN MIS**

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MIS Stands for Management Information System. It refers to the processing of information through computers and other intelligent devices to manage and support managerial decisions within an organization.

Management Information Systems (MIS) is the study of people, technology, organizations and the relationship among them. MIS is a people oriented field with an emphasis on service through technology. If you have interest in technology and have the desire to use technology to improve people's lives a degree in MIS may be for you.

An automated system designed to provide progress and status information to management as an aid to decision making.

Business Managers at all levels of an organisation, from lower level to top level executives rely on report generated from these systems to help them

evaluate their day to day business and helps in taking decision with the help of the reports generated by the system.

MIS helps the managers to take right decision at the right time as it provides all the information at a click of the button.

The reason why Management Information System are very important in the day to day operation of companies is because these system work with people, organisations, technology and relationships among the people and organisations affecting the company.

### **Importances of MIS are as Follows:**

Management Information system us formal method of collecting information in summarized form. It is network established within organizations to provide information to mangers. It provides systematic and analytical information necessary to all level of managers. It helps managers to take right decision at the right time. Importance of MIS is described as follows:

1. MIS is management oriented and covers all the level of management and generates all the required information within short span of time.
2. MIS is a integrated process or systems as it link all the different departments together
3. MIS helps manager in planning whether it may be short term plan or long term plans as they get all the information very fast and quick due to automation.
4. MIS helps managers to know deviations of actual performance from pre-set targets and control things.
5. MIS increases efficiency of the organisation.
6. MIS provides all the information to the management at one place and within few seconds.
7. MIS is totally computerised due to which its takes less storage place and provides accurate results.
8. MIS helps management in decision making.

Management Information Systems (MIS) not only include software Systems but this include all set of business process and resources which are required to run the organisation without any hurdle. The data is collected from all the departments of organisation at one place so that it can be presented in a user friendly and timely manner so that all level of managers can use it to take the right decision. Actually MIS is designed in such a manner that the company or organisation will achieve its strategic and tactical goals.

## **Nature and Scope of MIS:**

The concept of MIS is interdisciplinary in nature, i.e it has borrowed its concepts from a large number of disciplines like Accounting, Computers, Organisations, Management, Operations, Research and Behavioural sciences etc. MIS is neither a pure science nor an art it is recognized as combination of both. There has been lot of debate on the issue whether MIS should be considered more management oriented or computer oriented. Though there are advocated of both sides, MIS should be considered more of management subject than of computers because of the simple logic that computers are just tool in hands of managers. Computers are used for their characteristics like accuracy, speed and capacity to handle large amount of data. Nowadays MIS finds application in all functional areas of every type of business organizations at all levels.

After understanding what is MIS and the nature of management, we now move to the scope of MIS. Information systems is growing at a fast pace to become one the most promising career fields in today's world. With everything happening digitally, the demand for MIS professional is increasing more than ever. MIS involves performing a number of task simultaneously such as

- Processing data
- Initiating transactions
- Responding to inquiries
- Producing reports and its summaries
- Manage the data created within the structure of a particular business

MIS acts in an organisation just like a nervous system in a body by providing with the relevant information for ease in the process of decision making.

The purpose of MIS is to work towards satisfying the information needs of everyone in the business. It means providing the relevant information to those who need it.

Thus, MIS has a lot of potential to become one to the most promising careers for individuals interested in the workings of a business.

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## **6.4 ENTERPRISE RESOURCE PLANNING (ERP)**

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Enterprise Resource planning (ERP) is software that is built to organisations belonging to different industrial sectors, regardless of their size and strength.

The ERP package is designed to support and integrate almost every functional area of a business process such as procurement of good and services, sale and distribution, finance, accountings, human resource,

manufacturing, production planning, logistics and warehouse management.

### **Brief History of ERP:**

The term ERP was introduced in 1990 by Gartner, but its roots date to the 1960s.

Back then the concept applied to inventory management and control it in the manufacturing sector. Software engineers created program to monitor inventory, reconcile balances and report the status.

By 1970s this had evolved into Material Requirements Planning (MRP) systems for scheduling production processes.

In the 1980s MRP grew to encompass more manufacturing processes, prompting many to call it MRP-II or Manufacturing Resource Planning. By 1990 these systems had expanded beyond inventory control and other operational processes to other back office functions like accounting and human resources.

Today ERP has expanded to encompass business intelligence while also handling front office functions such as sales force automation (SFA), marketing automation and ecommerce. With these product advancements and the success stories coming out of these systems, companies in a broad range of industries from wholesale distributions to ecommerce use ERP solutions.

ERP is a business management software is usually a suite of integrated applications that a company can use to collect, store, manage, and interpret data from many functional areas

### **The Various functional areas of Organisation are as follows:**

- a. Financial Accounting
- b. Human Resource
- c. Customer Relationship Management
- d. Sales and Distribution
- e. Supply Change Management etc

Computers play a very important role in current century. The world is connecting very fast and in less period of time. ERP helps to integrate all data and processing software modules which are easier to access and control. Earlier when ERP was introduced they were only used by large organisations but now-a-days even small business take benefits of ERP.



### **What is ERP Software?:**

ERP software has its roots in the Nineties during that time they were known as manufacturing resource planning (MRP) and Computer integrated manufacturing (CIM)

However, ERP has grown to cover all core functions of a business, regardless of its industry sector. As a result, both private and public sector organisations now use ERP Software systems in some form or other.

### **What does ERP software do?:**

ERP systems typically carry out financial and business planning functions, which might formerly have been carried out by many smaller standalone applications.

Examples of ERP system modules include: product lifecycle management, supply chain management (for example purchasing, manufacturing and distribution) warehouse management, customer relationship management (CRM), sales order processing, online sales, financials human resources and decision support system.

### **Why use ERP software?:**

One major benefit of having a single modular ERP system is that it can unite and link together multiple processes and parts of the business, making the business run more efficiently.

By automating various functions, you can also benefit from having, for example goods order tracking, from acceptance through to fulfilment. In terms of the revenue cycle, you can track invoices through to cash receipts.

ERP systems also centralise the data in one place, which can eliminate the problem of synchronising changes between multiple systems, and allows business managers to get a more accurate view of the business information.

ERP helps in automation of business and making collection of data, analysis and interpretation very easy.

ERP played a very important role due the lockdown period when the organisations allowed their employees to work from home as all the data was available at one place i.e in cloud based storage. Even most of the organisations started using ERP during the pandemic time. Even Education sector used ERP for connecting with students and for their exam.

### **Business benefits of ERP:**

ERP has many advantages for the organisations or business out them few of the benefits are as follows:

**1. Efficiency:**

An ERP helps the organisation to work efficiently as they can collect and store the data at one place and due to computerisation they can edit and make changes in the data easily and it can be used by many employees at a time.

**2. Forecasting:**

ERP software helps the user manager to create more accurate forecasts as the information provided by the ERP is accurate and helps the manager to analyse it properly.

**3. Integrated Information:**

ERP helps in storing all the information and data at one place with less space.

Which helps in keeping data consistent accurate and unique and to store all in one place.

**4. Mobility:**

An advantage of ERP is that the data collected have access to many subordinates or managers at a same time so there a mobility of Data easily.

**5. Reporting:**

ERP software helps make reporting easier and more customizable. With improved reporting capabilities organisation can respond to complex data requests more easily.

**6. Cost Savings:**

With one source of accurate information in time it reduces administrative and operational costs. It allows organisation to manage operations, prevents disruptions and delays.

**7. Scalability:**

Structured ERP systems allow the addition of new users and functions to grow the initially implemented solution over time. When organisation is ready to expand or needs more resources, enterprise resource planning software should be able to facilitate that growth.

**8. Collaboration:**

No organisation wants to run a soled business with each department functioning separate from each other. Collaboration between departments is a crucial and often necessary part of the organisation. With the data entered into ERP systems being centralized and consistent, there's no reason why departments can't work together. The software also touches on almost every aspect of a business, thus naturally encouraging collaborative interdepartmental efforts.

## 9. **Regulatory Compliance:**

A benefit of ERP software which sometimes goes unnoticed is how it ties well into regulatory compliance in the organisation. Powerful ERP solutions will keep track of regulations within the industry and monitor changes in compliance.

## 10. **Security:**

Data security is not a worry when you have an enterprise resource planning solution in place. A new system will improve the accuracy, consistency and security of data all through built in resources and firewalls.

### **What are the drawbacks of ERP systems?:**

ERP systems can prove to be complex and difficult to customise, keeping in mind the actual complexities of each individual business itself.

Many firms fail to adequately invest in ongoing training for the involved IT personnel, and there is often a lack of corporate policy to protect the integrity of the data in the ERP systems and the ways in which it is used.

Business processes frequently have to be re-engineered to fit the new ERP system, and this can lead to problems with processes and staff.

Also ERP systems can be very expensive. This has led to a newer breed of simpler ERP systems for smaller enterprises which carry a lower cost and many established ERP vendors now offer managed ERP services, offered over the web.

Finally, the fact that ERP system centralise the data in one place can increase risk of sensitive information in the event of security breach.

### **ERP Modules:**

There are many vendors in market which are providing traditional ERP solutions or Cloud Based ERP Solutions. Depending on the organisations need required components are integrated and customized ERP System is formed. All the below mentioned modules can be found in any ERP system.

1. Human Resource
2. Inventory
3. Sales and Marketing
4. Purchase
5. Finance and Accounting
6. Customer Relationship Management (CRM)
7. Engineering/ Production

**Let us go through the introduction of the various modules:**

**1. Human Resource Module:**

Human resource module helps to HR team for efficient management of human resources. HR module helps to manage employee information and track the records like performance, attendance, job descriptions etc.

**2. Inventory Module:**

Inventory Module can be used to track the stock of items. Items can be identified by unique serial numbers which are generated by ERP even bar coding can be done on the inventory to identify it quickly.

**3. Sales and Marketing Module:**

Sales process includes various process like sales enquiry, quotation drafting, accepting sales orders, drafting sales invoices with proper taxation, dispatch of material or service, tracking pending sales order. All these sales functions are managed by Sales and marketing module.

**4. Purchase Module:**

Purchase modules take care of all the processes that are part of procurement of stock or raw materials that are required for organisation.

Purchase module consist of functions like supplier list, preparing purchase order, tracking the purchase stock, updating stock and various reports.

**5. Finance and Accounting Module:**

This module helps the organisation to keep track of all account related transactions like expenditure, profit and loss, various ledgers, bank statements, payment and receipts, tax payment etc. Financial data is important function that is required for running business smoothly and this module makes it available on one click.

**6. Customer Relationship Management (CRM) Module:**

CRM department helps to boost sales performance through better customer service and establishing the healthy relationship with customers. CRM module helps to manage and track detailed information of the customer like communication, calls, meetings, details of purchase made by customer. It can be integrated with sales to enhance sales opportunities.

**7. Engineering/Production Module:**

This module consist of function like production planning, machine scheduling, raw material usage, preparation, track daily production forecasting and actual production reporting.

## **8. Supply Chain Management:**

SCM module manages the flow of product items from manufacturer to consumer and consumer to manufacturer. Common roles involves demand and supply management, sales returns and replacing process, shipping and transportation tracking etc.

ERP can efficiently streamline the business operations of organisation, Above introduction of modules can help organisation to choose and customize the ERP modules depending on need of organisation.

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## **6.5 SUMMARY**

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We have discussed about the flow of information takes places in an organisation which is most crucial task of the any management. There are four ways of flow of information, upward, downward, horizontal and diagonally. Management Information System helps organisation for the assimilation and distribution of requisite information. Enterprise Resource planning, it's modern and most sought technique of the information management. It helps top management to take right decision pertaining to the issues which are effecting the management.

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## **6.6 EXCERISE**

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### **Answer the following Questions:**

1. Define MIS and explain its features
2. What is meant by ERP and explain it with reference to current situation
3. What are the different Modules that an organisation can have in its ERP
4. What are the benefits and drawbacks of ERP

### **Fill in the blanks.**

1. In MIS \_\_\_\_\_plays economically sound and logically in development process (data flow)
2. \_\_\_\_\_ is the heart of any ERP System (Data Base)
3. \_\_\_\_\_ is considered as Third Generation of manufacturing software (ERP)
4. In the\_\_\_\_\_ ERP packages were targeted at the manufacturing industry (1990s)
5. ERP system is built on a \_\_\_\_\_ utilizing a common computing platform.

6. Installing ERP inventory system is \_\_\_\_\_ (Complex)
7. The backbone of any organisation is \_\_\_\_\_ (Information)
8. The starting point of MIS planning is general \_\_\_\_\_ planning (Business)
9. Downward information flows from \_\_\_\_\_ to \_\_\_\_\_ (upper to Lower)

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## CONTEMPORARY ISSUES IN MANAGEMENT

### Unit Structure

- 7.0 Objective
- 7.1 Introduction
- 7.2 Challenges in Organisational growth and development
- 7.3 Change management
- 7.4 Summary
- 7.5 Exercise

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### 7.0 OBJECTIVE

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After studying this unit learner able to understand:

- What do you mean by organisation growth?
- What is the process of development of organisation?
- Greiner's Model of Organizational Growth
- Concept of change management.

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### 7.1 INTRODUCTION

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Due to Scientific and technological innovations, industrialization, modernization, globalization, etc. every type of business activity is keep on changing and to manage such changes different management perspectives are developed. Globalization made the drastic changes among the managerial patterns than earlier. To anticipate the need of time various managerial theories, other than the past times are incurred by modern day management. With adaptation of new technological changes in business unit at the different levels of management come across with the various issues or challenges on various fronts for the growth and development of an organisation for making it a better place.

While implementing various programs in the business organisations, different Contemporary issues commonly aroused in the management of the Business Unit. Those are Economic pressure, Social issues, Environmental issues, Globalisation, Innovation and Change, Customer Service, Knowledge management, Multicultural effects, employees Satisfaction, Workforce diversity, etc. Some of the Contemporary issues are as below:

These contemporary issues in the Management are relating to some of the Challenges in Organizational Growth and Development, Change in the Management System, new application in Time Management with innovative Tools for Effective Time Management, Addressing Diversity due to Human Resource Mobility and Conflict Management, etc.

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## **7.2 CHALLENGES IN ORGANISATIONAL GROWTH AND DEVELOPMENT**

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According to William H. Starbuck, (In his book, Organizational Growth and Development) 'Growth' as change in an organization's size when size is measured by the organization's membership or employment and Development as change in an organization's age.

A process through which the structure of a multigene system organization increases the number of its roles and links. Organizational growth is essentially a quantitative process.

Organizational growth is a stage a company reaches when it want to expand and may look for additional options to generate more revenue. Organizational growth is often depending on industry growth trends, business lifecycle and the owners' desire for equity value creation.

Terms "growth" and "development" are frequently used interchangeably, but both of the concepts refer to different processes in natural and social systems.

According to 'Encyclopaedia Britannica' "growth is an increase in the size or the amount of an entity" whereas "development encompasses change not only in the size but also in the function".

Growth is related to the quantitative external exchange, so that it's easy to look at and measure while Development is qualitative and internal in nature so it's very difficult and not easily possible to measure immediately.

### **7.2.1 Greiner's Model of Organizational Growth:**

Larry E. Greiner has created a very useful model of organisational growth. Greiner defined five stages of growth in his 1998 Harvard Business Review essay "Evolution and Revolution as Organizations Grow," punctuated by "revolutions" that shook up the status quo and ushered in the next stage.

Greiner's Organizational Growth Model is based on the following assumptions about the organisation:

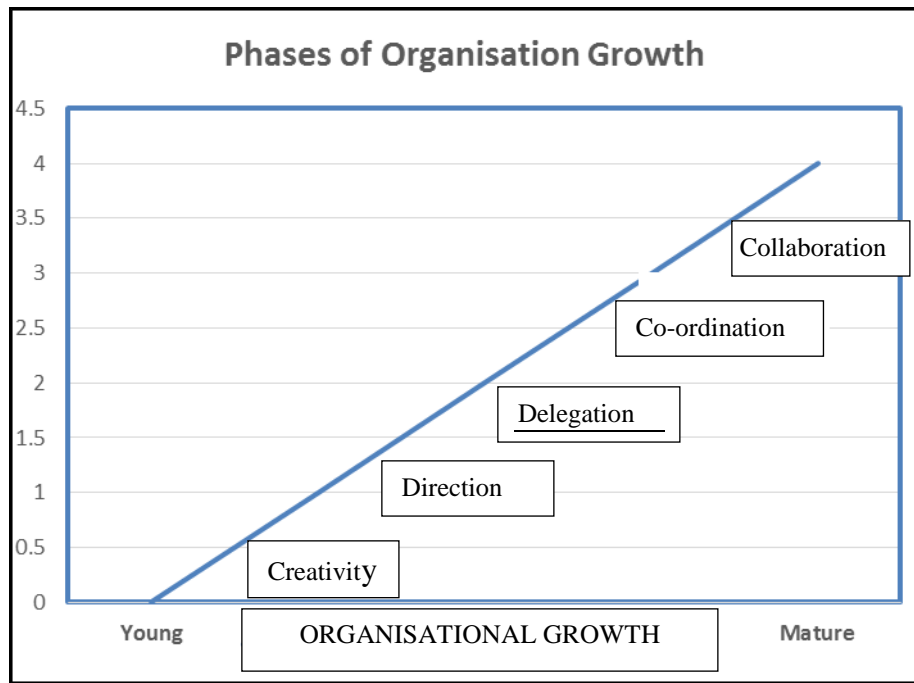
1. Organizations are rigid, bureaucratic, control-centric, and centralised entities.
2. Organisations fail to recognise that their own future success is dependent on them.
3. They also fail to appraise their changing states of development.



4. As a result, a management's inability to comprehend its organization's development challenges might cause the organisation to become stuck in its current stage of evolution (failure to progress), regardless of market prospects.

Grainer's organizational growth model has five phases shown in the figure 1 given below:

It can be stated that a growing organization has undergone five relatively mild evolutionary periods, each has with a period of crisis and revolution.



**7.2.1 Figure 1-Greiner's Model of Organizational Growth:**

### **1. Creativity Phase:**

In this first phase of growth, organizational entrepreneurs play an important role and focus on generating new products and markets. However, as organizations grow in size and complexity, informal communication channels of various levels of management are unable to co-ordinate and bring efficiency. As a result, many leadership issues are aroused because they are not fit for the job or are not willing to deal with organizational issues. It results in developing a crisis of leadership matters and begins the first revolutionary period. Someone takes lead as entrepreneurs and bring the organization together. So that as per need of time, a new evolutionary stage is aroused to solve such problems.

### **2. Leadership Phase:**

In this second phase, Producer & Management System is responsible for most of the management setup, but lower-level supervisors are treated as functional specialists rather than autonomous decision makers, which leads to the next risk period, the crisis of autonomy generated. To

overcome this crisis, a third stage of growth i.e. delegation growth, aroused.

### **3. Delegation Phase:**

The crisis of autonomy can be resolved by a strong top manager who needs some of the power and some balance of power. However, with the decentralization of authority, the junior executives found that they are losing control of a highly diversified company. So, the actual Field managers feels coordinating plans, funds, technology, or staff with other members of the organization, creating a control crisis. This crisis can be leads to the next evolutionary stage of coordination.

### **4. Co-ordination phase:**

Co-ordination is an effective way to overcome a control crisis. The co-ordination can be possible in formal system to achieve better co-ordination with top management as a watchdog. The new coordination system can be helpful to achieve growth and build better co-operation, but it creates conflicts between line and staff, headquarters and field service. Management can fire the employees, employees complain to unco-operative bosses, and everyone is stuck in a bureaucratic paper system. To overcome the bureaucratic crisis, organizations need a solution which will be the next evolutionary stage i.e. the collaboration phase.

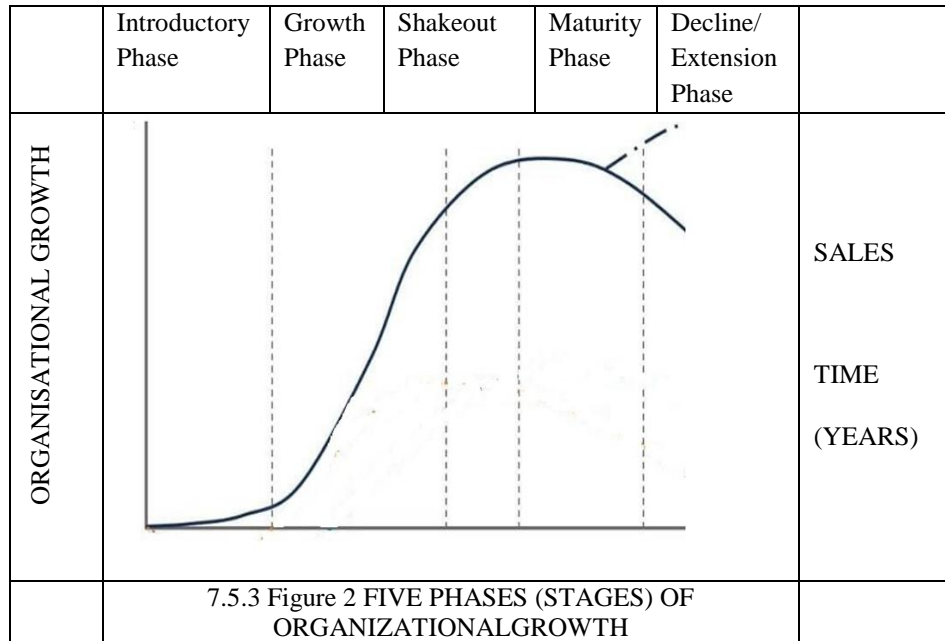
### **5. Collaboration Phase:**

The Collaboration Phase is mostly essential for large organizations to resolve the managerial issues with suitable flexible and behavioural approach. While Coordination Phase was run by formal systems and procedures, Cooperation Phase emphasizes increased spontaneity of management actions in team to resolve interpersonal conflicts skilfully. Social Control and Self-Control- Discipline replaces formal control.

Grainer finds that Collaboration will be the solution to the formal control. He doesn't know what the next crisis will be raised after collaboration due to psychological super saturation of employees who are mentally and physically exhausted from the intensity of teamwork organisation. It is experienced that whenever organizations reach their limits, the revolutions are created the fundamental changes in organizational structure as accumulation and tension at some stage subside.

#### **7.2.2 Five Phases (Stages) of Organizational Growth:**

Every organization goes through different stages of growth given as below- Five Phases of Company Growth (Report by Indeed Editorial Staff, Career Development Articles)



### 1. Introductory Phases:

Every organization usually starts its business by introducing new services and products at Company level. At the introduction stage, the organization's sales are low, but slowly increasing. Companies focus on marketing to prospects by promoting value proposition and comparative advantage. However, initial start-up costs are high, revenues can be low, and companies have to compromise with low outcomes at this stage.

### 2. Growth Phase:

In this phase, the company's sales grow rapidly, so when the break-even point (the production level at which the production cost is equal to the sales of the product) is crossed, the company begins to make a profit. However, the profit cycle is slower than the sales cycle, so a company's profit may not be as high as sales. But, at this stage, the cash flow will be positive and it will be excessive cash flow.

### 3. Shakeout phase:

During the market adjustment phase, a company's profits continuously slowing down, with new competitors entering into the market or approaching market saturation. Sales can be increased during the liquidation phase, and as sales grow continuously, profits can decline. This means an increase in cost.

### 4. Maturity Phase:

After certain period of time, when company matures, sales started declining, profit margins decline, and cash flow can stagnate. This is the stage where an organization achieved full maturity, its largest investment in the business and generation of cash is higher than the profit on the company's income statement. So that, at this stage, companies enter into

diversion or innovation and invest in emerging markets and new technologies. This will help them to relocate themselves in their industry and stimulate growth in the market.

### **5. Extension or refusal phase:**

After maturity stage, Company gets success and stability but same time more possibility of declining starts in some of the area of profits, sales, external brand reputation, and internal structure. A sure sign of an organization's decline when owners and executives are no longer interested in investing in technology or employees, but what can they take away from the company when planning became ineffective? Consider. However, organizations can begin renewal work or take decision of diversion in some other areas but before the decline begins. There is a need of effective leader's team to bring the decline situation up to anticipate market and business diversion.

### **7.2.3 Organization Development:**

#### **What Is Organization Development?:**

According to Richard Beckhard

The OD concept is not latest and new its old but evolutionary, large and complex one. Many professionals lead to apply various methods, processes during stages of OD to bring out the desired outcomes in organisations.

Jeanne Hartley, MSODCal State University Northridge, 2009 highlights on the work of David Jamieson, 2009 was used throughout his presentation in the following effective way:

In Organization Development,

The "O" is about organizations(systems) of all kinds; the units throughout society that are human organizations existing to accomplish some purpose

The "D" is about change & improvement; growing towards something, getting better at one's mission, improving how work gets done & people live their lives.

OD is a mindset (way of seeing the organization world).A set of value-based perspectives.

A field of study & practice

Minnesota Organization Development Network (MNODN) studies, put a brief glance on entire Concept of OD in the following manner:

#### **Traditional Definition of OD:**

"Organization Development is an effort planned, organization-wide, and managed from the top, to increase organization effectiveness and health through planned interventions in the organization's 'processes,' using

behavioral-science knowledge.”(Beckhard, “Organization development: Strategies and Models”, Reading, MA: Addison-Wesley, 1969, p. 9)

New definitions are evolving,

“Organization Development ... attempt to influence the members of an organization to expand their candidness ... and to take greater responsibility for their own actions. The assumption behind OD is that when people pursue both of these objectives simultaneously, they are likely to discover new ways of working together that they experience as more effective for achieving their own and their shared (organizational) goals ...”(Neilsen, “Becoming an OD Practitioner”, Englewood Cliffs, CA: Prentice-Hall, 1984, pp. 2-3)

According to Robert A Gallagher (1997), Organization Development(OD) is an effort to increase an organization’s ability to improve itself as a humane and effective system.

### **Defining OD: Reference of OD to Medicine:**

1. Health of organizations compared to health of human body
2. Anatomy and physiology ~ organizational theory
3. Psychology ~ organizational behavior
4. Physicians ~ organization development practitioners

### **OD Profession – Very Brief History**

Started largely in social laboratories (NLT, T-groups, etc.) in 1940s

- Then focus on survey research/feedback
- Then action research (research to action)
- Then Quality of Work Life (socio-technical, work design, efficiency studies, motivation, quality circles, etc.)
- Then strategic change (planned change at organisational level, open-systems planning)
- Some Pioneers: Lewin, Likert, Beckkard, Bennis, Levy, Argyris, Schein, Burke, etc.

### **OD Profession - Current Major Topics:**

- appreciative inquiry, coaching, continuous learning, emotional intelligence, large-scale interventions, learning organization, on-line learning, self-managed and self-directed and self-organizing teams, systems thinking

### **Planned Change – Reasons for Rapid Change:**

- Telecommunications

- Globalization (expanded markets, etc.)
- Increased competition
- Increased diversity
- Increased public consciousness

**Planned Change – Typical Phases:**

- Following steps not really linear – is cyclical
- Following steps model well-done consulting process
- Startup/entry/contracting
- Assessments/diagnosis
- Feedback to clients
- Action planning
- Interventions/implementation/evaluations
- Separation

**Types of Interventions:**

- Human process, eg:
- T-groups Process consultation
- Team building
- Search conference (a large-scale intervention)
- Techno structural, eg:
- Work/job design
- Quality circles
- TQM
- Restructure
- Human resource management, eg:
- Performance management (employee)
- Employee wellness
- Reward systems
- Diversity management
- Strategic, eg:Organizational transformation

- Cultural change
- Self-designing organizations
- Strategic management

### **Planned Change –Basic Principles:**

(A definition – “organizational change”: organization-/group-wide change)

(A definition – “organizational transformation”: radical, fundamental organizational change)

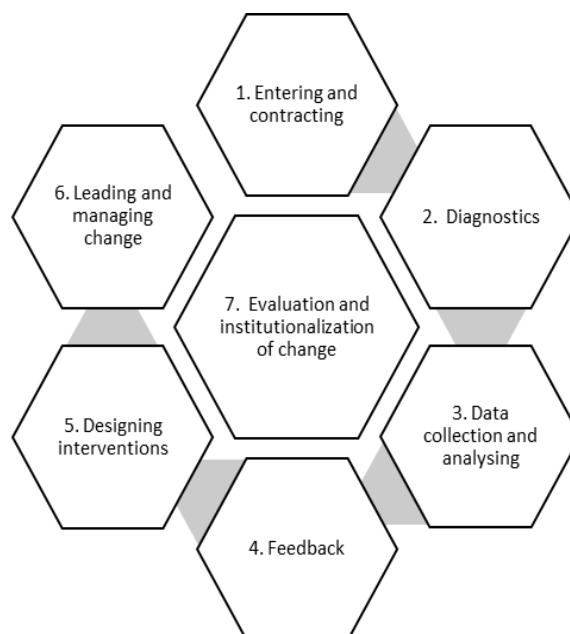
Work from a plan with vision, milestones, measures and celebration. Must involve top management Usually has a champion Best if planned and implemented via teams. Best if involves changes to organizational structures and processes Frequent and sustained communications about: Need for change New Vision Progress toward vision Milestones Usually not an “aha!” experience.

### **Typical Process of OD:**

Startup/entry/contracting

1. Assessments/diagnosis
2. Feedback to clients
3. Action planning
4. Interventions/implementation/evaluations
5. Separation

### **7.2.4 Stages of Organisational Development Process:**



## **Organisation Development Process:**

### **1. Entering and contracting:**

The first step starts when a manager exploits an opportunity for better outcomes. He entered and contracted with different purposes, including external changes, internal conflicts, complaining customers, loss of unit, a lack of innovation, or high sickness absence or employee turnover. These events are usually a part of the challenges of OD.

This stage is about scoping out the problem. This usually happens in a meeting between the manager and the members internally. In the case of external OD consultants, this stage is more formal. The organization has enrolled organization staff to work and spends a part of cash on organization staff for Organisational Development. In future it may prove fruitful or not but this contractual part is considering for improvement of an organisation.

### **2. Diagnostics:**

Diagnostics is the second phase of the process. The OD practitioner tries to understand current system. They collect information regarding current crisis, through surveys, interviews, or with available data. All of this is aimed at trying to find the root cause of the issues. According to Cummings & Worley (2009), effective diagnosis provides the systematic knowledge of the organization needed to design appropriate interventions.

There are different organizational development models used to run these diagnoses of clear input, a (change) process, and an output. They help to structure different design components of the organizations (note the resemblance to Galbraith's star model). This model clearly shows different design components that play a role at different organizational levels (i.e. organizational, group, and individual).

### **3. Data collection and analyzing:**

In this phase, OD practitioners collect and analyse the data. Primary and Secondary Data collection methods used to collect data including available records of work systems, questionnaires, interviews, observations, and 'fly on the wall' methods, etc.

The OD administrator may try to know employees in the admin team about why they take sickness leave, and if that is due to the organization impact on doing so.

For the success of a project, data collection and analysis plays important role though many times it is critical job. Important things to keep in mind are confidentiality, secrecy, ultimate purpose, observer-expectancy bias, and impartial impact.

Another effect to keep in mind is a regression to the mean. This refers to the phenomenon that arises when there's an extreme situation, or outlier, that returns to its normal state. So a consultant would be brought in when



things are really bad, with the situation decreasing in severity simply because time passes by. In this situation, the situation is less likely to go from really bad to even worse, than from really bad to just bad – hence regression to the mean.

#### **4. Feedback:**

In this stage, it is key for the OD specialist to allow data back to the client in a way that's reasonable and action-driven. Information has to be pertinent, reasonable, clear, irrefutable, opportune, restricted, critical, comparative, and goal activity. Methods like narrating and visualization can be utilized to do this in compelling way. The OD specialist may show through slide-show, their key discoveries to administration. They seem to give a point by point report; which administration can dive into future process of resolving the organisational issues in respect of OD.

#### **5. Designing interventions:**

After giving the client with criticism, an intercession ought to be created. This intercession ought to fit the wants of the organization and ought to be based on causal information of results. In expansion, the organization has to be able to assimilate the changes effectively. A major portion of the alter prepare is characterizing victory criteria for alter. Only when these criteria are well-defined, progress can be measured.

#### **6. Leading and managing change:**

The next phase is about executing the change intervention. Though estimations put the failure rate of change, but it is not entirely true that change is difficult and high failure in change suddenly exist. Effective change management revolves around motivating change, creating a vision, developing support, managing the transition, and sustaining momentum. Well-known change models include John Kotter's eight steps to transforming the organization. While shifting of staff may results quit of job by some of the staff. Therefore, it is essential that management should convince the staff to come on board to support this change.

#### **7. Evaluation, Follow up and institutionalization of change:**

This is the last stage is approximately executing the alteration. Indeed, in spite of the fact that result of change is not achieved totally as entire alter is difficult. For effective changes administration must set a vision, creating system, overseeing the move, and take follow up. Well-known alter models incorporate John Kotter's eight steps to changing of organization which helps in new changes. The incremental changes occurred due to the rapid evolution of technology, managerial pattern, etc. All organisational Systems evolve and this requires a constant implementation.

Once a system has been operated, various opportunities for improvement will be applied. Applications of changes will prove effective to a better use of resources with the active employee participation. This can be possible by regular evaluation after implementation.

## 7.2.5 Challenges In Organizational Development:

There are many benefits of OD, but same time organizations have to face some challenges for the successful implementation of OD. Some common challenges of the organizational development process include the following:

### 1. Fear of the unknown:

Employees is always having fear of changes may be of implementation of new system, technologies, methodologies, etc. They may worry for their adjustment with that change or they will be removed due to ineffectiveness, or uncertain outputs due to application of new change. They feel that they will lose their jobs. As a result, they will not co-operate or involve themselves completely.

### 2. Improper Communication:

Due to new changes in system, there may be a chance of change in communication pattern. Due to the improper communication system of the organization, there may be chance of creating of difficulties in reaching of expected message or orders. If no right message or instructions will be communicated there will be a chance of misleading in the case of OD implementation.

### 3. Lack of understanding:

Some employees of the organization are rigid or having fear of change so, they didn't show a positive attitude in case of organizational change. So, due to lack of interest and lack of understanding the importance of a change, all implementation will be considered a challenge of OD. Proper training and counselling can change employee mind-set which helps to improve organizational culture. And it will certainly support for the positive OD.

### 4. Stress:

In absence of proper knowledge and importance of change and also having a fear of a new change, employees will not support for the implementation OD. It increases their stress. Employers should take only practical action and train the workforce, which will create a proper mind-set for development. It helps organizations to remove employees' stress or burnout and ensure work-life balance.

### 5. Insufficient Leadership:

Implementation of OD program need to introduce different innovative practices. This is considered a challenge of organizational development strategy. But for the implementation, there is a need of competent leaders who lead the workforce towards the right direction of OD. It is almost impossible without proper leadership skills and practices.

## **6. Workforce diversity:**

The people in organizations are becoming more heterogeneous demographically (disability, gender, age, national origin, non-Christian, race, and domestic partners). A diverse workforce includes women, physically disabled, senior citizens, etc. Managing this diversity has become a global concern.

Diversity is not managed properly. There is a potential for higher turnover, more difficult communication, more interpersonal conflicts. Managers should recognize the differences among employees and respond to them in ways that will ensure employee commitment.

Management requires a lot of time and managerial skill to handle such diversity of workforce due to labour mobility and same time need to be focused on the task to be achieved. So, it is a great challenge to tie such workforce diversity to achieve the task of organisation development.

## **7. Knowledge management:**

Employees are the primary source of knowledge. Management must their ideas should be accumulated to prepare plans and policies. Organisation need to build new innovative practices in their organisational development process as society need such as new ideas, new things and creativity in the product or service from any organization. And, on the basis of requirement, it is essential to hire new knowledge from outside if do not find among the internal workforce of an organisation.

## **8. Multicultural effects:**

Due to labour mobility and diversity of workforce joined an organisation with multi-lingual, multi-regional, multi-cultural form. An innovation of modern communication and transportation system has tied the multi-cultured people together. They work together to meet their common and professional goals or objectives. Therefore, the involvement of multicultural people having different traditions, values, social attitudes, religious beliefs, and living approaches creates a new challenge to the manager if the conflict may arouse among them during the working time.

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## **7.3 CHANGE MANAGEMENT**

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On every aspect of life, we come across with the new situations, challenges, etc. and this is due to scientific inventions, new technologies, new strategies, new economic policies, new innovative practices, competitions, etc. To face such situations or challenges, we have to take certain decisions and bring some changes to resolve the problems in organizational growth and development. Society is ever changing and change is the need of time and it is required for survival of life as well as of business.

To adjust with the required changes there is need to have different managerial strategies or policies which is called 'Change Management'.

Change management is kind of managerial tact or practice applied by different level of management to resolve the different kind of issues aroused due to adaptation of a change. It is necessary for the Organizational growth and development.

### **7.3.1 Organisational Change: Definition:**

"Organizational change can develop skepticism and resistance in employees, making it sometimes difficult or impossible to implement organizational improvements. Management's ability to gain maximum benefits from change depends in part on how effectively they create and maintain a climate that minimizes resistant behavior of people and encourages acceptance and support" Coetsee (1999)

In short Organisation change is a complete change in the areas of organization like, physical environment change, technical changes, change in business process, change workforce, Change in recruitment and selection procedures, method of appraisal, training and development of the employees, change in culture of organisation, etc. and which denying the earlier pattern of organisation with drastic changes in the above said areas of the organisation due to two forces one is external force and other is internal force.

### **7.3.2 The Principles /Process of Change Management:**

Change Management process/core principles of successful Change Management:

1. Understand Change
2. Plan Change
3. Implement Change
4. Communicate Change

For inculcating changes these principles are supportive as they provide guidelines as well techniques for better practical outcomes:

#### **Principle/Step 1: Understand Change:**

To exploit the benefits of change first need to answer the following questions before plan the change program:

- Why change is needed? What are your key objectives?
- What sort of benefits will be achieved by the organization?
- How will change affect the people positively? and the way that people work and what is required to do by people to achieve the change?

Thus this phase/step help to think and focus on both positive and negative outcomes of the change.

### **Principle/Step-2: Plan Change:**

Expected change doesn't achieve by chance. To achieve positive result need to plan it an effective manner. During changes it is required to change the deepness of the change as some are rigid and not possible easily and require different methodologies or some are flexible in approach. Plan need to set according to –

- Supporting Level and Sponsorship of the change,
- The best positioned internal or external expertise/resources help organisation to design and implement the change.
- Change is most effective when support received from people across the business.
- Finally, need to focus on what success should look like and what goals need to achieve?
- There are several tools that you can use to plan change:
- The Burke-Litwin Change Model allows to formulate an approach that suits the structure, dynamics and current context of the business.
- Leavitt's Diamond is a useful framework for working through the impacts of any proposed change – on tasks, people, structure, and technology.
- Impact Analysis can help to uncover the unexpected consequences of change.
- SIPOC Diagrams are comprehensive tools that can use to check how change will impact on suppliers, inputs, processes, outputs, and customers.

### **Principle/Step-3: Implement Change:**

In this phase set plan will be implemented by choosing of best strategy, methodology or technique. As Kotter's 8-Step Change Model, for example, explains how to inject a sense of urgency into actions, so that it built momentum and encourage everyone to get behind the changes.

During this the Change Curve reminds managers the mindful of people's feelings while putting the plan into action. It shows the stages that all tend to go through during organizational change – from shock and denial, to the point where we're fully invested in the new approach.

The Bridges Transition Model is a helpful tool for guiding and supporting people through periods of change. And Mind Tools Club and corporate members can listen to its Expert Interview with transition consultant Susan Bridges.

After choosing suitable tools, the following steps will be taken to implement the required change in the positive manner:

- Ensure, map and identify that everyone involved in the changes according to the need.
- Decides criteria for changes and make sure that they're regularly measured.
- Identify any training needs and Appoint "change agents," who can act as role models for the new approach.
- Find ways to change people's habits and make sure that everyone is supported throughout the change process.

#### **Principle/Step-4: Communicate Change:**

Communication is an important step of change management. The change which required to implement has to be clear and relevant, so people understand what is expected from them. Same time it will help to achieve the exact goal. If the managing personnel have right approachable communication, the result will be positive and as per plan.

There should be Unity of command and right linear communication must be conducted at different levels so that the right message will reach at the right time which help achieve change.

The ADKAR Change Management Model is a particularly useful tool that you can use to help communicate your change. It outlines five things you should address in your communications:

- Awareness (of the need for change).
- Desire (to participate in and support it).
- Knowledge (of how to change).
- Ability (to change)
- Reinforcement (to sustain the change in the long term).

#### **Principle/Step-5: Sustain change:**

It is the last step/ stage in change process denotes as commitment stage. This stage helps to know how much sustain support developed for newly adopted changes. After making integrated results, organisation went on conclusion how much applied change management succeeded in application level and need to have a disaster recovery plan at all stages.

After putting the large resources, it is a responsibility of the top management to ensure successful change. Though Change Management or plan is time consuming and much costly but it becomes very rewarding if carefully and thoughtfully implemented.

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## 7.4 SUMMARY

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Organizational growth is a stage a company reaches when it wants to expand and may look for additional options to generate more revenue. Organizational growth is often depending on industry growth trends, business lifecycle and the owners' desire for equity value creation. The growth of organisation is process through the stages/steps. It also has various barriers internal as well as external.

Thus Organizational development (OD) increases organization effectiveness, makes employees more efficient and reduces drawbacks of the organization. It also improves the importance of teamwork in the workplace. Organizational development strategies could be different from organization to organization. But the ultimate objective remains the same for every organization.

Change can take place in an organisation in some ways – strategic, leadership, or technological changes. In recent years, companies are seeing change management play a significant role in implementing new technology. Many people worry that as technology advances, it will take over the workplace. This often causes a struggle to change in firms looking to implement new technology. By encouraging employees to better understand change, you create a system that is more open-minded and free to change. Change management can help ease this pressure and create a simple process.

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## 7.5 EXERCISE

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1. What is Change Management?
2. Comment on organisational challenges
3. Discuss about model of organisational
4. Discuss five phases of organizational growth
5. Explain organisational development

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## 7.6 REFERENCE

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## TIME MANAGEMENT

### Unit Structure

- 8.0 Objective
- 8.1 Introduction
- 8.2 Time Management
- 8.3 Addressing Diversity
- 8.4 Conflict Management
- 8.5 Summary
- 8.6 Exercise
- 8.7 References

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### 8.0 OBJECTIVES

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Learner able to understand following concept after studying this unit:

- Concept of time management
- Importance of time management
- How to address diversity due human resource mobility
- What is the conflict management?

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### 8.1 INTRODUCTION

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“Yesterday is gone. Tomorrow has not yet come. We have only today. Let us begin.” -Mother Theresa

“Time is really the only capital that any human being has, and the only thing he can afford to lose.”- Thomas Edison.

Above these quotes highlights on the importance of time. Time is an important factor in everyone’s life as it is a key tool helping one in organizing, planning, prioritizing and completing any task successfully. Time, once gone never comes back. Time plays very important role in the Personal life as well as in career life. Many times Entrepreneur/ Business Management/ Professionals, etc. has to overcome time constraints in our daily activities as in the they are always battling with the clock. So, Time Management is an answer to the issue of “not enough time”. Simply put, time management revolves around the tools, skills, activities and mind-set needed to work each day in a more efficient manner.

#### **What is time management?:**

Time Management is more important than money. The Importance of time and the ways to manage it are often overlooked. It is the remedial measure

for the problems aroused due to industrial revolution, modernisation, globalisation, application of innovative techniques and strategies in the manufacturing and distribution fields, changing of social, economic, technological and political environment, changing of attitudes, aptitudes and interests of workforce and change in consumer behaviours, adjustments, etc.

In his book Time Management, Brian Tracy, a motivational speaker and author interested in human resources and time management in an organization, makes it clear that one of the most valuable mental habits to cultivate is the sense of the urgency of things, the inner impulse that makes us deal with problems without procrastination.

James Allen said: “First of all you must focus on one thing: set a rational and useful goal and devote yourself wholeheartedly to its achievement.” Self-discipline and determination heighten self-esteem. The focus on well-defined goals and the ability to plan actions in time are the key to success.

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## **8.2 TIME MANAGEMENT**

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According to Brian Tracy said: 1 minute of planning things saves ten minutes of doing things. “So what is time? If no one asks, I know. If someone asks, I don't know how to explain. But I am adamant that if things were not passing away there would be no past; if things were not happening, there would be no future, and if things did not exist, there would be no presence.”

According to St. Augustine it is not time that flows but it is things that flow in time. Time never stands still. The present moment flows from the future to the past so rapidly that it can have no substantial existence whatsoever.

Mr. Lynn Underwood(2001) indicates that time management is managing the time of self and the time of others. One may need to struggle to overcome one's own personality. If one is sort of person who tends to put off tasks until the very last minute, he/she is going to have to make immense efforts to change the way of working.

Mr.Reuben Roy(2008) states that time management is splitting your time among various activities in which you are involved throughout a given period of time. It may help to three categories such as organization-imposed, boss-imposed and self-imposed.

According to HARRIS Time Management has been defined as “the process of skillfully applying time to finish and perfect a specific activity within time constraint”.

### **8.2.1 Importance or Significance of Effective Time Management:**

Followings points highlights on the Importance of Time Management:

### **1. Time is limited:**

Time is a very important resource like river that cannot store or save. Everybody gets the time every day, but if it is not used for required purpose, expected output will not be achieved. Time is limited to 24 hours a day and once it flows away we cannot catch them again. So we must plan our time wisely to accomplish our task.

### **2. Time is Scarce:**

Time is a scarce mean to complete the work/project, but all administrative/executives have lots of or number of task to complete daily but for that they do not have enough time. With lack of time another many reasons are also brings the failure e.g. irregular exercise, poor finances, unachieved goal, too much stress, bad relationship, etc. Time management helps everybody to use the time wisely as well as helps us to set our priorities.

### **3. Time Helps to obtain life goals:**

As administrators, it is needed to learn how to make time for the things that are important. Time management helps to make conscious choices, so that spending more time to get the things done which is important and valuable. Ultimately, achieving any goal of life or business need planning/ managing of time and this time management helps to obtain final goals.

### **4. Time Helps to cover maximum work with minimum efforts:**

By reducing wasted time and effort, if we achieve the task, then the time will be productive. Both of these allow us to make time for a wide range of activities that helps to make balance between task and its fulfilment. We should find time for the things that are important to us. If we spend required time through proper time management, then we can reach to our task or work with minimum efforts.

### **5. Too many alternatives for time:**

As time is scarce resource and with that we have to accomplish many activities/goals. But it sometimes become challenging so, we must prioritise and decide when and what to complete with time management. some sort of plan to make intelligent choices. Time management helps us to make conscious choices so that we can spend required time for specific task first and then next as per another priority.

### **6. Time Keeps us on track:**

Due to daily work list and time planning, we can work on right track which takes us to the destination. Whether it is a daily work list, or a long-term career, plan-time management keeps us on track. Thus with such set goal list and allotment of time we have given our self is higher.

**7. Time for Relaxation:**

Due to time management, work or task can be achieved on time so that we can relax from time to time. Time management helps not only to manage time formwork but also create time for recreation and relaxation. Thus this balance of time between work and relaxation can emerge to be one of the successful individuals among the busy personalities.

**8. Time Keeps things in context:**

Sometimes we found people complaining that there is no balance in their lives and they spent lots of lifetime in engaging of never ending work. But such life frustration can be reduced and that is by proper time management. One of the reasons why time management is important is because it helps us to put things in the right context.

**9. Increase task completion ability and reducing stress level:**

Time Management helps one to stay on top of the time thus it improves the ability of taking up any task and complete it on time which directly helps in reducing the stress level.

**10. Ensuring smooth and sharp performance:**

Time Management helps to focus on the target by time planning and ensure for smooth and sharp performance.

**11. Reduction in Procrastination:**

It helps to decrease procrastination by having clear control on the tasks through right time management.

**12. Improvement in productivity:**

Time Management benefits one in being more productive by getting more tasks done in less time.

**13. Balancing Personal life and work career:**

It helps in work-life balance. With the learning of managing the time, the person get benefits in all areas of life thus it improves the reputation of both personal life and work career.

**14. Improves quality of life:**

Effective time management helps to improve the quality of life. With the time management, some of the most common problems such as stress, frustration, guilt of failure and lack of time for personal interests, etc. can be solved very easily.

### **15. Reduces frustration:**

When we try to create a balance between professional and personal life against the hectic and tiresome routine, time is the only tool that can make out better manner or break us. When we want to do as per heart desires, time management help us to get better result. By managing our time in a proper manner, we will get rid of all frustration.

### **16. Gives peace of mind:**

For healthy and disease free life, anyone must have peace of mind. Restless and stress are the root cause for the lack of peace. It causes us to think and perform work undesirably and adversely effect on personal life and career. By managing the time wisely, we will be able to give time for self and our loved ones the much desired time and attention. Same way the social ties between the administrator and the people around them can be strong with the help of time management.

### **17. Increases energy level:**

Effective time management increases the energy level of administrators to a great extent. By proper time management, the unhandled jobs and unfinished work can be done within the decided time. By managing time correctly will give better result which boost up our energy level than the past. This, in turn enables us to concentrate on the task at hand, without bothering about the pending ones.

### **18. Gives more quality of time:**

Effective time management gives administrators good quality of time as well as leisure, so that he can think and plan for further goals as well as balance the personal and career life instead of trapping in hectic routine. This is because there are many things that we might ignore, but still have to do for our survival.

## **8.2.2 Tools for Effective Time Management:**

According to James Manktelow, following tools are very important and helps to resolve the problems or challenges of Time Management:

### **1. Activity Logs:**

Keeping an Activity Log for several days helps you to understand how you spend your time, and when you perform at your best. Without modifying the behaviour any further than you have to, note down the things you do as you do them on our Activity Log template which can be downloaded. By analyzing the activity log you will be able to identify and eliminate time-wasting or low-yield jobs. We must also know the times of a day at which you are most effective, so that you can carry out your most important tasks during these times.

## 2. To-Do Lists- the key to develop efficiency:

By making daily a To-Do List, it is easy to capture all of the tasks you have to complete in one place. This is essential if you're not going to forget things. And by prioritizing work, you plan the order in which you'll do things, so you can tell what needs your immediate attention, and what you can quietly forget about until much, much later. This is essential if you're going to beat work overload.

### To-Do Lists, you will ensure that:

- You remember to carry out all necessary tasks.
- You tackle the most important jobs first, and do not waste time on trivial tasks.
- You do not get stressed by a large number of unimportant jobs.

## 3. The Urgent/Important Matrix (Using time effectively, not just efficiently):

Managing time effectively, and achieving the things that you want to achieve, means spending your time on things that are important and not just urgent. To do this, and to minimize the stress of having too many tight deadlines, you need to understand this distinction:

- Important activities have an outcome that leads to the achievement of your goals.
- Urgent activities demand immediate attention, and are often associated with the achievement of someone else's goals.

The idea of measuring and combining these two competing elements in a matrix has been attributed to both former US President Eisenhower and Dr Stephen Covey.

Eisenhower's quote, "What is important is seldom urgent and what is urgent is seldom important" sums up the concept of the matrix perfectly. This so-called "Eisenhower Principle" is said to be how Eisenhower organized his tasks.

Covey brought the idea into the mainstream and gave it the name "The Urgent/Important Matrix" in his 1994 business classic, "The 7 Habits of Highly Effective People".

The matrix can be drawn as shown in following figure 1, with the dimensions of Importance and Urgency:

**Figure 1: Urgent/Important Matrix**



**The below given steps helps to use the matrix to prioritize the activities:**

- a. The first step is to list all the activities and projects you feel you have to do. Try to include everything that takes up your time at work, however unimportant work also.
- b. Next, assign importance to each of the activities – you can do this on, say, a scale of 1 to 5: this is a measure of how important the activity is in helping you meet your goals and objectives. Try not to worry about urgency at this stage, as this helps get to the true importance.
- c. Once you have assigned importance to each activity, evaluate the urgency of each activity. As you do this, you can plot the listed items on the matrix, according to the assigned importance and urgency.
- d. Now study the matrix using the strategies described below to schedule your priorities.

Urgent but not important activities are things that stop you achieving your goals, and prevent you from completing your work. Ask yourself whether these tasks can be rescheduled, or Sometimes it's appropriate to say "No" to people, or encourage them to solve the problem themselves. By doing this, you'll be able to concentrate on your important activities for longer periods of time.

#### **4. The Action Priority Matrix-Making the very most of your opportunities:**

(Also called the Impact Feasibility Matrix)

The Action Priority Matrix is a simple diagramming technique that helps you choose which activities to prioritize, and which ones you should drop, if you want to make the most of your time and opportunities. Figure 2 given below shows the Action Priority Matrix:

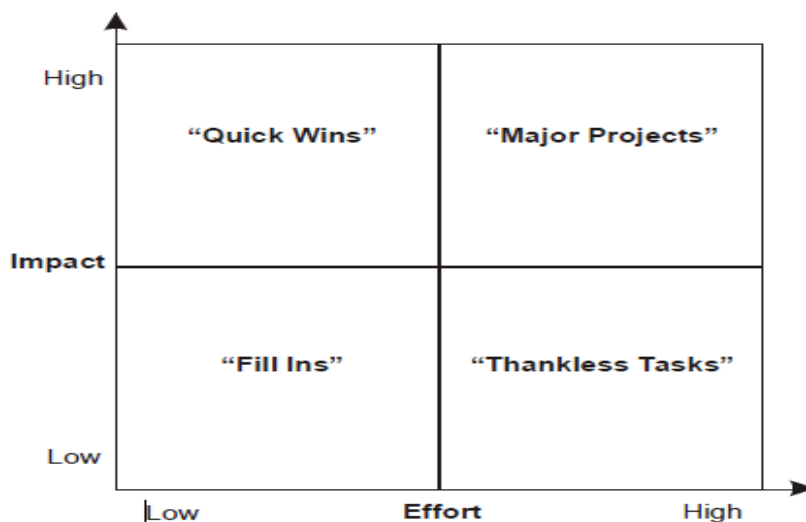


Figure 2 Action Priority Matrix

By plotting each activity on the Action Priority Matrix using these scores, you can quickly see the projects that give you the greatest returns on your efforts; and adopt the most appropriate approach: They are-

- a. **Quick Wins (High Impact, Low Effort):** These are the most attractive projects, giving you a good return for relatively little effort. So, need to focus on it.
- b. **Major Projects (High Impact, High Effort):** While these give good returns, they take a long time to complete – meaning that one "Major Project" can crowd out many "Quick Wins". If you're engaging in these, make sure that you complete them quickly and efficiently and that you disengage your effort as soon as you can.
- c. **Fill Ins (Low Impact, Low Effort):** Don't worry too much about doing these – if you've got spare time, do them, but drop them if something better comes along.
- d. **Thankless Tasks (Low Impact, High Effort):** Avoid these. Not only do they give low returns, they crowd out time which would be better used elsewhere.

The principle behind using the tool is that you score each activity that you want to complete on two scales – firstly on the impact the activity will have, and secondly on the effort involved.

### 5. Managing Interruptions: Maintain focus. Keep control of your time:

Everyday interruptions at work can be a key barrier to managing your time effectively and, ultimately, can be a barrier to your success. They may have been phone calls, emails, hallway conversations, colleagues stopping by your office, or anything else that unexpectedly demanded your attention and, in doing so, distracted you from the task at-hand. The key to



controlling interruptions is to know what they are and whether they are necessary, and to plan for them in your daily schedule.

Person	Date and Time	Description of Interruption	Valid?	Urgent?

Figure-3 Interrupter's Log

**a. Keep an Interrupters Log:**

If interruptions consistently take your time and energy, or if they frequently push you off schedule and cause delays, it's time to keep an Interrupters Log. This is a simple record of the interruptions you experience in the course of a day as per the shown in the figure 3 Interrupter's Log.

**b. Analyse and Conquer Interruptions:**

To analyze and conquer the interruptions you find in your Interrupters Log, firstly look at whether the interruption is valid or not.

**c. Put Your Phone to Work for You (Not Against You):**

A little bit of planning can go a long way in working to control telephone interruptions, which many people experience all day long. If you are on a deadline or your focus needs to be intense (and not interrupted), use your voice mail to screen calls, or have an assistant deal with messages for you. In fact, this telephone time can be planned into your schedule, and so become a normal part of your working day.

**d. Catch Your Breath:**

When interrupted, most of interruptions are not genuinely crisis-driven, and it can serve everyone best to take a little time before taking action. Take a few minutes to consider the situation. Catch your breath and clear your head. A small delay, even one of just a few minutes, goes a long way in assessing the situation accurately and reacting appropriately.

**e. Learn to Say "No":**

It's often acceptable to say "no" to requests or tasks if you are busy when someone else can handle it, if it is not an important task, or if it can be done later.

**f. "Available" and "Unavailable" Time:**

Simple yet effective: Let people know when you are available. and when you are not. Make sure that people know that during your "unavailable time", they should only interrupt you if they have to.

**g. "Invitation Only" Time:**

Schedule regular check-in times for the individuals you talk to most often. Ask these people to keep a running list of things that they need to discuss, so you can cover all the points at one time. And, force yourself to do the same. An open-door policy is good, but you should limit the number of people you invite to your work area and you can excuse yourself after you accomplish your purpose.

**h. Uncontrollable Interruptions:**

There are interruptions that, no matter how hard you try, you simply cannot control. Most people are happy to schedule a more convenient time, but when this does not work, do not ask the interrupter to sit down and do not engage in small talk. Encourage the interrupter to get right to the point and if a solution cannot be reached before the allotted time runs out, set a time for getting back to them and, again, stick to it.

**6. The Art of Filing (Managing your documents... and your time):****a. Managing Time:**

On a typical work day, we deal with many documents, presentations, graphics, and other files. There's a flurry of data pouring in from all directions that we need to process and available at the right moment, when we need it.

**b. Managing Information Efficiently:**

When you receive a file in an e-mail from a co-worker, vendor, or customer, it's tempting to "just put it away" in some folder for the time being. After a while, many such documents build up, leading to a lot of clutter. You can spend hours of precious time searching for data you've filed away somewhere, because it's easy to forget the filename – or even to forget where it is placed. So, need to apply better system to managing files.

**c. Effective File Management:**

- i) Avoid saving unnecessary documents.
- ii) Follow a consistent method for naming your files and folders.
- iii) Store related documents together, whatever their type.
- iv) Separate ongoing work from completed work.
- v) Avoid overfilling folders.

vi) Make sure your filing system is backed up.

**d. Prioritizing Your Files for Action:**

i) Organize files by dates.

ii) Organize files by version number

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### **8.3 ADDRESSING DIVERSITY**

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The ever-increasing globalization of the world has given rise to an increase in factors which cause growing heterogeneity on the labour market and in organizations. These factors include: Demographic changes (typical of European countries), the decreasing amount of manpower and with it the growing demand for manpower, growing employment of women and the endeavour towards greater inclusion of migrants (study by Charta der Vielfalt, 2014)

Geographical mobility of workers involves movement of workers from one location to other with means like bikes, buses, etc. whereas occupational mobility of workers involves movement of workers to new jobs, switching industries, transfer to other sectors, etc. In other sense, mobility of labour and workforce also means the worker's ability to improve skills and take promotions or have advantage of other jobs. This type of mobility is called as upward mobility which needs experience, knowledge, cultural fit, acceptance from others, etc.

There are several barriers to the mobility of labour and workforce like physical and mental ability, geographical hindrances, education levels and responsibilities pertaining to the family.

Cox (2001, 3) states the interpretation of Diversity as follows: "Diversity is the variation of social cultural identities among people existing together in a defined employment or market setting."

Diversity of workforce-The differences relating to human being such as ethnic heritage, race, sexual orientation. Mental/physical abilities and characteristics, age and gender which are not changeable within a company's staff.

Stoner and Russel-Chapin (1997,12)

Diversity Management deals with the process of creating organisational culture in which workforce differences are understood and valued and each individual has the opportunity to be fully utilised. It is concerned with establishing a new framework and approach, in which a new set of core values governing the role of individual differences can be developed, i.e. a refocusing and reorientation of organisational culture."

Patrick & Kumar (2012), posited that diversity includes acceptance and respect; it helps to understand each employee's unique difference which could be along the line of race, ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, religious and political beliefs or

other ideologies. Managing diversity is laudable as it assists organizations to tap the creative, cultural and communicative potentials of a variety of workers and to use these skills to improve organization policies, products and customer experiences.

According to Dike (2013), workplace diversity can be defined as recognizing, understanding and accepting the individual differences irrespective of their race, gender, age, class, International Journal of Academic Research in Business and Social Sciences

### **8.3.1 Factors Determining Human Resource Mobility:**

#### **1. Education and Training:**

The mobility of labour depends on the extent to which Labour is educated and trained. Higher or more a person is educated and skilled. The greater are his chances of moving from one occupations or place to another. Geographical and vertical mobility is very much dependent on education and training.

#### **2. Urge to Rise in Life:**

The inner urge of the workers to rise in life determines the mobility. If workers are optimist and broad minded, they will move to other jobs and places. Differences in language, habits, religion caste etc. will not be hindrances in their mobility.

#### **3. Means of Transport and Communication:**

Well-developed means of transport and communications encourage mobility of labour. The worker knows that in case of emergency at home we can easily communicate with his family on phone or travel back by train within the country or by aero-plane if he is abroad.

#### **4. Social Set-up:**

The mobility of labour also depends upon the social set-up. A society dominated by caste system and joint family system lacks in mobility of labour. But where the joint family and caste systems do not exist or have disintegrated family, the mobility of labour increases.

#### **5. Agricultural Development:**

In a developed agricultural area or where there is agricultural development labour moves from high population to low population areas during busy seasons.

### **8.3.2 Best Practices: Diversity Management:**

(As per the research on Workplace Diversity, By Ashley M. Guidroz, Lindsey M. Kotrba, and Daniel R. Denison)

There are a number of things that organizations can do to maximize the benefit of diversity in the workplace and successfully integrate a diverse workforce.

**1.** Frame the diversity management initiative as an opportunity for integration and learning. Framing diversity initiatives in a manner that highlights previous conflict or discrimination can have a negative impact on organization's ability to successfully manage workforce diversity. Emphasizing a learning and integration perspective has a motivating effect on both management and employees and can ensure the long-term success of the diversity program.

**2. Ensure senior management commitment and accountability:**

As with any organizational change initiative, senior management needs to demonstrate their commitment to workplace diversity and hold themselves and others accountable to see that diversity policies are successfully implemented within the organization.

**3.** Articulate how diversity is important to the overall functioning of the business. Whether it be to attract new clientele from demographic groups that are not traditionally a part of your client base or to increase innovation among your staff – consideration should be given to how the new diversity strategy will benefit the company.

**4. Emphasize the value of diversity of all employees:**

Focusing a diversity initiative on one demographic group, such as women for example, can sometimes have a polarizing effect on those employees who are not the target of the initiative. Diversity by definition means “a point of difference” which every individual possesses. Valuing the diversity of all employees will unite employees under one common banner.

**5. Emphasize solidarity with the team or department:**

To minimize the effect of in-group/out-groups, engage workgroups in team-building exercises that help to facilitate communication and integration of work activity as well as create pride in one's work group or organization.

**6. Evaluate the effectiveness of diversity management programs through established Metrics:**

Identify metrics for evaluating the effectiveness of the diversity program and monitor them periodically. Metrics could include monitoring the demographic profile of the company or including questions on an annual employee opinion survey that asks employees for their perception of the culture surrounding diversity or any barriers that may exist for integrating diverse employees.

Some other Tips to improve workplace diversity

There are several ways that companies can improve diversity at their workplace, including:

### **1. Respect:**

All employees must be treated with dignity and respect, regardless of their cultural background, gender, age, etc.

### **2. Good leadership:**

Company leaders should be good role models for employees. Be intentional about building a safe space for all employees.

### **3. Invite discussion:**

Employees need to feel that they are heard. It is important to be transparent and to invite discussion among team members.

### **4. Mentorships:**

Build understanding and growth through different workplace mentoring programs. Mentors and mentees from different backgrounds can be paired together to help each gain a deeper understanding of different perspectives. Mentoring programs can also be used as tools to develop diverse employees for more leadership positions. Starting and managing diverse workplace mentoring programs is simple through mentoring software.

Some other Tips shared by Kearie Daniel and her team on social blog.smarp.com/diversity-and-inclusion-best-practices-focus-on-in-2020 are as follows:

### **5. Establish a sense of belonging:**

Establishing the sense of belonging is crucial for employees to bring the best out of them. Having a sense of belonging is one the most important psychological needs that need to be met in order for employees to feel connected with their employers and organizations.

### **6. Treat ALL your employees fairly:**

Fairness is one of the crucial prerequisites for employees to feel valued and accepted. Unfair salaries and benefits packages for employees from different backgrounds lead to unhealthy workplace culture and a lack of diversity.

### **7. Offer equal growth opportunities:**

Opportunity to grow is one of the main factors that attract and keep talent within companies. Therefore, employers need to be careful about offering fair and equal growth and career advancement opportunities to their employees.

### **8. Rewrite your job descriptions and job ads:**

If you want to attract a more diverse talent, the language you use in your job posting makes a big difference.

### **9. Support innovation and creativity:**

In order to build a diverse workplace, companies must support creativity within their organizations. If innovation and creativity are not one of your main business goals, it will be hard to build and maintain workplace diversity.

### **10. Educate employees on diversity and inclusion:**

For diversity and inclusion to work within your organization, employees need to be educated about the benefits and best practices to support those initiatives.

### **11. Support teamwork and collaboration:**

Teamwork and collaboration are what employees expect from their employers to support. Therefore, in order to attract and keep a more diverse workforce within your organization, collaboration should be one of your main company core values.

### **12. Support flexibility in the workplace:**

Research on workplace diversity found that one of the best workplace policies to attract diverse candidates is flexibility. A PwC survey found that, compared to older generations, Millennials value company culture that supports work/life balance. Therefore, offering flexible work locations and hours helps you attract and retain more diverse employees.

### **13. Restructure your recruitment process:**

In recruitment, focusing on what company candidates worked at or what school they went to can often lead to a decrease in diversity of the candidate pipeline. However, a valid and reliable personality assessments are great tools to measure candidates' personality traits, motivations, and skills.

### **14. Promote diversity and inclusion at all levels of the organization:**

In order for diversity and inclusion initiatives to work, all levels of your company's hierarchy need to understand and support it.

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## **8.4 CONFLICT MANAGEMENT**

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Conflict is an integral part of human life. Whenever there is interaction there is a conflict. It cannot define. Conflict is a continued process when an organisation is working in a team. conflict cannot be avoided since it is an inevitable aspect of work teams. Conflict is an outcome of behaviours. It can be negative. But it is required for growth of an organisation. If there is no conflict within work teams of an organisations then there must be

something hidden which may be aroused suddenly in future proved harmful. Conflict is responses or reactions shown against the new plan/strategy implemented for the purpose of a change.

In some cases, few of conflict are good for organisational growth, but most of the other conflicts are not good for the healthy environment of an organisation. They are challenging to the managerial policies. Such must be resolved on time with Conflict managerial strategies.

Developing various types of conflicts is natural part of the team process. When conflict viewed negative, there are benefits to the system when it is managed appropriately. Team managers manage conflict in their own manner with the intension to maintain good social relations and develops high quality results.

Conflicts must be prevented at the right time in order to avoid tensions and other adverse effects. In such a scenario, conflict management comes in picture.

Conflict management is part of managerial skill as conflict is a part of work teams. There are various types of Conflicts at different levels need to manage for the better solutions of the problems aroused within a team to accomplish the ultimate task of the organisation.

Anderson (1990) and Burton (1987) maintain that conflict management has a wide application. Burton (1987) goes on to state that the significant feature of conflict management is that it is an attempt by the status quo to manage the dispute, or to avoid escalation of the conflict. Conflict resolution refers to deal with or removing the cause of the Conflict management refers to techniques and ideas designed to reduce the negative effects of conflict and enhance the positive outcomes for all parties involved.

According to Frank R. C. de Wit, Conflict Management

Conflict management can be defined as the process of dealing with (perceived) incompatibilities or disagreements arising from, for example, diverging opinions, objectives, and needs. Effective conflict management techniques limit or prevent negative effects of conflict, while enhancing potential beneficial effects, without necessarily solving the conflict.

#### **8.4.1 Conflict Management Strategies:**

According to Daresh (2002), Green et al. (2002) and Hanson (2003), conflict situations offer individuals an opportunity to choose a style they believe is more appropriate to responding to the prevailing conflict. The following are conflict management styles that can be adopted by educational managers in dealing with conflicting their schools.

##### **Cooperative Problem-Solving Strategy:**

When using this style, people try to find a solution that will help them meet their interests and help everyone maintain good relationships.



Dolphins are an example of this style. They whistle and click to communicate with each other to catch food cooperatively and summon help. But, they may choose other styles depending on the situation (Green, Glenford, & Plow, 2002; Hanson, 2003).

How an employee responds and resolves conflict which enable that employee's success. Here are five conflict styles that a manager will follow according to Kenneth W. Thomas and Ralph H. Kilmann:

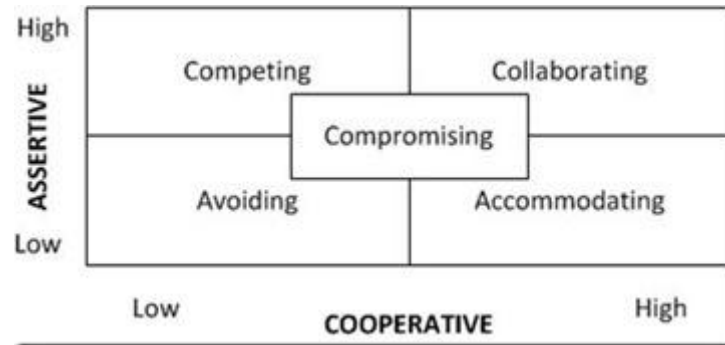


Figure 2 Thomas-Kilmann Conflict Mode Instrument

### **Competing:**

Choosing this style means that a person is putting his/her interest before anyone else's interests. Some people who use this style try so hard to get what they want irrespective of whether or not they ruin the friendship. A lion is a symbol of this style. For example, when the lion's family is hungry, the lion may use its strength and loud roar to get the food, because it is important for the family (Daresh, 2002; Green et al., 2002).

### **Compromising:**

People choose this style when it is important to satisfy some of their interests, but not all of them. They might say that let us split the difference for something better than nothing. A zebra is a symbol of this style.

Zebras's unique look seems to indicate that it does not care if it is a black or white horse, so it "splits the difference" and chooses black and white stripes, but it may choose other styles depending on the situation (Green et al., 2002; Hanson, 2003).

### **Avoiding:**

People choosing this style do not get in a conflict, they might say "You decide and leave me out of it". A turtle is a symbol of this style, because it can avoid everything by pulling its legs and head into its shell to get away from everyone. It also chooses other styles, because it does not always have to stay in its shell (Green et al., 2002; Hanson, 2003).

### **Accommodating:**

People choosing this style put their interests last and let others have what they want. They believe that keeping a relationship is more important than

anything else. A chameleon is a symbol of this style because it changes its color to match that of its environment. It also uses other styles depending on the situation (Daresh,2002; Green et al., 2002).

Some of the preventive measures that the management can take, according to Prof.Schein are:

- a. Reward System:** The compensation system should be such that it does not create individual competition or conflict within the unit. It should be appropriate and proportionate to the group effort and reflect the degree of interdependence among units where necessary.
- b. Trust and communication:** The greater the trust among the members of unit, the more honest and open the communication among them would be. Individuals and units should be encouraged to communicate openly with each other so that they can all understand each other, understand each other's problems and help each other when necessary.
- c. Goal structure:** Goals should be clearly defined and the role and contribution of each unit towards the organizational goal must be clearly identified. All units and the individuals in these units must be aware of the importance of their role and such importance must be fully recognized.
- d. Co-ordination:** Co-ordination is the next step to communication. Properly co-ordinated activity reduce conflict. Wherever there are problems in co-ordination, a special liaison office should be established to assist such co-ordination.

### **Resolving Behavioural Conflict through Conflict Management:**

Various researchers have identified five primary strategies for dealing with and reducing the impact of behavioural conflict. Even though different authors have given different terminology to describe these strategies, the basic content and approach of these strategies remain the same. These are:

#### **1. Ignoring the conflict:**

In certain situations, it may be advisable to take a passive role and avoid it all together. From the manager's point of view, it may be especially necessary when getting involved in a situation would provoke further controversy or when conflict is so trivial in nature that it would not be worth the manager's time to get involved and try to solve it. It could also be that the conflict is so fundamental to the position of the parties involved that it may be best either to leave it to them to solve it or to let events take their own course.

#### **2. Smoothing:**

Smoothing simply means covering up the conflict by appealing for the need for unity rather than addressing the issue of conflict itself. An individual with internal conflict may try to "count his blessings" and

forget about the conflict. Since the problem is never addressed, the emotions may build up further and suddenly explode. Thus smoothing provides only a temporary solution and conflict may resurface again in the course of time. Smoothing is more sensitive approach than avoiding in that as long as the parties agree that not showing conflict has more benefits than showing conflicts, the conflict can be avoided.

### **3. Compromising:**

A compromise in the conflict is reached by balancing the demands of the conflicting parties and bargaining in a give and take position to reach a solution. Each party gives up something and also gains something. The technique of conflict resolution is very common in negotiations between the labour unions and management. It has become customary for the union to ask for more than what they are willing to accept and for management to offer less than what they are willing to give in the initial stages. Then through the process of negotiating and bargaining, mostly in the presence of arbitrators, they reach a solution by compromising.

### **4. Forcing:**

As Webber puts it, “the simplest conceivable resolution is the elimination of the other party – to force opponents to flee and give up the fight – or slay them.” This is technique of domination where the dominator has the power and authority to enforce his own views over the opposing conflicting party. This technique always ends up in one party being a loser and the other party being a clear winner. This approach causes resentment and hostility and can backfire. Accordingly, management must look for better alternatives, if these become available.

### **5. Problem solving:**

This technique involves “confronting the conflict” in order to seek the best solution to the problem. This approach objectively assumes that in all organizations, no matter how well they are managed, there will be differences of opinions which must be resolved through discussions and respect for differing viewpoints. In general, this technique is very useful in resolving conflicts arising out of semantic misunderstandings. It is not so effective in resolving non-communicative types of conflicts such as those that are based on differing value systems, where it may even intensify differences and disagreements. In the long run, however, it is better to solve conflicts and take such preventive measures that would reduce the likelihood of such conflicts surfacing again.

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## **8.5 SUMMARY**

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Time management is very essential part of life and career. It can be accomplished by planning, prioritizing, and organizing the activities. The list of people who can benefit from better time management is a long one, and includes students, teachers, factory workers, managers, business owners, artists, musicians, contractors, engineers, clergy, and countless others. Time Management “is a set of principles, practices, skills, tools

and systems that help us use time to accomplish what we want. Managing time effectively helps to develop a better personality in an organization.

Mobility of Labour and Workforce means movement of the workers of an organization which may be geographical or occupational. Diversity is the big challenge to the management which aroused by human resource mobility. There are different kind of mobility like Internal, External, Vertical, Horizontal, etc. and With globalisation many other geographical, occupational, societal, etc.

There are certain discriminatory practices applied by different managements relating to the recruitment & selections, transfer & promotions, Performance appraisals and remuneration/payment from time to time and place to place. So, while addressing Diversity due to Human Resource Mobility, required to know the challenges like communication barriers, inequitable treatment, diversion and inclusion, cultural disparities, discrimination, etc. and need to overcome those challenges with the help of applying best innovative practices like equality in recruitment, training, transfer and promotions, benefit of diversity and inclusion, building teamwork and collaboration, etc.

Conflict is responses or reactions shown against the new plan/strategy implemented for the purpose of a change. There are five levels of conflict are intrapersonal (within an individual), interpersonal (between individuals), intragroup (within a group), intergroup (between groups), and intra organizational (within organizations). These conflicts can be the challenges or barriers for the growth of an organisation. Few of conflict are good, but most of the other conflicts are not good for the healthy environment of an organisation. They are challenging to the managerial policies. Such must be resolved on time with the help of Best Conflict Managerial strategies, practices and Conflict Resolving Methods.

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## **8.6 EXERCISE**

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1. Discuss time management.
2. Explain factors determining human resource mobility.
3. Write note on diversity
4. Explain conflict management
5. Discuss strategies of conflict management

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## **8.7 REFERENCES**

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