Unit -1 Motivation

Learning objective:

After completing this unit, students will be able to:

- Define Motivation
- Describe the characteristic features of motivation
- Differentiate between various types of motivation
- Understand motivational challenges
- To comprehend the relationship between motivation and morale.

Structure:

1.1 MEANING OF MOTIVATION

Motivation is the word derived from the word 'motive' which means needs, desires, wants or drives within the individuals. It is the process of stimulating people to actions to accomplish the goals. In the work goal context the psychological factors stimulating the people's behaviour can be -

- desire for money
- success
- recognition
- job-satisfaction

- team work, etc

One of the most important functions of management is to create willingness amongst the employees to perform in the best of their abilities. Therefore the role of a leader is to arouse interest in performance of employees in their jobs. The process of motivation consists of three stages:-

1. A felt need or drive
2. A stimulus in which needs have to be aroused
3. When needs are satisfied, the satisfaction or accomplishment of goals.

Therefore, it can be said that motivation is a psychological phenomenon which means needs and wants of the individuals have to be tackled by framing an incentive plan.

1.2 IMPORTANCE OF MOTIVATION

Motivation is a very important for an organization because of the following benefits it provides:

Puts human resources into action: Every concern requires physical, financial and human resources to accomplish the goals. It is through motivation that the human resources can be utilized by making full use of it. This can be done by building willingness in employees to work. This will help the enterprise in securing best possible utilization of resources.

Improves level of efficiency of employees: The level of a subordinate or a employee does not only depend upon his qualifications and abilities. For getting best of his work performance, the gap between ability and willingness has to be filled which helps in improving the level of performance of subordinates. This will result into-

- Increase in productivity,
- Reducing cost of operations, and
- Improving overall efficiency.

Leads to achievement of organizational goals: The goals of an enterprise can be achieved only when the following factors take place :-

There is best possible utilization of resources,

There is a co-operative work environment,

The employees are goal-directed and they act in a purposive manner, Goals can be achieved if co-ordination and co-operation takes place simultaneously which can be effectively done through motivation.

Builds friendly relationship : Motivation is an important factor which brings employees satisfaction. This can be done by keeping into mind and framing an incentive plan for the benefit of the employees. This could initiate the following things:

- Monetary and non-monetary incentives,
- Promotion opportunities for employees,
- Disincentives for inefficient employees.

In order to build a cordial, friendly atmosphere in a concern, the above steps should be taken by a manager. This would help in:

Effective co-operation which brings stability,

Industrial dispute and unrest in employees will reduce,

The employees will be adaptable to the changes and there will be no resistance to the change,

This will help in providing a smooth and sound concern in which individual interests will coincide with the organizational interests,

This will result in profit maximization through increased productivity.

Leads to stability of work force: Stability of workforce is very important from the point of view of reputation and goodwill of a concern. The employees can remain loyal to the enterprise only when they have a feeling of participation in the management. The skills and efficiency of employees will always be of advantage to employees as well as employees. This will lead to a good public image in the market which will attract competent and qualified people into a concern. As it is said, “Old is gold” which suffices with the role of motivation here, the older the people, more the experience and their adjustment into a concern which can be of benefit to the enterprise.

From the above discussion, we can say that motivation is an internal feeling which can be understood only by manager since he is in close contact with the employees. Needs, wants and desires are inter-related and they are the driving force to act. These needs can be understood by the manager and he can frame motivation plans accordingly. We can say that motivation therefore is a continuous process since motivation process is based on needs which are unlimited. The process has to be continued throughout.

We can summarize by saying that motivation is important both to an individual and a business. Motivation is important to an individual as:

Motivation will help him achieve his personal goals.

If an individual is motivated, he will have job satisfaction. Motivation will help in self-development of individual. An individual would always gain by working with a dynamic team.

Similarly, motivation is important to a business as the more motivated the employees are, the more empowered the team is, the more is the team work and individual employee contribution, more profitable and successful is the business.

During period of amendments, there will be more adaptability and creativity. Motivation will lead to an optimistic and challenging attitude at work place.

1.3 MOTIVATION INCENTIVES

Incentive is an act or promise for greater action. It is also called as a stimulus to greater action. Incentives are something which are given in addition to wagers. It means additional remuneration or benefit to an employee in recognition of achievement or better work. Incentives provide a spur or zeal in the employees for better performance. It is a natural thing that nobody acts without a purpose behind. Therefore, a hope for a reward is a powerful incentive to motivate employees. Besides monetary incentive, there are some other stimuli which can drive a person to better. This will include job satisfaction, job security, job promotion, and pride for accomplishment. Therefore, incentives really can sometimes work to accomplish the goals of a concern. The need of incentives can be many:-

To increase productivity,

To drive or arouse a stimulus work,

To enhance commitment in work performance,

To psychologically satisfy a person which leads to job satisfaction,

To shape the behavior or outlook of subordinate towards work,

To inculcate zeal and enthusiasm towards work,

To get the maximum of their capabilities so that they are exploited and utilized maximally.

Therefore, management has to offer the following two categories of incentives to motivate employees:

Monetary incentives- Those incentives which satisfy the subordinates by providing them rewards in terms of rupees. Money has been recognized as a chief source of satisfying the needs of people. Money is also helpful to satisfy the social needs by possessing various material items. Therefore, money not only satisfies psychological needs but also the security and social needs. Therefore, in many factories, various wage plans and bonus schemes are introduced to motivate and stimulate the people to work.

Non-monetary incentives- Besides the monetary incentives, there are certain non-financial incentives which can satisfy the ego and self- actualization needs of employees. The incentives which cannot be measured in terms of money are under the category of "Non- monetary incentives". Whenever a manager has to satisfy the psychological needs of the subordinates, he makes use of non-financial incentives. Non- financial incentives can be of the following types:-

Security of service- Job security is an incentive which provides great motivation to employees. If his job is secured, he will put maximum efforts to achieve the objectives of the enterprise. This also helps since he is very far off from mental tension and he can give his best to the enterprise.

Praise or recognition- The praise or recognition is another non- financial incentive which satisfies the ego needs of the employees. Sometimes praise becomes more effective than any other incentive. The employees will respond more to praise and try to give the best of their abilities to a concern.

Suggestion scheme- The organization should look forward to taking suggestions and inviting suggestion schemes from the subordinates. This inculcates a spirit of participation in the employees. This can be done by publishing various articles written by employees to improve the work environment which can be published in various magazines of the company. This also is helpful to motivate the employees to feel important and they can also be in search for innovative methods which can be applied for better work methods. This ultimately helps in growing a concern and adapting new methods of operations.

Job enrichment- Job enrichment is another non- monetary incentive in which the job of a worker can be enriched. This can be done by increasing his responsibilities, giving him an important designation, increasing the content and nature of the work. This way efficient worker can get challenging jobs in which they can prove their worth. This also helps in the greatest motivation of the efficient employees.

Promotion opportunities- Promotion is an effective tool to increase the spirit to work in a concern. If the employees are provided opportunities for the advancement and growth, they feel satisfied and contented and they become more committed to the organization.

The above non-financial tools can be framed effectively by giving due concentration to the role of employees. A combination of financial and non-financial incentives help together in bringing motivation and zeal to work in a concern.

Positive Incentives

Positive incentives are those incentives which provide a positive assurance for fulfilling the needs and wants. Positive incentives generally have an optimistic attitude behind and they are generally given to satisfy the psychological requirements of employees. For example-promotion, praise, recognition, perks and allowances, etc. It is positive by nature.

Negative Incentives

Negative incentives are those whose purpose is to correct the mistakes or defaults of employees. The purpose is to rectify mistakes in order to get effective results. Negative incentive is generally resorted to when positive incentive does not works and a psychological set back has to be given to employees. It is negative by nature. For example- demotion, transfer, fines, penalties.

1.4 MOTIVATIONAL CHALLENGES

Motivation seems to be a simple function of management in books, but in practice it is more challenging. The reasons for motivation being challenging job are as follows:

One of the main reasons of motivation being a challenging job is due to the changing workforce. The employees become a part of their organization with various needs and expectations. Different employees have different beliefs, attitudes, values, backgrounds and thinking. But all the organizations are not aware of the diversity in their workforce and thus are not aware and clear about different ways of motivating their diverse workforce.

Employees motives cannot be seen, they can only be presumed. Suppose, there are two employees in a team showing varying performance despite being of same age group, having same educational qualifications and same work experience. The reason being what motivates one employee may not seem motivating to other.

Motivation of employees becomes challenging especially when the organizations have considerably changed the job role of the employees, or have lessened the hierarchy levels of hierarchy, or have chucked out a significant number of employees in the name of down-sizing or right-sizing. Certain firms have chosen to hire and fire and paying for performance strategies nearly giving up motivational efforts. These strategies are unsuccessful in making an individual overreach himself.

The vigorous nature of needs also pose challenge to a manager in motivating his subordinates. This is because an employee at a certain point of time has diverse needs and expectations. Also, these needs and expectations keep on changing and might also clash with each other. For instance-the employees who spend extra time at work for meeting their needs for accomplishment might discover that the extra time spent by them clash with their social neds and with the need for affiliation.

1.5 THEORIES OF MOTIVATION

Maslow's Hierarchy of Needs Theory

Abraham Maslow is well renowned for proposing the Hierarchy of Needs Theory in 1943. This theory is a classical depiction of human motivation. This theory is based on the assumption that there is a hierarchy of five needs within each individual. The urgency of these needs varies. These five needs are as follows-

Physiological needs- These are the basic needs of air, water, food, clothing and shelter. In other words, physiological needs are the needs for basic amenities of life.

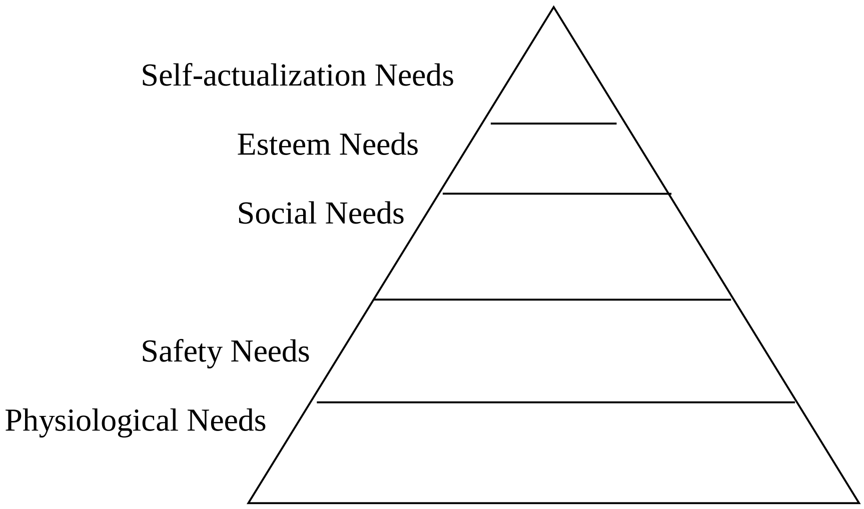
Safety needs- Safety needs include physical, environmental and emotional safety and protection. For instance- Job security, financial security, protection from animals, family security, health security, etc.

Social needs- Social needs include the need for love, affection, care, belongingness, and friendship.

Esteem needs- Esteem needs are of two types: internal esteem needs (self-respect, confidence, competence, achievement and freedom) and external esteem needs (recognition, power, status, attention and admiration).

Self-actualization need- This include the urge to become what you are capable of becoming / what you have the potential to become. It includes the need for growth and self-contentment. It also includes desire for gaining more knowledge, social- service, creativity and being aesthetic. The self-actualization needs are never fully satiable. As an individual grows psychologically, opportunities keep cropping up to continue growing.

According to Maslow, individuals are motivated by unsatisfied needs. As each of these needs is significantly satisfied, it drives and forces the next need to emerge. Maslow grouped the five needs into two categories - Higher-order needs and Lower-order needs. The physiological and the safety needs constituted the lower-order needs. These lower-order needs are mainly satisfied externally. The social, esteem, and self-actualization needs constituted the higher-order needs. These higher-order needs are generally satisfied internally, i.e., within an individual. Thus, we can conclude that during boom period, the employees lower-order needs are significantly met.



Maslow's Need Hierarchy Model

Implications of Maslow's Hierarchy of Needs Theory for Managers

As far as the physiological needs are concerned, the managers should give employees appropriate salaries to purchase the basic necessities of life. Breaks and eating opportunities should be given to employees.

As far as the safety needs are concerned, the managers should provide the employees job security, safe and hygienic work environment, and retirement benefits so as to retain them.

As far as social needs are concerned, the management should encourage teamwork and organize social events.

As far as esteem needs are concerned, the managers can appreciate and reward employees on accomplishing and exceeding their targets. The management can give the deserved employee higher job rank / position in the organization.

As far as self-actualization needs are concerned, the managers can give the employees challenging jobs in which the employees' skills and competencies are fully utilized. Moreover, growth opportunities can be given to them so that they can reach the peak.

The managers must identify the need level at which the employee is existing and then those needs can be utilized as push for motivation.

Limitations of Maslow's Theory

It is essential to note that not all employees are governed by same set of needs. Different individuals may be driven by different needs at same point of time. It is always the most powerful unsatisfied need that motivates an individual.

The theory is not empirically supported.

The theory is not applicable in case of starving artist as even if the artist's basic needs are not satisfied, he will still strive for recognition and achievement.

Herzberg's Two-Factor Theory of Motivation

In 1959, Frederick Herzberg, a behavioural scientist proposed a two-factor theory or the motivator-hygiene theory. According to Herzberg, there are some job factors that result in satisfaction while there are other job factors that prevent dissatisfaction. According to Herzberg, the opposite of "Satisfaction" is "No satisfaction" and the opposite of "Dissatisfaction" is "No Dissatisfaction".

Herzberg classified these job factors into two categories-

Hygiene factors- Hygiene factors are those job factors which are essential for existence of motivation at workplace. These do not lead to positive satisfaction for long-term. But if these factors are absent / if these factors are non-existant at workplace, then they lead to dissatisfaction. In other words, hygiene factors are those factors which when adequate/reasonable in a job, pacify the employees and do not make them dissatisfied. These factors are extrinsic to work. Hygiene factors are also called as dissatisfiers or maintenance factors as they are required to avoid dissatisfaction. These factors describe the job environment/scenario. The hygiene factors symbolized the physiological needs which the individuals wanted and expected to be fulfilled. Hygiene factors include:

Pay - The pay or salary structure should be appropriate and reasonable. It must be equal and competitive to those in the same industry in the same domain.

Company Policies and administrative policies - The company policies should not be too rigid. They should be fair and clear. It should include flexible working hours, dress code, breaks, vacation, etc.

Fringe benefits - The employees should be offered health care plans (mediclaim), benefits for the family members, employee help programmes, etc.

Physical Working conditions - The working conditions should be safe, clean and hygienic. The work equipments should be updated and well-maintained.

Status - The employees' status within the organization should be familiar and retained.

Interpersonal relations - The relationship of the employees with his peers, superiors and subordinates should be appropriate and acceptable. There should be no conflict or humiliation element present.

Job Security - The organization must provide job security to the employees.

Motivational factors- According to Herzberg, the hygiene factors cannot be regarded as motivators. The motivational factors yield positive satisfaction. These factors are inherent to work. These factors motivate the employees for a superior performance. These factors are called satisfiers. These are factors involved in performing the job. Employees find these factors intrinsically rewarding. The motivators symbolized the psychological needs that were perceived as an additional benefit. Motivational factors include:

Recognition - The employees should be praised and recognized for their accomplishments by the managers.

Sense of achievement - The employees must have a sense of achievement. This depends on the job. There must be a fruit of some sort in the job.

Growth and promotional opportunities - There must be growth and advancement opportunities in an organization to motivate the employees to perform well.

Responsibility - The employees must hold themselves responsible for the work. The managers should give them ownership of the work. They should minimize control but retain accountability.

Meaningfulness of the work - The work itself should be meaningful, interesting and challenging for the employee to perform and to get motivated.

Limitations of Two-Factor Theory:

The two factor theory is not free from limitations:

The two-factor theory overlooks situational variables.

- Herzberg assumed a correlation between satisfaction and productivity. But the research conducted by Herzberg stressed upon satisfaction and ignored productivity.
- The theory's reliability is uncertain. Analysis has to be made by the raters. The raters may spoil the findings by analyzing same response in different manner.

- No comprehensive measure of satisfaction was used. An employee may find his job acceptable despite the fact that he may hate/object part of his job.
- The two factor theory is not free from bias as it is based on the natural reaction of employees when they are enquired the sources of satisfaction and dissatisfaction at work. They will blame dissatisfaction on the external factors such as salary structure, company policies and peer relationship. Also, the employees will give credit to themselves for the satisfaction factor at work.
- The theory ignores blue-collar workers.

Implications of Two-Factor Theory

The Two-Factor theory implies that the managers must stress upon guaranteeing the adequacy of the hygiene factors to avoid employee dissatisfaction. Also, the managers must make sure that the work is stimulating and rewarding so that the employees are motivated to work and perform harder and better. This theory emphasize upon job-enrichment so as to motivate the employees. The job must utilize the employee's skills and competencies to the maximum. Focusing on the motivational factors can improve work-quality.

Theory X and Theory Y

In 1960, Douglas McGregor formulated Theory X and Theory Y suggesting two aspects of human behaviour at work, or in other words, two different views of individuals (employees): one of which is negative, called as Theory X and the other is positive, so called as Theory Y. According to McGregor, the perception of managers on the nature of individuals is based on various assumptions.

Assumptions of Theory X

- An average employee intrinsically does not like work and tries to escape it whenever possible.
- Since the employee does not want to work, he must be persuaded, compelled, or warned with punishment so as to achieve organizational goals. A close supervision is required on part of managers. The managers adopt a more dictatorial style.
- Many employees rank job security on top, and they have little or no aspiration/ ambition.
- Employees generally dislike responsibilities.
- Employees resist change.
- An average employee needs formal direction.

Assumptions of Theory Y

- Employees can perceive their job as relaxing and normal. They exercise their physical and mental efforts in an inherent manner in their jobs.
- Employees may not require only threat, external control and coercion to work, but they can use self-direction and self-control if they are dedicated and sincere to achieve the organizational objectives.
- If the job is rewarding and satisfying, then it will result in employees' loyalty and commitment to organization.
- An average employee can learn to admit and recognize the responsibility. In fact, he can even learn to obtain responsibility.
- The employees have skills and capabilities. Their logical capabilities should be fully utilized. In other words, the creativity, resourcefulness and innovative potentiality of the employees can be utilized to solve organizational problems.

Thus, we can say that Theory X presents a pessimistic view of employees' nature and behaviour at work, while Theory Y presents an optimistic view of the employees' nature and behaviour at work. If correlate it with Maslow's theory, we can say that Theory X is based on the assumption that the employees emphasize on the physiological needs and the safety needs; while Theory X is based on the assumption that the social needs, esteem needs and the self-actualization needs dominate the employees.

McGregor views Theory Y to be more valid and reasonable than Theory X. Thus, he encouraged cordial team relations, responsible and stimulating jobs, and participation of all in decision-making process.

Implications of Theory X and Theory Y

Quite a few organizations use Theory X today. Theory X encourages use of tight control and supervision. It implies that employees are reluctant to organizational changes. Thus, it does not encourage innovation.

Many organizations are using Theory Y techniques. Theory Y implies that the managers should create and encourage a work environment which provides opportunities to employees to take initiative and self-direction. Employees should be given opportunities to contribute to organizational well-being. Theory Y encourages decentralization of authority, teamwork and participative decision making in an organization. Theory Y searches and discovers the ways in which an employee can make significant contributions in an organization. It harmonizes and matches employees' needs and aspirations with organizational needs and aspirations.

ERG Theory of Motivation

To bring Maslow's need hierarchy theory of motivation in synchronization with empirical research, Clayton Alderfer redefined it in his own terms. His rework is called as ERG theory of motivation. He recategorized Maslow's hierarchy of needs into three simpler and broader classes of needs:

Existence needs- These include need for basic material necessities. In short, it includes an individual's physiological and physical safety needs.

Relatedness needs- These include the aspiration individual's have for maintaining significant interpersonal relationships (be it with family, peers or superiors), getting public fame and recognition. Maslow's social needs and external component of esteem needs fall under this class of need.

Growth needs- These include need for self-development and personal growth and advancement. Maslow's self-actualization needs and intrinsic component of esteem needs fall under this category of need.

The significance of the three classes of needs may vary for each individual.

Difference between Maslow Need Hierarchy Theory and Alderfer's ERG Theory

ERG Theory states that at a given point of time, more than one need may be operational.

ERG Theory also shows that if the fulfillment of a higher-level need is subdued, there is an increase in desire for satisfying a lower-level need.

According to Maslow, an individual remains at a particular need level until that need is satisfied. While according to ERG theory, if a higher- level need aggravates, an individual may revert to increase the satisfaction of a lower-level need. This is called frustration- regression aspect of ERG theory. For instance- when growth need aggravates, then an individual might be motivated to accomplish the relatedness need and if there are issues in accomplishing relatedness needs, then he might be motivated by the existence needs. Thus, frustration/aggravation can result in regression to a lower-level need.

While Maslow's need hierarchy theory is rigid as it assumes that the needs follow a specific and orderly hierarchy and unless a lower-level need is satisfied, an individual cannot proceed to the higher-level need; ERG Theory of motivation is very flexible as he perceived the needs as a range/variety rather than perceiving them as a hierarchy. According to Alderfer, an individual can work on growth needs even if his existence or relatedness needs remain unsatisfied. Thus, he gives explanation to the issue of "starving artist" who can struggle for growth even if he is hungry.

Implications of the ERG Theory

Managers must understand that an employee has various needs that must be satisfied at the same time. According to the ERG theory, if the manager concentrates solely on one need at a time, this will not effectively motivate the employee. Also, the frustration- regression aspect of ERG Theory has an added effect on workplace motivation. For instance- if an employee is not provided with growth and advancement opportunities in an organization, he might revert to the relatedness need such as socializing needs and to meet those socializing needs, if the environment or circumstances do not permit, he might revert to the need for money to fulfill those socializing needs. The sooner the manager realizes and discovers this, the more immediate steps they will take to fulfill those needs which are frustrated until such time that the employee can again pursue growth.

1.6 MOTIVATION AND MORALE - RELATIONSHIP AND DIFFERENCES

Morale can be defined as the total satisfaction derived by an individual from his job, his work-group, his superior, the organization he works for and the environment. It generally relates to the feeling of individual's comfort, happiness and satisfaction.

According to Davis, "Morale is a mental condition of groups and individuals which determines their attitude."

In short, morale is a fusion of employees' attitudes, behaviors, manifestation of views and opinions - all taken together in their work scenarios, exhibiting the employees' feelings towards work, working terms and relation with their employers. Morale includes employees' attitudes on and specific reaction to their job.

There are two states of morale:

High morale - High morale implies determination at work- an essential in achievement of management objectives. High morale results in:

- A keen teamwork on part of the employees.
- Organizational Commitment and a sense of belongingness in the employees mind.
- Immediate conflict identification and resolution.
- Healthy and safe work environment.
- Effective communication in the organization.
- Increase in productivity.
- Greater motivation.

Low morale - Low morale has following features:

- Greater grievances and conflicts in organization.
- High rate of employee absenteeism and turnover.
- Dissatisfaction with the superiors and employers.
- Poor working conditions.
- Employees frustration.
- Decrease in productivity.
- Lack of motivation.

Though motivation and morale are closely related concepts, they are different in following ways:

- While motivation is an internal-psychological drive of an individual which urges him to behave in a specific manner, morale is more of a group scenario.
- Higher motivation often leads to higher morale of employees, but high morale does not essentially result in greatly motivated employees as to have a positive attitude towards all factors of work situation may not essentially force the employees to work more efficiently.
- While motivation is an individual concept, morale is a group concept. Thus, motivation takes into consideration the individual differences among the employees, and morale of the employees can be increased by taking those factors into consideration which influence group scenario or total work settings.
- Motivation acquires primary concern in every organization, while morale is a secondary phenomenon because high motivation essentially leads to higher productivity while high morale may not necessarily lead to higher productivity.
- Things tied to morale are usually things that are just part of the work environment, and things tied to motivation are tied to the performance of the individual.

1.7 LET'S SUM UP

Motivation is the activation or energisation of goal-oriented behaviour. It is to give reason, incentive, enthusiasm, or interest that causes a specific action or certain behaviour. The internal needs and drives lead to tensions, which in turn result into actions. The need for food results into hunger and hence a person is motivated to eat. Motivation is said to be intrinsic or extrinsic. Intrinsic motivation is internal. It occurs when people are compelled to do something out of pleasure, importance, or desire. Extrinsic motivation occurs when external factors compel the person to do something. It comes from outside of the performer. Motivation is seen as a process that leads to the forming of behavioural intentions. Motivation and volition refer to goal setting and goal pursuit, respectively. Both processes require self-regulatory efforts. Aggressive motivation or the desires to inflict harm on others, play an all too common role in human behaviour. Achievement motivation (often termed as need for motivation) is the desire to accomplish difficult tasks and to excel. Emotions are reactions consisting of subjective cognitive states, physiological reactions and expressive behaviors.

1.8 KEY TERMS

Existence needs- These include need for basic material necessities.

Morale- Morale can be defined as the total satisfaction derived by an individual from his job, his work-group, his superior, the organization he works for and the environment.

***Motivation incentives*-**Incentive is an act or promise for greater action.

Relatedness needs- These include the aspiration individual's have for maintaining significant interpersonal relationships (be it with family, peers or superiors), getting public fame and recognition. .

Growth needs- These include need for self-development and personal growth and advancement.

1.9 SELF ASSESSMENT QUESTIONS

1. **What are the different types of motivation?**
2. **What are the differences between Maslow and ERG theory of motivation?**
3. **How does morale boost the productivity?**

1.10 FURTHER READINGS

i. Heckhausen, J., and H. Heckhausen. (2008), *Motivation and action*, Cambridge Univ. Press, New York.
ii. McClelland, D. C. (2009), *Human motivation*. Cambridge Univ. Press, New York.
iii. Petri, H. L., and J. M. Govern (2004), *Motivation: Theory, research, and applications*, Wadsworth/Thomson Learning**,** Belmont, CA.

1.11 MODEL QUESTIONS

- What are the major challenges in motivation?
- Are morale and motivation same or different? Explain in detail.
- An individual cannot be motivated externally until the individual is not ready internally. Do you agree or disagree, give reasons for your answer.

Unit -2 Communication

COMMUNICATION

Learning Objectives

- The rationale of this sub-unit is to help student in understanding:
- the connotation and purpose of communication
- to acquaint the students with the fundamentals of communication and help them transform their communication abilities
- the process of communication
- various media and channels used in organisational communication
- the barriers (intentional or unintentional) that make communication ineffective
- how a manager can overcome communication barriers to make his communication effective.

Structure

2.1 COMMUNICATION: MEANING AND PURPOSE

Communication means sharing of ideas, facts, opinions, information and understanding. In simple words, communication can be said to be the transferring of information and understanding from one person to another. Here, three elements are involved i.e. the sender, the receiver, and the message or information that is to be passed on from one end to the other. The information is passed from the sender to the receiver, and the knowledge of its effects is passed from the receiver to the sender in the form of a feedback. Whether the effect produced is the desired one will depend upon how well the receiver understands the meaning of the information.

2.2 IMPORTANCE OF COMMUNICATION

One of the important roles of the manager is the informational role wherein he seeks information from his peers, subordinates and others about anything relating to their jobs and responsibilities. He is at the same time a disseminator of information about his job and the organisation to those who are concerned with it. Thus, considerable part of his time is devoted to receiving or disseminating information, i. e. in communication inside or outside the organisation. The top and middle level managers typically devote 60 to 80 per cent of their total working hours to communicating.

According to Peter Drucker, good quality of communication is the foundation for sound management. Various managerial functions like planning, organizing, directing and controlling depend on communication in an enterprise. For planning to be realistic, it is essential that it is based on sound information which is not possible without a good system of communication existing in an enterprise. The latest developments in the market if not communicated to the planners, their future plans in the absence of such information will carry no meaning. Further, to accomplish the objectives, it is necessary that leadership is exercised, decisions are taken with coordinated efforts, people are motivated and operations are controlled. Each of these functions involves interaction with the people in the organisation and leads to communication The important fact of organisational life for a manager is communication, and his success will depend upon how effectively he can communicate with others in the organisation i.e how effectively he can put his ideas across to those who work with him and thereby, influencing others to work in the direction of the achievements of goals of the organisation.

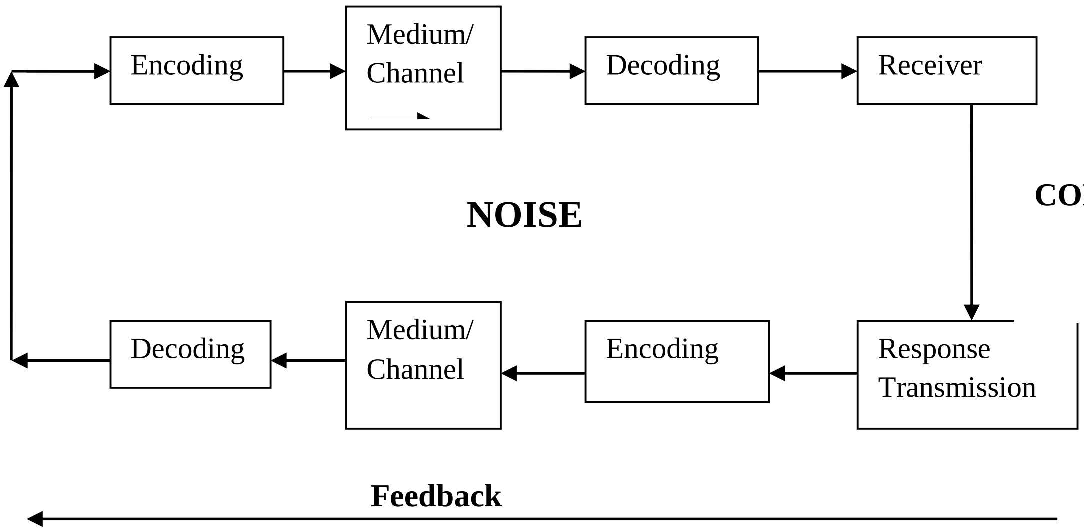
2.3 COMMUNICATION PROCESS

As discussed in 1.2, simple communication process can be represented as:

Sender ……… > Message………………..> Receiver

The model indicates the essential elements of communication, i.e., the sender, the receiver, and the message that is exchanged between them. If any one of the three elements is missing, communication does not exist.

However, the process of communication is not so simple. It is much more complex and consists of at least five elements which are subject to various influences. The model can be put as follows:



Various elements of this model are discussed as -

Source/Sender

In this model the first element is the source of the communication from where the communication originates. The source or sender can be a person, a number of persons, or even a machine. The sender initiates communication because he has a need, thought, idea or information that he wishes to convey to the other person, persons or machine. For, example, in a class room, the teacher is source or sender who wants to convey lecture (message) to students (receiver).However, the lecture may be recorded and delivered with the help of tape-recorder(i.e. machine)

Encoding Message

The next element in the communication process is that of encoding the information to be transmitted Encoding enables the thoughts to be put in the form of symbols. Normally language provides the symbols that are used in the transmission of thoughts to another person. However language is not the only means to convey the thoughts, needs or information. There are non-verbal means, e.g., gestures, which provide another form through which thoughts can be transmitted. The more complex the ideas, needs or information to be communicated, the more complex becomes the process of encoding them. While an involuntary shriek may adequately convey the degree of alarm felt by the victim, even a carefully worded statement or letter may fail to convey the essential purpose of the communication. This can happen if the language or symbols used convey different meanings to the sender and the receiver.

Encoding of the thoughts produces a message which can be either verbal or non-verbal. Verbal message is in the form of words and language, while non-verbal would be in the form of body gestures like wink, smile, grunt, frown, wave of hand, etc.

Channel/Medium

The third element in the process of communication is the channel through which is used for transmission of communication. It acts as a link that connects the sender and the receiver. In the organisational environment, these channels could be face-to-face conversation, written memos, telephonic exchanges, group meetings, etc. Outside the organisation, the channels could be letters or circulars, magazines, radio programmes or TV shows, etc. Effectiveness of communication depends upon channel used, therefore, the channel selected should be appropriate for the message as well as the receiver. For an urgent message telegram, telephone or radio would be the appropriate channel. Again, the channel chosen would be influenced by the consideration as to whom the message is being directed.

Decoding

Decoding and understanding the message constitute the last two elements in the process of communicating from sender to receiver. The receiver in the first instance receives the message and decodes it, that is to say, interprets and translates it into thoughts, understanding and desired response. A successful communication occurs when the receiver decodes the message and understands it in the same manner in which it is being sent by the sender.

The processes of decoding and understanding are influenced by several factors. For example, a receiver may not be able to decode a message which is in a language that he does not know. This applies to symbols also as the same symbol may carry a different meaning to the receiver. Again, the receiver's past experience, as well as his expectations changes the meaning that is attached to the message. All this tends to bring about a difference between the `intended' meaning and `perceived' meaning.

To ensure that this does not happen, it is necessary to develop greater degree of homogeneity between the sender and the receiver. Both of them have their own fields of experience which is dependent on individual's attitudes, experience, knowledge, environment, and socio-cultural background. The greater the overlap of the source and receiver's fields of experience, the greater the probability of successful communication. In other words, they have things in common that facilitate better communication. An individual engaged in communication with another person of a significantly different educational or cultural background will have to put in greater effort to ensure successful communication. A model of communication credited to Wilbur Schramm illustrates this point.

Feedback

Response and feedback complete the two-way process of communication. It is through the feedback that the source (sender) comes to know whether his message was received with same intention with which it was being sent. In case, the message has not been received correctly, it is possible to rectify the gap provided feedback is timely.

Sender initiates the communication with an intention to elicit the desired response. However, a every communication may not result in producing desired outcomes. Various outcomes that may result are

(i) a desired response may occur

(ii) an undesired response may occur

(iii) no change may take place

Communication is considered to be successful only when it produces the desired response.

Noise

Noise can be defined as any factor that disturbs or interferes with communication. It can arise at any stage in the communication process. The sender may not be able to encode the message properly or he may not be properly audible. The message may get distorted by other sounds in the environment. The receiver may not hear the message, or comprehend it in a manner not entirely intended by the sender of the message. The channel also may create interference by 'filtering', i.e. allowing some information to pass through and disallowing others. In any case, there is so much of noise or interference in the entire process that there is every possibility of the communication being distorted.

2.4 VERBAL AND NON-VERBAL COMMUNICATION

A communication in which words are used can be called verbal communication. Communication over long distance takes place usually through verbal communication. As an adjunct-to this is the non-verbal communication which refers to the use of `body language' in communicating ideas from the sender to the receiver. Non-verbal communication most often takes place unconsciously, and it may either fortify or supplement the verbal communication, or may at times negate the very purpose of verbal communication.

The main characteristics of verbal communication are the use of words, either written or spoken.

Written communications include personal letters, memoranda, policy and procedure manuals, and notices placed on the notice boards.

Oral communications are conferences, committee meetings, telephone conversation, loudspeaker announcements, etc.

Both written and oral communications have their advantages and disadvantages-.

A written communication has the advantage of being easily verified and of being more precisely defined if there arises a need for subsequent correction whereas poken messages cannot always be verified so easily.

Secondly, because a written communication is likely to be a permanent record, we are more particular in making it precise and accurate.

Thirdly, lengthy and complicated messages are better understood if they are in written form. It would be difficult to understand and retain a lengthy message if it were only in oral form.

Together with these advantages, written communications have some drawbacks also. Some of these are:

Firstly, it is a slower method of communication .The total amount of time involved from the formulation of idea by the sender to the understanding of the idea by the receiver is quite high. A written communication competes with all other written material that reaches the desk of an executive. As such there can be a gap between the time when a communication reaches the manager's desk and the time when he reads it. Moreover, if clarifications are needed because the message is not clear to the receiver, further delay would take place.

Secondly, despite the fact that a greater degree of preciseness is aimed at while preparing a written communication, there is always a possibility of ambiguity or lack of clarity resulting in misunderstanding on the part of the receiver. Clarifications mean further delay.

Lastly, over-reliance on written communication can lead to too much of paper-work in the organisation. This not only consumes time, money and energy, but also indicates a lack of trust among the employees of the organisation. It has been observed that when trust is low and suspicions are high in an organisation, an over-reliance on written communication is likely to occur.

Oral Communication

Although written communication is very vital for the smooth functioning of an organisation, yet by far the greater percentage of information is communicated orally. It has been observed that managers spend sixty to eighty per cent of their work time in oral communication. Oral communication has the merit of being faster. Generally, the spoken word is a quicker and less complicated way of getting one's ideas across another person. Again, it offers the potential of two-way information flow, and therefore less possibility of misunderstanding the communication. The creation of a less formal atmosphere and generation of fellow feelings are the additional advantages brought about through oral communication.

However, the oral communication is not entirely free from defects. It is less effective as a means of presenting complicated and lengthy data. In case of oral communication probability of misinterpretation is high.

It is not possible to determine which of the two, oral or written; is a better means of communication. Actually, the choice between the two is determined by the situation. However, the use of both together will very often strengthen and reinforce a message.

Choosing Your Words

As discussed above that communication refers to the transmission of meaning from the sender to the receiver and such transmission takes place through the use of symbols, whether verbal or non-verbal.

In verbal communication the symbol is a word. In order that the transmission of meaning takes place it is important that the particular symbol (word) used must create within the mind of the receiver the same image which was in the mind of the sender of the communication. It is only then that the basic purpose of communication which is to influence the behaviour of the receiver will be achieved. It has been found that words do not necessarily have commonly understood meanings. The words like "participation" or "democracy" or "satisfactory" suffer from the difficulty that different people are likely to attach different meanings to these words. The greater the use of such abstract words, the bigger the difficulty in bringing about an understanding of the message and a change in behaviour through communication.

Therefore, in order to avoid such communication gap following guidelines may be considered for making verbal communication more effective-

- Use simple words and phrases.
- Use short and familiar words.
- Use personal pronouns (such as "you") whenever appropriate.
- Give illustrations and examples.
- Use short sentences and paragraphs.

- Use active verbs such as in "The manager plans".
- Economize on adjectives.
- Express thoughts logically and in a direct way.
- Avoid unnecessary words.

Use of Body Language

In determining the effectiveness of communication, non-verbal communication also has an important role to play. Experts in the field of human communication have found that, in a typical message between two persons, only about seven per cent of the meaning or content of the message is carried by the actual words being used. Another thirty eight per cent of the message is carried by one's tone of voice (which includes pacing, timing, pauses, accents). The major part of fifty five per cent of the content of the message is in non-verbal form, i.e., in the form of our physical attitude going along with our verbal message. The physical attitude is also referred to as body language.

Non-verbal communication can take place with one's actions or with one's body gestures. For example, a manager who pounds his fist on the table while announcing that from now on participative management will be practiced in his organisation creates a credibility gap between what he says and what he practices. A manager who says that he believes in an open door policy for all his employees but is busy with his own files while an employee is giving him certain suggestions towards improvement in work environment, is making non-verbal communication quite in conflict with his verbal communication. In such situations the non-verbal message is the stronger one and the verbal message will cease to be effective.

Body gestures that "communicate" may relate to handshake, smile, eye-contact, posture while standing or sitting, facial expression while listening, the shrug of shoulders, indeed, the movement of any part of body. Therefore, one must be watchful of body language so that it does not contradict one's verbal message. This is indeed difficult because the body language is so involuntary that people are not even aware of it.

Some of the non-verbal actions which assist communication include, maintaining eye contact , nodding the head in agreement ,smiling and showing animation .

Some of the non-verbal actions that obstruct the communication include looking away or turning away from the speaker, sneering or using other contemptuous gestures, closing your eyes, using an unpleasant tone of voice , speaking too slow or too fast.

2.5 CHANNELS OF COMMUNICATION

An organisation structure requires various channels for the flow of information so that the decisions for the organisation may be taken. Thus, organisation may be described as the network of communication channels. These channels can be either intentionally designed, or they may develop of their own accord. When a channel is intentionally prescribed for the flow of communication in the organisation, it is a formal channel, and the communication passing through that channel is formal communication. On the other hand, when communication takes place through channels not intentionally designed, in other words, outside the formal channels, such channels are referred to as informal channels, and the communication as informal communication.

Formal Communication

An organisation chart shows the direction of formal communication flow in an organisation. It identifies the various transmitters and receivers, and the channels through which they must communicate. The authority relationships indicate the direction of communication flow in an organisation. A formal communication takes place between a superior and subordinate in the form of instructions and directions Such a flow takes place in the downward direction.

Another formal communication takes place between subordinate and superior when reporting on performance is made by the subordinate. Since the subordinate initiates communication to the superior, the flow is upward. It is called upward communication. The upward communication can take the form of progress reports, budget reports, profit and loss statements, requests for grants, etc.

Again formal communication may take place between one division of an organisation and another. This could be either lateral or diagonal. There is substantial formal communication between production foreman and maintenance foreman, or, between production manager and quality control manager. Formal communication may pass across organisational levels also: for example, communication between line and staff units takes place very frequently across organisational levels. Such communication helps tremendously in the coordination of activity.

Finally, formal communication may also arise between the organisation and outside parties, e.g., suppliers, customers, government, etc. This may happen when the management is required to provide information on certain aspects of working of the organisation. Communication of this kind is usually one-way.

Networks in Formal Communication

As discussed above, the formal organisational structure prescribes the channels through which communication flows take place. These channels are designed to keep the flow of information in an orderly manner and to protect the higher level managers from an overload of unnecessary information. However, the way in which these channels are designed and work can affect the speed and accuracy of information as well as the task performance and satisfaction of members of the group. As such, managers have to think of how best to design the organisational structure and the communication network which meets the requirements of the situation.

Some research in the design of communication networks has been carried out which indicates their relative merits for use in different situations. Although these networks can assume many forms, the most widely used are the wheel, chain, `Y', and circle.

These forms can well be looked at as an organisational structure made up of five members.

The ‘circle’ network represents a three-level hierarchy in which there is communication between superiors and subordinates, with cross communication at the operative level.

The ‘chain’ can represent a five-level hierarchy, in which communication can take place only upward and downward, and across organisational lines.

The ‘wheel’ or ‘star’ represents an administrator and four subordinates with whom he interacts. There is no interaction among the subordinates.

In the ‘Y’ network two subordinates report to the superior. It may be regarded as a four-level hierarchy.

Informal Communication

Communication that takes place without following the formal lines of communication is said to be informal communication. This channel is not created by management and is usually not under the control of management. An informal system of communication is generally referred to as the `grapevine' because it spreads throughout the organisation with its branches going out in all directions in utter disregard of the levels of authority and linking members of the organisation in any direction.

The informal communication arises as a result of employee needs for information which are not met by the formal channels. It has been observed that problems relating to work and unfavorable reactions to various organisational practices are transmitted through informal communication. Since the channels are flexible and establish contacts at personal levels among members of organisation at different hierarchical levels, the grapevine spreads information faster than the formal system of communication

In contrast to the formal communication which moves on slowly from one person at one hierarchical level to another at the next hierarchical level; the grapevine transmits information from one person to a group of persons much more rapidly in a cluster chain arrangement. The cluster chain is made up of individuals who act as information sources. Each individual passes the information to several others, some of whom repeat the message to others. Some of those who receive the message may not pass on the information to others but the information may lead to a change in their thinking on the subject and may sometimes affect their behaviour as well.

Though it has been found that informal communication carries accurate information about three-fourths of time, yet there are strong possibilities of its communications being distorted. This happens because of the process of `filtering' whereby each member of the cluster chain acting as a kind of filter passes on only that part of communication which he regards as important. The receiver is left to fill in the gaps and complete the story according to his own imagination. This naturally leads to a very great distortion of the real situation and may at times cause serious problems in the organisation.

The characteristics of grapevine can be summarized as follows:

a) People talk most when the news is recent.

b) People talk about things that affect their work.

c) People talk about people they know.

d) People working near each other are likely to be on the same grapevine.

e) People who contact each other in the chain of procedure tend to be on the same grapevine.

Grapevine is a fast and a substantially accurate channel of communication. It has tremendous capacity to carry information both helpful and harmful to the formal organisation. In most cases it carries information which the formal channel may not or will not carry. The manager's responsibility, therefore, lies in utilising the positive aspects of the informal channels of communication and in minimising the negative aspects of this channel.

In order to do this, what the manager can do is to identify the members of the organisation who usually seek and spread information. It is possible that different individuals are active at different times but usually it will be found that some individuals tend to be more active carriers of information than the others. After identifying such people a manager can use them as sounding boards. If it is discovered that misleading rumours are circulating, it may be a desirable policy on the part of the manager to release the official information in order to clarify the situation. At times management may even find the informal communication channel more useful in transmitting information than the formal channel. A common method of using informal communication is by `planned leaks', or strategically planned `just between you and me' remarks, which would obviously reach all parts of the organisation much more quickly than any kind of communication through formal channels.

2.6 BARRIERS TO EFFECTIVE COMMUNICATION

Communication quite often fails to convey the meaning or develop an understanding of the communication sufficient enough to bring about a change in the behaviour of the recipient.

One of the biggest dangers in communication is to assume that communication has taken place. Most people indeed make a great effort in formulating ideas, and finding appropriate words for communicating them to others. In organisations, too, much money and energy is used to develop its system of communication. And yet, if one tries to assess how far the system has led to effective communication in terms of the desired response, one will be surprised at the results. There is a fifty-fifty chance of the communication not being understood to the degree one would be satisfied with. This has been proved by a number of experiments and observations made by communication specialists. There is a story from the army which tells of an instruction starting at one end of the line as `Send reinforcements' and ending up at the other end of the line as `send three shillings and six pence'.

This example indicates what happens to most of the communications between persons or within organisations. It is not only important that a communication be sent, it is much more important that it be understood. When an understanding of the communication does not take place, we can hardly expect a desired change in the behaviour of the receiver. What causes a failure of communication?

The failure in communication arises because of certain blockages or barriers between the sender and the receiver. In order to make a communication effective, it must be ensured that these barriers are removed. What the commercial media men these days try to achieve is to overcome the barriers and reach the target audience. What kind of barriers interferes with the effectiveness of communication? In the paragraphs that ' follow, we shall discuss the various reasons which either prevent the communication from reaching the receiver or distort it in such a manner that it ends up either as non-communication or as miscommunication. Since a manager has to use communication as a means of getting the work done through his subordinates, he must ensure that barriers are minimized and effective communication takes place.

The barriers that interfere with the understanding of the, communication are of three kinds: semantic, psychological and organisational.

Semantic Barriers

Semantic Barriers

Semantic is the study of meaning, signs and symbols used for communication. The word is derived from "sema", a Greek word meaning signs. Semantic barriers to communication are the symbolic obstacles that distort the sent message in some other way than intended, making the message difficult to understand.

The meaning of words, signs and symbols might be different from one person to another and the same word might have hundreds of meanings. So, when a message is sent by a sender to a receiver, it might be interpreted wrongly in a communication process causing misunderstandings between them. This can happen due to different situations that form the semantic (of, relating to, or arising from the different meanings of words or other symbols) of the sender and the receiver, known as the semantic barrier. It also arises due to language, education, culture and place of origin (dialect or accent) or most likely their experiences. It is similar to and related to language barriers in a communication.

Types of Semantic Barriers in Communication

Denotative Barriers

Direct meaning of any word which must be shared by two people to understand each other is the denotative meaning. The barriers that arise due to the definition or meaning of a word used differently by sender and receiver is denotative barriers of communication. They disagree on the meaning of a word as they are unaware of the other persons' meaning. For example, the meaning of braces which is used to define the metallic structure to adjust teeth in American English whereas it means a part of clothing in British English.

Connotative Barriers

The implied meaning of a word is known as Connotative meaning. Connotative barrier in communication refers to the difference of meaning according to different abstract situations, contexts, actions and feelings. Both the communicators know both meanings of the word, but use only one meaning according to the context, which might be being used differently in the context. For example, the word 'astonish' can be used to describe surprise as well as startle. The words, when used by someone, can have any of the meaning. The context in which it is used will only let the receiver know what the sender means. Another example is the word god, which is used differently by people following different religions.

Causes of Semantic Barriers in Communication

Homophones

Homophones are the words with same pronunciation but different meaning which might have different spelling too. For example: Words buy, by and bye. They have same pronunciation, but different meanings and spellings.

Homonyms

Homonyms are the words which have the same pronunciation and their spellings are mostly same, but the intended meaning is different. For example, the noun "bear" and the verb "bear" has different meanings but same pronunciation and spelling.

Homographs

Homographs are the words that have the same spelling but the pronunciation and meaning are different. For example, "The research lead to the discovery of lead". In this sentence, both the words have the same spelling, but different pronunciation and different meanings.

These words can be interpreted wrongly when used unknowingly causing the semantic barrier in a communication process. This, in turn, makes the communication ineffective.

Cultural difference

Many words have fixed meanings in different norms. So, confusion arises in communication due to meaning of different signs and symbols in different cultures, causing semantic barrier. The use of the “Swastika” symbol in Hinduism and for German Nazi cab be taken as an example. The symbol was used by Hitler for his rule and is taken as something to fear, whereas swastika in Hinduism takes it as auspicious and lucky. People belonging to these two cultures take the symbol differently. If people belonging to these two cultures talk or use the symbol, it can lead to conflicts.

Difference in use of words

Words can mean something different in two different languages even though the words have the same pronunciation and spelling. People do not know many languages, so the word used in some language might have a different meaning in the language the person understands. The unfamiliarity with the word might make the listener react in a bad way. The receiver might not understand the message or understand it in a way which is not intended.

Sequence of use of words must also be taken care of. Technical words or jargons is also understood differently if the receiver does not have proper knowledge. For example, the word "concha" in Spanish means shell whereas in it means female sex in an offensive language in Argentina.

Body language and gestures

When what you speak and your body language (kinesics) is different, the listener can get offended. Inconsistent body language creates conflict. Sarcasm and contrasts make people confused or doubtful about the intentions. Action and language must always go together to make people trust you. For example, if someone requests you with a catapult posture (hands and elbows behind head) which is used to show intimidation, you will interpret the request as order and might resist doing it.

Use of ambiguous words

A single word can be used in various ways and they have different meanings. The meaning must be clear of all the words used in every sentence. If the meaning of a particular word can be interpreted in many ways, such a word should not be used unless there are no other alternatives. The words people choose to convey their message makes a communication effective or ineffective. Relative words like bright, love, big, small, good, bad, etc. have their meanings only when compared to or in relation to some other things. For example, "a small fish" can be interpreted as of any size. But if the word is used as "a fish smaller than a marble", then the size can be predicted properly.

Differences in dialects

People from different parts of the world use different dialects for the same language and pronounce a word differently. People, who speak more than one language, cannot speak a particular language they use less in the same way the people whose native language or mother tongue. The mother tongue or the language used most is always prominent and affects the pronunciation of other languages. Dialects or use of different words to give the same meaning according to places makes communication less effective. It causes semantic barrier as meaning of words are different. For example, the dialect of speaking English by an Australian is different than of an American. People from Australia use the word "autumn" whereas Americans use the word "fall".

Filtering by senders and selective perception by receivers

Prejudices of people make them only listen to and interpret the things they want to. They always do it their way. They understand the way they want to. Similarly, the sender also sends only the information they want to. They withheld the information that they do not want the receiver to understand. Both of them use the words that serve their interest and objectives. The sender filters before sending and the receiver perceives selectively which shapes the meaning of the message. The message must be according to the level of understanding of the receiver and in the same way filtering before sending must be done. For example, a magazine which has middle aged women as target will filter their articles and will not include anything about business. That is filtering. A reader looking at the magazine will skip the articles which is not of his/her interest. That is selective perception.

Psychological Barriers

The psychological barrier of communication is the influence of psychological state of the communicators (sender and receiver) which creates an obstacle for effective communication. Communication is highly influenced by the mental condition that the communicators are in and is disturbed by mental disturbance. If the people involved in communication are not emotionally well, they won’t be able to communicate properly. Every person’s mind is unique and communication does not work like that in machines or in numbers. The people who are involved in the communication matter as much as the message e.g. If your boss doesn't trust you, he/she will only send selective information, which makes the communication ineffective.

Causes of Psychological Barriers

Lack of Attention

When a person’s mind is distracted or preoccupied with other things, the person is not able to form proper message, listen to what others tell him/her, interpret the message as required and give proper feedback. The communication will face problems and becomes ineffective. A person in tragedy, for instance, does not want to listen to other people giving advice. A person might be preoccupied by the problems of his/her professional life or personal life, which affects both.

Poor Retention

Retention of information is the capacity of the memory of the brain to store information and the way brain stores information in memory. Brain does not store all the information it comes across, but only the ones it deems useful for future. So, half the information is lost in the retention process. Similarly, brain also loses information that is old and not taken as useful with time. Extracting the information is also a process in the formation of message. Here, the brain tries to remember the required information, the fragments of which have already been lost.

For example, you were told about a friend coming to meet you before a month and had been given the person's name, address, phone number, etc. Now, you have to communicate the information to somebody else. At the time, you only remember the name and address and forget the phone number. The truth can change or distort due to poor retention which acts as barrier to communication.

Distrust and Defensiveness

Communication is successful when the communicators trust each other. Lack of trust makes them derive negative meaning of the message and they ignore the message. When a person tries to force his/her own ideas and opinions, then receiver does not listen. If the receiver does not agree to the message provided or thinks of it as a threat, he/she will not listen to it. Similarly, when the message is not transferred across to the receiver, the communication fails. For example, I don't trust a friend, I will only give the details, of what is happening in my personal life which I think are harmless.

Perception, Viewpoint, Attitudes and Opinions

Perception is the mindset using which people judge, understand and interpret everything. Each person has his/he own perception of reality which is shaped from mental and sensory experiences.

Likewise, viewpoint is also a mindset to look at the world. Sender might have a particular viewpoint that is not shared by the receiver. The sender does not explain the viewpoint but takes the viewpoint as granted. The message is not understood by the receiver as must have been understood, creating a barrier to effective communication.

Attitude is the established way in which we think and feel about things and ideas which also creates a psychological communication barrier. For example, a person takes females to be weak which is the person's perception. He/she tells that to someone who does not think so. This causes a misunderstanding between the two. Everything they communicate after that becomes unsuccessful that the view of the person is already set.

Emotions

Our emotions and state of mind can alter the intended meaning of message we are trying to communicate.

Anyone who isn't in a good mood is likely to talk less or talk negatively. A preoccupied mind is not good at communicating. For example, when a person is angry, he/she might say things they regret later. Even when listening to someone else speak, an angry person might easily misinterpret the message.

Various other emotions like fear, nervousness, confusion, mistrust and jealousy affect communication process. For example, a person having extreme moods of happiness will laugh at anything at all said to him/her. The same person when sad will cry or get angry at insignificant situations.

Closed Mind and Filtering

Man is selfish by nature and put his own needs and problems above all else. This sometimes leads people to filter information that someone is trying to convey to them. This might be due to mistrust, competition, jealousy, or the view that the message is insignificant.

For example, a senior in a company does not want the junior to do better at work, the person filters the information and does not provide crucial information that could help the junior. The junior therefore will not be able to complete the work properly and progress in ranks. Similarly, when a person is close minded, the person will have fixed opinions on many things which the person believes resolutely. The person will interpret any information in a negative way.

For example, a sexist person does not accept the suggestions of a female colleague in a meeting that affects the communication flow in the meeting. It is difficult to argue with such close minded people and give proper information.

Premature Evaluation

Some people are always in a hurry by habit. These kinds of people most likely make quick judgments and jump into conclusions. They do not consider all aspects of the information such as social, cultural, economic, etc. and often end up taking quick and wrong decisions. It is important to hear the whole message to make proper judgments because they are not changed easily after they are once made. For example, a person is in a hurry and talks on the phone, the person does not listen to half the message and makes the decision which is wrong in the situation.

Psychological barriers affect communication more as information is formed in the brain and is sent by people with various psychological condition which differs from one moment to another. Information is as effective as the people involved make it. Similarly, the psychological condition of the receiver also has as much importance as the sender’s. Communication is ineffective if psychological aspects of communication act as a barrier to communication.

Organisational Barriers

Organisations follow formal framework through which communication flows. This structuring itself starts acting as a barrier against freer flow of communication between persons and levels in the organisation. Rules are set up about how communications are to move from one level to another in upward or downward directions. Due to this not always there exist a possibility of delay in the communication reaching its destination, but also there is every possibility of communication getting distorted through the process of filtering. It has been found that when information is channelled through different levels of organisation, it becomes misrepresented as people interpreted facts differently. In an organisational setting this can be a very big problem since senior level executives who work through others have to depend more and more on the information and interpretations of their subordinates. Critical information that has lost its criticality because of the actions of the intervening levels may jeopardize the position of the manager as well as the organisation itself.

It has been observed that the upward communication is particularly subject to the influence of filtering in large organizations. Upward communication serves essentially two purposes in an organisation. First, it helps in coordinating and controlling the activities of the organisation. Second, it enables the superior to appraise the performance of his subordinates. While the former does not create any problems, the latter has behavioral implications. It is human nature to show one's performance in a better light than what it actually is. This tendency of an individual naturally brings about a filtering through conscious or unconscious altering, withholding or interpreting facts to be transmitted upward.

Dependency syndrome of the subordinate heightens the tendency to filter information. In a superior-subordinate relationship, the subordinate is, usually, dependent on the superior for his advancement. Studies show that the greater the dependency of the subordinate on his superiors for the satisfaction of his needs, the more his tendency to filter information of an unfavorable kind. It has been found that subordinates are generally unwilling to communicate unfavorable information when they feel that their superior has the power to punish them in some way. Only positive aspects of performance are likely to be communicated upwards.

Another barrier in organisational setting is created by the superior-subordinate relationship itself which develops a distance between the two. People are more comfortable in communicating with persons of similar status as their own. Communication with persons of higher or lower status is likely to be formal and reserved rather than informal and free. The distance between the superior and subordinate and the difficulty in freer communication between them tends to be heightened through status symbols which might be used to show the hierarchical status of the person concerned. Status symbols within an organisation may be in the form of separate parking space, separate bathrooms, separate refreshment rooms, cabins with stylized furniture, carpets, etc. Such symbols put emphasis on the distance between the different hierarchical levels and tend to widen the communication gap For example, under the Japanese system there are no separate cabins for managers, uniforms for workers and managers are the same, they eat the same menu in the same cafeteria. All these are intended to reduce the distance between the workers and the managers, and bring about a better understanding of the problems of the organisation which is the chief objective of organisational communication.

As a manager one is continuously required to make use of your communication abilities in the performance of job. Since, success of a manager will be judged in terms of the results that he produces, the effectiveness of his communication is, therefore, of prime importance to him.

2.7 MAKING COMMUNICATION EFFECTIVE

Effective communication is a two-way process that requires effort and skill by both sender and receiver. Administrators will at times assume each of these roles in the communication process. This section discusses guidelines for improving communication effectiveness, including senders' and receivers' responsibilities.

Sender's Responsibilities

1. **Managers need to clarify their ideas before communicating:** The more systematically managers analyze the problem or idea to be communicated, the clearer it becomes. This is the first step toward effective communication. Many communications fail because of inadequate planning. Good planning must consider the goals, attitudes, and needs of those who will receive the communication and those who will be affected by it.

2. **Managers need to examine the true purpose of each communication**: Before administrators communicate, they must ask themselves what they really want to accomplish with their message—obtain information, initiate action, or change another person's attitude? Administrators need to identify their most important goal and then adapt their language, tone, and total approach to serve that specific objective. Administrators should not try to accomplish too much with each communication. The sharper the focus of their message, the greater its chances of success.

3. **Managers need to consider the total physical and human setting**: Meaning and intent are conveyed by more than words alone. Many other factors influence the overall impact of a communication, and administrators

must be sensitive to the total setting in which they communicate: the circumstances under which an announcement or decision is made; the physical setting—whether the communication is made in private or otherwise; the social climate that pervades work relationships within the school or department and sets the tone of its communications; custom and practice—the degree to which the communication conforms to, or departs from, the expectations of the audience. Be constantly aware of the total setting in which you communicate. Like all living things, communication must be capable of adapting to its environment.

4**. Managers need to consult with others, when appropriate, in planning communications:** Frequently, it is desirable or necessary to seek the participation of others in planning a communication or in developing the facts on which to base the communication. Such consultation often lends additional insight and objectivity to the message. Moreover, those who have helped plan the communication will give it their active support.

5. **Managers need to be mindful, while communicating, of the overtones as well as the basic content of the message:** The administrator’s tone of voice, expression, and apparent receptiveness to the responses of others all have tremendous impact on those the administrator wishes to reach. Frequently overlooked, these subtleties of communication often affect a listener's reaction to a message even more than its basic content. Similarly, the administrator’s choice of language—particularly her awareness of the fine shades of meaning and emotion in the words used—predetermine in large part the reactions of the listeners.

6. **Managers need to take the opportunity, when it arises, to convey something of help or value to the receiver:** Consideration of the other person's interests and needs— trying to look at things from the other person's point of view—frequently points up opportunities to convey something of immediate benefit or long-range value to the other person. Staff members are most responsive to administrators whose messages take staff interests into account.

7. **Managers need to follow up their communication:** An administrator’s best efforts at communication may be wasted, and she may never know whether she has succeeded in expressing her true meaning and intent if she does not follow up to see how well she has put her message across. An administrator can do this by asking questions, by encouraging the receiver to express his or her reactions, by follow-up contacts, and by subsequent review of performance. An administrator needs to make certain that every important communication has feedback so that complete understanding and appropriate action result.

8. **Managers need to communicate for tomorrow as well as today**: Although communications may be aimed primarily at meeting the demands of an immediate situation, they must be planned with the past in mind if they are to maintain consistency in the receiver's view. Most important, however, communications must be consistent with long-range interests and goals. For example, it is not easy to communicate frankly on such matters as poor performance or the shortcomings of a loyal staff member, but postponing disagreeable communications makes these matters more difficult in the long run and is actually unfair to your staff and your school organization.

9. **In the final analysis, the most persuasive kind of communication is not what administrators say, but what they do**: When leaders' actions or attitudes contradict their words, others tend to discount what they have said. For every administrator, this means that good supervisory practices—such as clear assignment of responsibility and authority, fair rewards for effort, and sound policy enforcement—serve to communicate more than all the gifts of oratory.

10. **Managers need to seek, not only to be understood, but to understand—be a good listener :** When an administrator starts talking, he often ceases to listen, at least in that larger sense of being attuned to the other person's unspoken reactions and attitudes. Even more serious is the occasional inattentiveness a leader may be guilty of when others are attempting to communicate with him. Listening is one of the most important, most difficult, and most neglected skills in communication. It demands that the administrator concentrate not only on the explicit meanings another person is expressing, but also on the implicit meanings, unspoken words, and undertones that may be far more significant. Thus, an administrator must learn to listen with the inner ear if he is to know the inner person.

Receiver's Responsibilities

Communication depends on the ability not only to send but also to receive messages. So the ability to listen effectively greatly enhances the communication process. But many of us are not good listeners. Effective listening skills can be developed, however. Summarized following are ten rules for good listening:

1. Stop talking. You cannot listen if you are talking. For example, Polonius in Hamlet said: "Give every man thine ear, but few thy voice."

2. Put the talker at ease. Help a person feel free to talk. This is often called a permissive environment.

3. Show a talker that you want to listen. Look and act interested. Do not read your mail while someone talks. Listen to understand rather than to oppose.

4. Remove distractions. Don't doodle, tap, or shuffle papers. Will it be quieter if you shut the door?

5. Empathize with talkers. Try to help yourself see the other person's point of view.

6. Be patient. Allow plenty of time. Do not interrupt a talker. Don't start for the door or walk away.

7. Hold your temper. An angry person takes the wrong meaning from words.

8. Go easy on argument and criticism. These put people on the defensive, and they may clam up or become angry. Do not argue: Even if you win, you lose.

9. Ask questions. This encourages a talker and shows that you are listening. It helps to develop points further.

10. Stop talking. This is first and last, because all other guides depend on it. You cannot do an effective listening job while you are talking.

2.8 LET'S SUM UP

Communication is the transfer of information from one person to another. Successful communication is much more than mere transfer of information-it is the transfer of meaning and understanding between two persons.

Communication has paved the way for modern civilization and good communication is the foundation for sound management. No managerial activity is possible without communication of some kind, and the major part of a manager's working time is devoted to communicating.

Communication is accomplished through a process in which the sender encodes an idea which is transmitted through a channel to a receiver who decodes the message and gains an understanding of the idea of the sender. The reverse process of feedback also follows the same pattern. During the entire process, interference is created by `noise' which can lead to distortion of the communication.

Communication takes place either orally or in writing. It could be just one-way or two-way, which allows the sender and receiver to interact with each other. A two-way communication is regarded better, as it brings about understanding through clarity of the message. In an organisation, communication may take place in several directions-upward, downward, lateral and diagonal.

Words either written or oral convey a very small part of the communication: most of it is transmitted through non-verbal gestures. A manager ought to be careful lest his non-verbal gestures contradict his verbal message.

Communication within an organisation flows either through formally designed authority channels or through informal channels spontaneously formed and cutting across authority levels. Informal channels can have both positive and negative sides. Cluster chain network of informal communication permits a rapid flow of information through the formation of a grapevine. Formal communication is transmitted through several kinds of networks. The choice of a network will depend upon considerations of the complexity of a task, speed in decision-making in order to adapt to a change, and the satisfaction of members desired.

Interference in communication is caused by semantic, psychological and organisational barriers. In order to achieve effectiveness in communication, managers should consciously try to lower these barriers.

2.9 Self-Assessment Questions

- **Why is effective communication important to the manager?**
- **Explain the elements of the communication process.**
- **What factors in the organizational environment cause noise?**

2.10 KEY WORDS

Communication: The process of transmitting or receiving abstractions such as ideas or beliefs through the use of symbols and language.

Communication Networks: Patterns of channels of communication.

Communication Barriers: Physical, psychological and organisational hindrances resulting into ineffective communication.

Grapevine: A very powerful informal communication channel.

2.11 FURTHER READINGS

i. Barbara Pease and Allan Pease (2006), The Definitive Book of Body Language: The Hidden Meaning Behind People's Gestures and Expressions, Bantam:NY

ii. Baskin and Aronoff, 1980. Interpersonal Communication in Organisations, Goodyear Publishing: Santa Monica.

iii. Davis, 1975. Human Behaviour at Work, Tata McGraw-Hill: New Delhi.

2.12 MODEL QUESTIONS

- What purposes are served through vertical communication?
- What problems are encountered in vertical communication?
- Why is informal channel of communication called, a grapevine? Should managers use the grapevine or rely on formal channels?

- Explain the significance of body messages in communication effectiveness.
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Unit -3 Leadership

LEADERSHIP:

Learning Objectives

This sub-unit aims at:

- introducing students to various leadership styles,
- creating opportunities for students to observe good leadership role models,
- to expose students to various theories and styles of leadership,
- to encourage and foster lifelong self-reflection on learning and increase self-awareness among students.

Structure

- What purposes are served through vertical communication?
- What problems are encountered in vertical communication?
- Why is informal channel of communication called, a grapevine? Should managers use the grapevine or rely on formal channels?
- Explain the significance of body messages in communication effectiveness.
- Explain the statement, "Words are symbols and meaning exists in the mind".
- Think of a situation at home or at work, and identify communication problems you observed or experienced.

3.1 INTRODUCTION

Leadership is a process by which a person influences others to accomplish aims or objectives, using their capacity to motivate, inspire and influence others. Leadership is related to other management concepts such as motivation, communication, authority, power and delegation, it is the relationship through which one person influences the behaviour and actions of other people.

The position as a 'manager' gives the authority to accomplish certain tasks and objectives, but this power or influence, perhaps through official job title, does not make a manager a leader. Being a manager makes you 'the boss', but being a leader means to motivate, inspire and influence others e.g. 'followers', to achieve aims or objectives, not just from 'bossing them around'. Natural leaders have the power to initiate action without any formal authority.

Characteristics or 'personality traits' of good leaders-

- Trustworthy and a good listener
- Enthusiastic and need for achievement
- Confident and competent
- Inspirational and motivational
- Coach and counselor
- Good communicator and well organized
- Tolerant, diplomatic and intelligent
- Committed to excellence
- Adaptable and flexible

3.2 LEADERSHIP STYLES

What is Hawthorne Studies?

A series of experiments were conducted by Mayo and Roethlisberger in an electricity factory called the Western Electric company at their Hawthorne plant known as Hawthorne Works, at Illinois, in USA, on factory workers between 1924 and 1932. These studies are known as Hawthorne Studies. Initially, the study focused on effect of lighting on productivity and later was enhanced to study the social effects.

First Experiment on Lighting:

In the first experiment, the effect was observed for minute increases in illumination. In these lighting studies, light intensity was altered to examine its effect on worker productivity. One phase of these studies aimed at finding out if changes in illumination, rest period and lunch breaks can affect the productivity of the workers. It was found to the surprise of the researchers that less light, shorter and fewer rest periods and shorter lunch breaks resulted in increased productivity.

Once all these changes; were eliminated and the normal working conditions were resumed, it was also seen that the workers' productivity and the feeling of being together went up.

Two things emerged from the initial studies: (1) the experimenter effect, and (2) a social effect. The experimenter effect was that making changes was interpreted by workers as a sign that management cared, and more generally, it was just provided some mental stimulation that was good for morale and productivity. The social effect was that it seemed that by being separated from the rest and being given special treatment, the workers developed a certain bond that also increased productivity. Hence the increase in productivity was attributed to the attitude of workers towards each other, their feeling of togetherness and to the attention paid to the workers by the researches that made them feel important which resulted in improvement in their work performance. This is known as Hawthorne effect.

Second Experiment - Bank Wiring Room:

The second phase of the study, the Bank Wiring Room, helped in studying the social effects. The purpose of the next study was also to find out how payment incentives would affect productivity. The study was conducted by Elton Mayo and W. Lloyd Warner between 1931 and 1932 on a group of fourteen men who put together telephone switching equipment. During this study some workers were put in a special room, and placed an observer full time in the room to record everything that happened. The kind of work done was assembling telephone switching equipment. The process was broken down into three tasks: wiring, soldering and inspection. Besides looking at the social organization of the group, they kept track of performance variables, like quality of work and amount of work.

The researchers found that although the workers were paid according to individual productivity, productivity decreased, even though they were paid by the amount they did each day, they did not raise outputs. If somebody tried, he faced opposition from others as the team became afraid that if some started producing more, the company would change the base rate. The surprising result was that productivity actually decreased. Workers apparently had become suspicious that their productivity may have been boosted to justify firing some of the workers later on.

Detailed observation between the men revealed the existence of informal groups or "cliques" within the formal groups. These cliques developed informal rules of behavior as well as mechanisms to enforce them. The results show that workers were more responsive to the social force of their peer groups than to the control and incentives of management. Just as management tried to control worker behavior by adjusting piece rates, hours of work, etc., the workers responded by adjusting management toward goals that were not necessarily economically rational.

Leadership Lessons from Studies:

Researchers concluded that the workers worked harder because they thought that they were being monitored individually. Researchers hypothesized that choosing one's own coworkers, working as a group, being treated as special and having a sympathetic supervisor were the real reasons for the productivity increase. One interpretation was that "the six individuals became a team and the team gave itself wholeheartedly and spontaneously to cooperation in the experiment. This study established the behavioral change that happened due to an awareness of being observed, resulting in active compliance with the supposed wishes of researchers, because of special attention received, or positive response to the stimulus being introduced.

These findings made Mayo and Roethlisberger conclude that a leader has not only to plan, decide, organize, lead and control but also consider the human element. This includes social needs of being together and being recognized for the work interaction of the group members with each other and their wellbeing. A good leader ought to keep the above aspects in his style of working with people and supervising their work.

Douglas McGregor's theory X and theory Y

Douglas McGregor described two individuals in life 'the untrustworthy, money motivated, calculative mass, and the trustworthy, broadly motivated, moral elite who organise and manage the mass'. The manager depending on their perception of subordinates, would use either a Theory X or Theory Y style of leadership. The assumptions of the sub-ordinate is therefore the intervening factor in deciding which leadership style a manager should adopt.

Theory X

The assumption or perception of theory X is that sub-ordinates 'don't want to work', they are self-interested, lazy and would prefer leisure rather than working for someone else. The prime motivational reason why they work is for money. This was the classical school of belief of management until early twentieth century, in line with the views of Henry Fayol and Frederick Taylor, classical school managers who existed at this time. To get the best out of them, a leader must structure work and energise their sub-ordinates by close supervision, defined tasks, systems and structure. The assumption of workers are that they are self interested and calculative; therefore need to be coerced and controlled by the manager.

Theory Y

The assumption or perception of theory Y is that given the right conditions for subordinates, their application of physical and mental effort to their work is as 'natural as rest or play', work offers them satisfaction and meaning. This perception is in line with the human relations school of thought, Elton Mayo without doubt the father of the "human relations" movement. Contrasted to the classical school of management, this approach moved away from the 'carrot and stick' approach to the belief that 'contented cows produce the most milk' To get the best out of them, a leader must let sub-ordinates exercise more discretion and control over their own work. Sub-ordinates are committed and will exercise self-direction and self-control. The leader therefore should be group centered, reinforcing friendship, support and respect, sub-ordinates will thrive on the challenge, responsibility and delegation given.

Michigan Studies on Leadership Styles

Likert at University of Michigan Survey Research Centre identified two major styles of leadership orientations-employee orientation and production orientation. The employee oriented style of the leader emphasizes the relationship aspect of the jobs of the individual. Such a leader takes interest in every one and accepts the individuality and personal needs of the individual. He has complete confidence and trust in all matters in his subordinates. His subordinates feel free to discuss things about their jobs with their superior. He always asks subordinates for ideas and opinions and always tries to make constructive use of them.

The production oriented style of the leader emphasizes production and technical aspects of the job. He looks at subordinates or employees as tools to accomplish the goals of the organisation. Work, working condition and work methods are tried to be understood better in his style of the leadership orientation. Likert related these orientations to the performance of the employees. He showed that the employee oriented style brought high-producing performance compared to production-oriented style. Of course, the satisfaction of employees was not directly related to productivity in Likert's study.

3.3 LEADERSHIP STYLES AND LEADERSHIP THEORIES

Contingency Theory

The belief that there is no single correct or best way to manage subordinates, it entirely depends on different circumstances. Contingency or situational approaches to leadership style state that different leaders emerge to fit the situation, therefore different situations require different leadership traits or skills. Also there is no single 'best' style of leadership, therefore the leader must act in an adaptable way, diagnosing the leadership style appropriate to the situation, but also has to apply and adopt appropriate styles given the circumstances. Contingency theories focus on variables relating often to the task and environment in order to determine which particular style of leadership is best suited. Leadership styles adopted could depend on factors such as the task, relationship between the manager and sub-ordinate, the willingness and ability of sub-ordinates, their motivation, knowledge, skills or aptitudes to perform the job or task effectively. Therefore effective leaders need to be flexible and adapt according to the situation. Lawrence and Lorsch (1967) concluded from their research that there is no single best way to organize or manage people. Therefore management should adapt certain behaviour or different leadership styles to suit a given set of circumstances. The major problem in practice of contingency theory is that managers may need to adapt or change their own behaviour as situations change, and this is not as easy as you would expect, someone with a military background, who is by nature assertive and autocratic, would need extensive self awareness and training in order to modify to a democratic management style.

Trait theory of leadership

The trait approach to leadership was one of the earliest theories of leadership. Although it is not a fully articulated theory with well-developed hypotheses, the trait approach formed the basis of most early leadership research. This approach focuses on the personal attributes (or traits) of leaders, such as physical and personality characteristics, competencies, and values. It views leadership solely from the perspective of the individual leader. Implicit in this approach is the assumption that traits produce patterns of behavior that are consistent across situations. That is, leadership traits are considered to be enduring characteristics that people are born with and that remain relatively stable over time.

These traits included the following:

- Physical vitality and stamina
- Intelligence and action-oriented judgment
- Eagerness to accept responsibility
- Task competence
- Understanding of followers and their needs
- Skill in dealing with people
- Need for achievement
- Capacity to motivate people
- Courage and resolution
- Trustworthiness
- Decisiveness
- Self-confidence
- Assertiveness

• Adaptability/flexibility

One of the concerns about such lists is that the attributes typically associated with successful leaders are often perceived as “male” traits. Reportedly, when men and women are asked about the other gender’s characteristics and leadership qualities, significant patterns emerge, with both men and women tending to see successful leaders as male.

But there are also some problems associated with this theory. Many early researchers found no differences between leaders and followers with respect to their leadership characteristics—some even found that individuals who possessed these traits were less likely to become leaders. Researchers also found very small relationships between these traits and leadership effectiveness. Because so few of the traits clearly differentiated between effective and ineffective leaders, their efficacy in selecting individuals for leadership positions was severely limited. There were too many leadership variables with low reliabilities, and no rationale for selecting specific variables to include in a study. This approach has been called “dustbowl empiricism” at its worst. Additionally, there has been little systematic research on the processes by which individuals acquire the capacity for leadership. If leadership is indeed an individual difference variable, then very little is known about the origin of these differences.

Blake and Mouton’s Managerial Grid

First developed in the 1960s, the managerial grid has been through many iterations (Blake & Mouton, 1964, 1978, 1985, 1994). It is widely accepted as a critical and important analysis of leadership behavior. It is similar in some respects to the Ohio State Studies, which combined a focus on tasks and a focus on the relationship with the subordinate. However, the managerial grid develops these concepts further by quantifying the degree to which the focus is on tasks or “concern for production/results,” and the focus is on the relationship with the subordinate or “concern for people.” The one to nine scale in figure given below allows for discernment among the various responses regarding concern for production or people, where one represents a low concern and nine represents a high concern. Blake and McCanse (1991) postulated there were five leadership types:

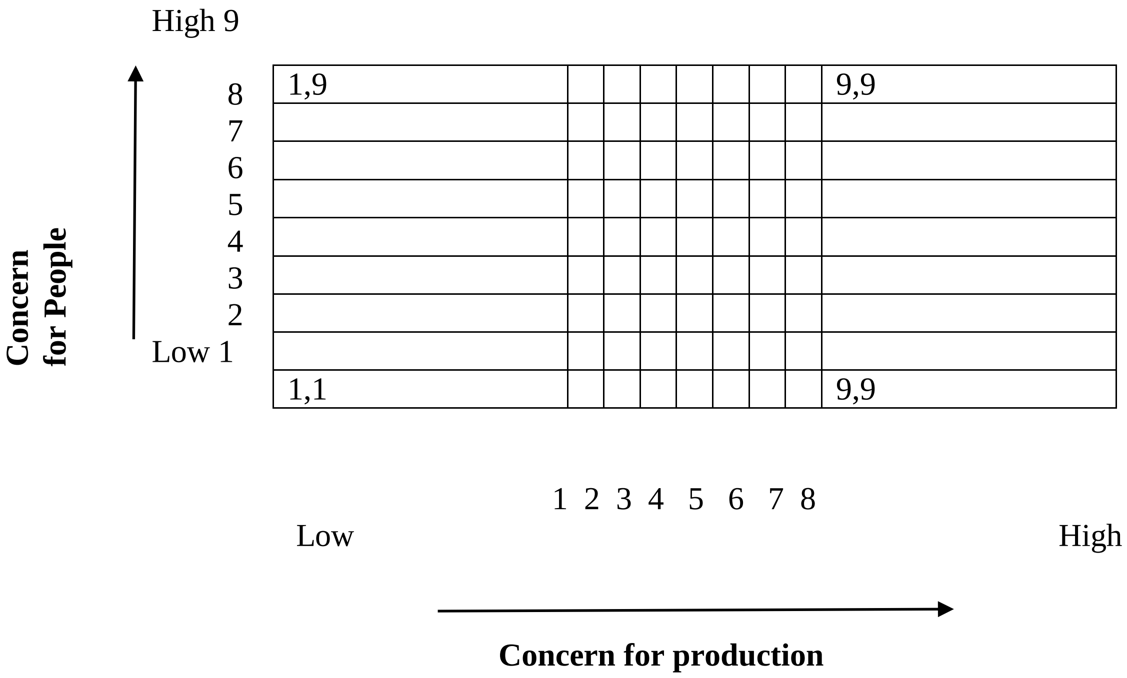
1.1—Impoverished Management: Emphasizes a situation in which there is both low concern for results and low concern about people. The apathetic nature of this leader results in behavior that is withdrawn from subordinates and indifferent to success.

1.9—Country Club Management: This combination of low concern for results with high concern for people results in a leader who is more interested in pleasing people than in the performance of tasks. This leader attempts to create an environment that is friendly and welcoming.

9.1—Authority-Compliance Management: This represents a high concern for results but a low concern for people. This controlling leadership style is characterized by dictating instructions to subordinates in a way that does not show concern or compassion.

5.5—Middle of the Road Management: This style of compromise is evident in leaders who balance concern for results with satisfying relationships. The group is functioning; however, there is potential for greater success.

9.9—Team Management: Great emphasis is placed on production and on people. This optimal balance of developing human relationships and effective results attainment provides for the most satisfying work environment.



Managerial Grid

3.4 TYPES OF POWER

Charisma

Charisma is the power of influence inherent in a leader's style or personality. A charismatic leader develops a new, ambitious vision for the company and communicates it to employees through powerful speeches and unique behavior. The charismatic leader is also sensitive toward the needs of employees. Managers can augment their charisma by making small changes in behavior to create better rapport with others, such as making more eye contact or smiling.

Legitimacy

Legitimate power resides in the leader’s position. People comply with legitimate requests because they feel they have to. Legitimate requests are more effective if they are made with respect and humility rather than arrogance.

Rewards

Influence by rewards requires offering something in return for complying with a request. Rewards should be of value to the person. Effective rewards may come in the form of public recognition and awards. More importantly, the link between behavior and reward should be clear to employees.

Expertise

Leaders can exercise influence by rational persuasion based on knowledge, skills or special abilities. The leader presents a plan of action with logical arguments and supporting evidence. Professionals such as lawyers, physicians and accountants draw on this type of influence.

Relationships

The leader’s relationship network is a source of power and influence. To cultivate this type of power, managers need to identify and befriend the right people. Moreover, they should repair damaged relationships, improve their image, and seek to understand others better.

Empowering

To builds an effective organization, managers should avoid hoarding power. Leaders need to empower followers and teach them the effective use of power and leadership. Empowering leverages manager's influence and increases leadership effectiveness.

3.5 TYPES OF LEADER AND POWER CONCEPT

Leaders may be categorized into the following four types:

1. Thought leaders
2. Courageous leaders
3. Inspirational leaders
4. Servant leaders

Thought Leaders

Thought leaders harness the power of ideas to actualize change. They stretch their followers by helping them envision new possibilities. Oliver Wendell Holmes said, “The human mind once stretched to a new idea never goes back to its original dimension.”

Sometimes a new idea can bring about a paradigm shift, which may provide a new lens for viewing or a radically different context for understanding. At other times, the new idea leads to only incremental change. But all change, whether large or small, starts with a new idea.

For centuries, thought leaders have competed in the marketplace of ideas using books, papers, and oral presentations. They still do, but today they also use the Internet, social media, and other technological advances to disseminate their ideas more rapidly and broadly. E-books, blogs, e-zines, teleseminars, and Webinars have made thought leadership instantaneously available to ordinary citizens.

Examples of thought leaders:

- Many of Jack Welch's ideas challenged conventional business practices. Some of his leading-edge ideas included "workout and best practices," stretch goals, creating boundary-less organization (breaking down all "silos"), and pursuing Six Sigma quality.

- Steve Jobs was the co-founder, chairman, and CEO of Apple Inc., where he oversaw the development of the iMac, iTunes, iPod, iPhone, iPad, and numerous other innovations. He has been referred to as the "Father of the Digital Revolution," "a master of innovation," and "the master evangelist of the digital age."

- Dr. W. Edwards Deming was an American statistician, professor, author, lecturer, and consultant. After World War II, his ideas about quality and process control had a major positive impact and influence on Japanese manufacturing businesses. Subsequently, his concepts and teachings spurred a major quality revolution among American manufacturers and consumers.

Thought leaders attract followers and initiate change by the power of their ideas.

Courageous Leaders

Courageous leaders bravely pursue a vision in the face of considerable opposition and risks. They have strong convictions about their mission (purpose), vision (long-term goals), and values (right and wrong). They speak up for their core beliefs and fight for their values, even when their stand is unpopular. They have strong beliefs, being able to stick with them through popular and unpopular times, is the most important characteristics of a great leader."

In addition, they seek the truth and speak the truth.

Examples of courageous leaders:

- Rosa Parks was an African-American civil rights activist, who the U.S. Congress called "the first lady of civil rights" and "the mother of the freedom movement." On December 1, 1955, in Montgomery, AL, she refused to obey the bus driver's order that she give up her seat to a white passenger. Her great courage marked a pivotal point in the Civil Rights Movement.

- Abraham Lincoln, the 16th president of the United States, served during the most difficult and dangerous period of our nation's history. Even though his life was constantly in danger and his policies were unpopular with many, he steadfastly held to his convictions and governed with strength, fairness, and dignity. On January 1, 1863, he courageously issued his memorable Emancipation Proclamation, which declared the freedom of slaves within the Confederacy.
- Sherron Watkins (Enron), Coleen Rowley (FBI), and Cynthia Cooper (WorldCom) are three "whistleblowers" who had the courage to confront higher-ups in their organizations, even though it meant jeopardizing their jobs and careers. In 2002, *Time* magazine selected them as persons of the year.

Courageous leaders attract followers and motivate people to change by their willingness to take risks and stand up for their beliefs and values.

Inspirational Leaders

Inspirational leaders promote change by the power of their passionate commitment to ideas and ideals. They lift our eyes from present practicalities to future possibilities. Their words stir up our spirits, strengthen our convictions, and move us to action. We are eager to follow them because they call forth the best that is in us.

Inspirational leaders have positive attitudes that create strong emotional connections with people. Their speech is enlivened with words such as justice, freedom, honor, respect, pride, and love. Their affirming and encouraging demeanor builds the confidence of their followers and elicits their wholehearted devotion. Their can-do attitude keeps hope alive during difficult times.

Inspirational leaders create a sense of urgency by explaining why it's important to take action sooner rather than later. In addition, they describe actionable steps people need to take.

Examples of inspirational leaders:

- Ronald Reagan, the 40th president of the United States, was known for his strong leadership on behalf of free enterprise and politically conservative ideals. His inspirational leadership style incorporated excellent communication skills seasoned with humor and optimism. He had a sign on his desk in the Oval Office that read, "It can be done!"
- Martin Luther King, Jr., was an American clergyman, activist, and leader in the African-American Civil Rights Movement. He is best known for his belief in nonviolent civil disobedience. His words and

actions have inspired many people to speak up and stand up for what's right.

- Pat Summit was the leader of the University of Tennessee Lady Volunteers basketball program for 38 years. She was known as an intense, demanding, focused, determined, and inspiring coach. She compiled an amazing record of 1,098 wins and 208 losses, winning eight NCAA national championships along the way.

Inspirational leaders attract followers and motivate people to change by the power of their passion and their strong convictions.

Servant Leaders

Servant leaders care deeply about people. They seek to remove the barriers and obstacles that hold others back from achieving their full potential. They strive to create an environment where their followers can do their best work. Servant leaders frequently ask, "How can I help?"

Former AT&T executive Robert K. Greenleaf popularized the concept of the servant leader in "The Servant as Leader," an essay first published in 1970. Kent Keith, CEO of the Greenleaf Center for Servant Leadership, states, "I think the simplest way to explain it would be to say that servant leaders focus on identifying and meeting the needs of others rather than trying to acquire power, wealth, and fame for themselves."

Examples of servant leaders include:

- Mother Teresa founded the Missionaries of Charity, a Roman Catholic religious congregation, in Calcutta, India. Today, the ministry has more than 4,500 sisters ministering in 133 countries. Members vow to give "wholehearted and free service to the poorest of the poor."

- Oprah Winfrey is the chairman of Harpo Inc. Her focus is helping others succeed. Many of her TV programs and outreach initiatives are aimed at removing obstacles, so people can achieve their potential. Her goal is to empower people to achieve their dreams.

- Max De Pree was the CEO of Herman Miller office furniture company from 1980 to 1987. Max states, "The first responsibility of a leader is to define reality. The last is to say 'thank you.' In between, the leader is a servant."

Servant leaders attract followers and motivate people to change by helping to remove obstacles that are in the way of their growth and development.

Successful leaders come in different shapes and sizes. No two are alike, and no single leadership style is always best. All leaders want to change the status quo, but they use different means. Some take the lead with their ideas, while others lead with their passion and conviction. Still others lead by demonstrating courage in the face of risks and the unknown, and some bring about change by serving others

3.6 FORMAL VERSUS INFORMAL LEADER

Formal leader is a member of organization who has given authority by virtue of his position to influence other members of organization to achieve organizational goals. An informal leader has no formal organizational authority to influence others but possesses special kills and talent to influence and lead other members of organization. Managers, directors are formal leaders in a typical organization. Informal leaders possess strong self-motivation, possess positive attitude, motivates others and puts effort to drive organizational goals. Informal leaders are best candidates for future formal leaders.

Important differentiator factor between formal and informal leader is, formal leader is officially bind to drive members towards organizational goal and is responsible for results or outcome of efforts at the end. Informal leader do not have such official commitment towards group's goal or organization goal and may not be directly responsible for final results and may not be accountable for it. Formal leader has official responsibility towards organizational goals, has formal job description. Informal leader might not have formal job description to lead and motivate others and job description might be limited to certain task.

Leading is one of principal managerial functions. Managers are supposed to be formal leaders because they have the authority to influence their subordinates and are expected to use it. They are officially responsible for outcome of their group. However, in an organization, not all managers are leaders, whether they have direct reports or not. In certain cases job description might demand strong leadership, on other hand leadership might not be major factor. However, in today's competitive world, most of the managerial jobs demand leadership qualities, inter personal and inter group interaction and a manager has to manage different type of responsibilities and roles. A leader influences other member of groups, leads group, and directs members towards its goals. A leader influences subordinate's level of motivation, their performance and quality of their decisions.

A leader may succeed or many not succeed to help organization achieve its goal. Effective leader helps organization achieve goal, an ineffective leader does not. Managers are formal leaders and should possess strong leadership qualities to achieve organizational goals.

3.7 LET'S SUM UP

This unit has discussed about leadership as a process of influence on others to work willingly for group objective along with various different leadership styles, like style, theory X and Y styles, Styles have been related to various theories of leadership such as Trait theory, Managerial Grid theory, Contingency Theory.

In the context of leadership and influence process, various types of power such as legitimate power, reward power, expert power, charismatic power, and coercive power are explained. Based an the types of power, formal and informal leaders are compared along with four types of leades.

3.8 KEY TERMS

Contingency Theory: A theory that considers an organisation's objectives, environment and leadership skills, as interacting and affecting the effectiveness of a leader.

Employee Orientation: Stresses the relationship aspect of the job.

Hawthorne Effect: When worker's behaviour changes and productivity increases because the workers become aware of their importance.

Leadership: The ability to influence the behaviour of others. The task is to help the group reach both organisational and personal goals.

Managerial Grid Theory: The theory suggests that each manager must be concerned about both production (structure) and people (consideration).

Production Orientation: Stresses the production and the technical aspects of the job. Employees are seen as tools to accomplish the goals of the organisation.

Theory X, Theory Y: McGregor's theory that behind every management decision, there is a set of assumptions that a manager makes about human behaviour. The theory X manager assumes that people are lazy, dislike work, want no responsibility and prefer to be closely directed. The theory Y manager assumes that people seek responsibility, like to work and are committed to doing good work if rewards are received for achievement.

Trait Theory: This theory attempts to specify which personal characteristics (physical, personality) are associated with leadership success. Trait-theory relies on research that relates various traits to success criteria of a leader.

Formal Leadership: A manager is a formal leader by virtue of authority coming from the organisation that a formal leader is usually selected by the organisation.

Informal Leadership: An informal leader is chosen by an individual or a group.

3.9 SELF ASSESSMENT QUESTIONS

- **"Leadership is the driving force which gets things done." Explain.**
- **Is it possible to be both a task-oriented and people-oriented leader?**
- **Distinguish between leadership and management.**

3.10 FURTHER READINGS

i. Davis, Keith (2002), *Human Behavior at Work*, Tata McGraw Hill, New Delhi.

ii. Drucker, Peter F. (2002), *The Practice of Management*, Allied Publishers, New Delhi.

iii. Thakur, M., Burton, G.E. and Srivastava, B.N.(1997),*International Management*, TMH, New Delhi.

3.11 MODEL QUESTIONS

- Different leadership styles exist among leaders in different times and in different situations. Discuss and give important leadership styles.
- Comment on the five main leadership positions depicted in management grid .Which one would you advocate and why?
- Leaders are managers but all managers are not leaders.Comment.

UNIT 4: CONTROLLING TOOLS AND TECHNIQUES

Learning Objectives

The purpose of this sub-unit is to enable the student:

- comprehend the nature and purpose of control
- critically evaluate the fundamentals and characteristics of control
- elucidate the control process
- analyse various methods and managerial strategies of control

Structure

4.1 CONTROL: INTRODUCTION

It is defined as the process of ensuring the efficient achievement of organisation objectives. In an unstable environment under which management works, control is necessary to foresee problems, measure performance against standards, take corrective actions for deviations from plans and if necessary, modify plans accordingly.

The term control may have some negative connotations for some, literally. But, in the management process, it is a facilitating function which supports the organisation to accomplish the set objectives.

The primary responsibility for exercising control rests with every manager charged with the execution of plans. As per Henry Fayol , "……… control consists in verifying whether everything occurs in conformity with the plans adopted, the instructions issued and principles established. Its object is to point out weaknesses and errors in order to rectify them and prevent recurrence. It operates on everything, things, people, and actions".

It is not correct to assume that only top management has the responsibility for control and that there is little need for control at lower levels of management. While the scope for control may vary to some extent depending upon the position of an employee in the hierarchy, all those who have responsibility for the execution of plans need to exercise control too.

4.2 PREREQUISITES AND CHARACTERISTICS OF EFFECTI' CONTROL SYSTEMS

There are two major prerequisites of control: a plan and a structure.

a) **Plan:** Controls must be based on plan. More clear and complete the plans are , more effective the controls can be; plans acts as the standards by which the actions are measured.

b) **Structure:** There is need for a structure to know where the responsibility rests for deviations and corrective action, if any needed. As in the case of plans, more clear and complete the organisation structure is, more effective the control can be. Controls, to be effective, should share the following basic characteristics:

Appropriate: Controls should correspond to an organization's plans. Controls designed for a general manager are inappropriate for a supervisor. Similarly, control systems suitable for a line department may be inappropriate for a staff department.

Strategic: Control should serve a strategic purpose and provide spotlight on positive and negative exceptions at critical points.

Acceptable: Controls will not work unless people want them to. They should be acceptable to those to whom they apply.

Reliable and objective: Controls should be accurate and unbiased. If they are unreliable and subjective, people will resent them.

Cost-effective: The benefit from control should be greater than the costs. Control devices should yield tangible benefits.

4.3 THE CONTROL PROCESS

There are four steps in control process:

(1) Setting of control standards,

(2) Measurement of actual performance,

(3) Comparing actual and standard performance and

(4) Taking corrective action.

These steps are discussed in detail:

1. **Setting of Control Standards**: Every enterprise plans its activities in advance. On the basis of plans, the objectives and goals of every department, branch, etc. are fixed. These, goals are converted into quantity, value, man hour etc. These are to be/achieved in future. There may also be qualitative goals. The achievement of various targets is made the responsibility of specific persons. The levels of achievement are also decided in advance. Whether a particular result is to be taken as satisfactory, average or poor should be pre determined so that the persons responsible for that work should be able to assess their performance.

Some strategic points should be selected as controls or yardsticks. Following four guidelines may be used for selecting strategic points:

(i) The control points should be timely so that they may be able to reveal significant deviation in time thereby saving further losses.

(ii) Control points should be such as to permit economical observation and report.

(iii) Control points, especially for executives at higher levels should provide comprehensive courage.

(iv) Control points should be such as would promote balanced performance.

2. Measurement of Performance: The second step in controlling process is the measurement of performance. The actual performance is measured against the standards set. This will enable management to determine whether the work is being done according to plans or not. The measurement of quantitative objectives is easy since figures of work done will be available. The qualitative performance such as human relations, employee morale, etc. can only be measured through psychological tests and surveys.

Measurement of performance is an important part of control process. If measurement is such that deviation is detected at the earliest then it will enable appropriate action well in time. If that is not possible then deviations should be detected as early as possible.

3. Comparing Actual and Standard Performance: The next step in control process is the comparison of actual performance with the standards set. The purpose of this comparison is:

(a) to find out deviations if any, and

(b) to determine the reasons for such deviation.

While comparing actual performance with the standard, some permissible limits are also fixed. When the deviations are within the prescribed limits then there is no cause for worry. But if the deviations are more than the allowable limits then it calls for urgent action. This is also known as 'management by exception.' When things are going as per plans or within the allowable limits then top management is not required to take any note of it. But on the other hand if performance is not up to the level then it is brought to the notice of top management for taking corrective action. If the manager gives attention to every deviation then he will not be able to give enough time for important things.

When the actual performance is not up to the level then causes for it should be pin-pointed. Necessary steps are taken so that performance is not adversely affected once again. If no efforts are made to rectify the weak areas then the whole control process will be futile. Whenever the performance is low than the standards, the reasons for it should immediately be found.

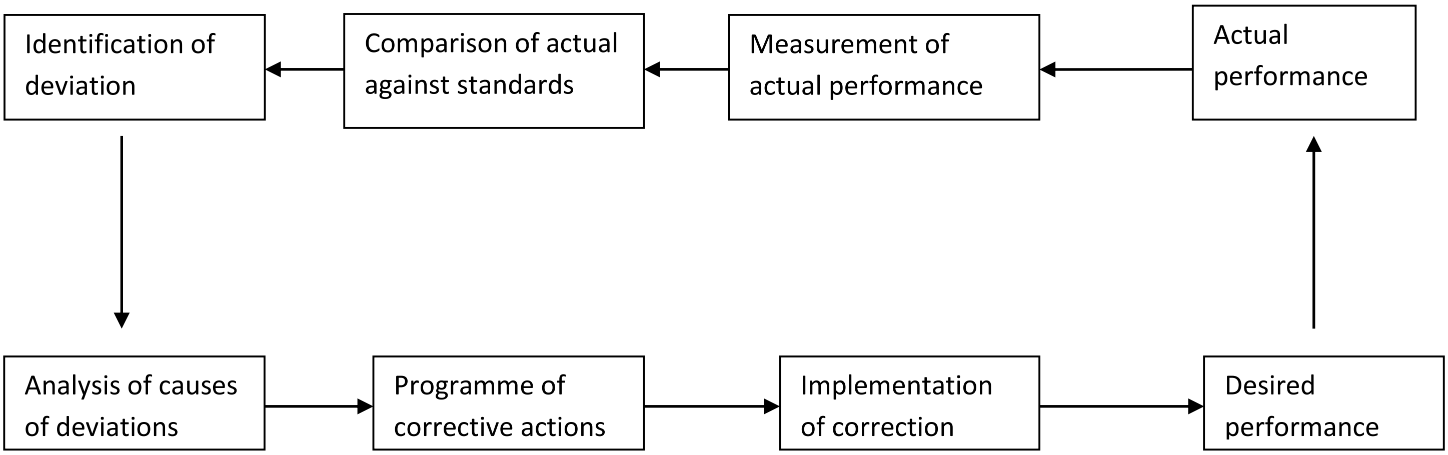
4. Taking Corrective Action: The last but most important step in controlling process is of taking corrective action. Whenever the performance is less than the standards, efforts should be made to rectify it. Whatever the reasons for low performance, efforts are made to achieve organizational goals. No control process can automatically rectify the mistakes in a system. It is the action which is required to set the things right, sometimes the targets are not achievable even with more efforts then these will have to be revised. The control action may involve review of plans and goals, change in the methods of work, change in the assignment of task, change in existing techniques of direction and change in organization structure.

The corrective action generally involves top management. It is said by some persons that taking corrective action is not a part of control but a separate managerial function. The overlapping of control function only shows the unity of manager's job. It shows that managing process should be integrated one

4.4 CONTROL AS A FEEDBACK SYSTEM:

Management control is usually viewed as a feedback system. Control is more than a matter of establishing standards, measuring performance and correcting for deviations. To initiate corrective action, there should be a programme (or a plan of action) which needs to be implemented and monitored as to whether such implementation will give the desired performance.

Feedback refers to the process of adjusting future actions on the basis of information about the past performance. The following chart, which depicts the Feedback process involved in a management control, gives an idea of the Feedback system.



It is thus clear from the above chart that the system of management control is not just a simple process of establishing standards, measuring performance and correcting the deviations detected, if any. This is because the Feedback system involved in this, places control in more complex and realistic light than this simple process.
Alert managers should realise that they should not only measure actual performance, compare such measurements against standards, identify and analyse deviations, if any, but also develop a programme for corrective action and implement such a programme for securing the desired performance. Unless this programme for corrective action which is developed by them is properly implemented, they cannot make the necessary corrections.

It is heartening to note that latest developments in the field of computer technology and electronic gathering, transmission and storage/of data, etc., have led to the development of a system of 'Real-Time' Information. Recent developments in electronic hardware of automatic control have reinforced the importance of this principle.

The electrical engineer refers to a closed-loop system of feedback when the information of actual performance is feed back to the source of energy by electrical or mechanical means in an endless chain. An open loop system of

feedback involves human intervention at some point in the flow.
Real-Time information refers to the information pertaining to the actual happenings the moment events occur. These latest technical developments collect and supply real-time data on many operations and thereby keep the management abreast of latest developments in the organisational set-up, including data relating to sales, stock position, storage facility, gross profit production developments and several other important developments in the manufacturing process.

4.5 METHODS OF CONTROL

There are nine methods of control which may be classified three categories based on their frequency of use:
Constantly used controls: Self-control, group control and policies, procedures and rules.
Periodically used controls: Management Information Systems, External Audits and Budgets.
Occasionally used controls: Special reports, personal observation and project control.

Constant Controls
Self-control: Managers need to exercise more self-control to minimise the need for other control methods and making control in the organisation acceptable and effective. Self-control means giving a fair day's work for a fair day's pay, reporting to work on time, discharging duties and responsibility properly and respecting the rights of others in the organisation. Respect for self-control in an organisation can be a motivating factor. A sense of appreciation for self-control can be promoted among employees through training in behaviour modification.

Group Control: Work groups are a source of control. Group-defined norms exert greater influence in organisations than the norms that managements may choose to set unilaterally and thrust on groups. Group norms and group control can aid or hinder formal authority. Organisations would do well to develop and use group control processes to reinforce formal authority. While in some organisations group control processes helped increase output and improve quality,, in others they resulted in restricting output. For group norms to contribute to organisational goals there should be a climate of trust and openness, a culture of cooperation than confrontation. Quality circle, quality of work life programmes and work redesign experiments being taken up in some organisations are examples that point to organisational thrust toward reinforcing group control processes for achieving organisational goals through integration of members' interests with those of the organisation.

Policies/Procedures/Rules: These are essentially bureaucratic control mechanisms referred to in the discussion on control strategies. They reflect past managerial experience and include a variety of aspects concerning how to make certain decisions, deal with resources, etc. If the policies, procedures and rules are properly formulated, clearly communicated and implemented consistently throughout the organisation, they can be effective in controlling individual and work group behaviour.

Periodic Controls:

Management Information Systems: A Management Information System is a mechanism designed to collect, combine, compare, analyse and disseminate data in the form of information. As such, management information systems link the various decision-making centres within an enterprise and serve a useful function in providing feedback for control purposes.

External Audits: The annual financial audit by an outside accounting firm is one form of external audit, mainly of the finances of an organisation. In the case of public sector units, such an audit is performed by Comptroller and Auditor General also. Forward looking progressive private companies have in the past sought to have a social audit, not for evaluating financial performance, but to find out whether and how well they have been discharging their social obligations. An example is the case of Social Audit conducted in Tata Steel in the late 1970s.

Budgets: Budgets are plans that deal with the future allocation and utilization of various resources to different enterprise activities over a given period of time. Budgets help establish plans and also serve as the basis for measuring or evaluating the standards of performance. Budgetary control is a good example of bureaucratic control strategy.

Occasional Controls:

Special Reports: These have a special role. Special reports can be commissioned by an organisation when its normal control systems point to the need for detailed investigation or study of a particular operational aspect. When major policy decisions of strategic importance are taken, special reports may be commissioned. These include situations where the organisations find the need for overcoming the existing difficulties, modernisation, expansion, diversification, merger, acquisition etc. Special reports vary in content and style depending upon the purpose. They could be prepared internally by managers in the organisation or by consultants or outside institutions. Special reports are a valuable method for controlling in turbulent environments, warranting changes in products and markets, technology and production processes, organisational structure, etc.

Personal Observation: Managers can know what is happening in an organisation by relying on information provided by others as also by finding out for them. Firsthand knowledge has to be critical to be effective.

Project Controls: Various methods have been developed for controlling specific enterprise projects. The best example is the network analysis using the PERT tool. PERT is an acronym for Programme Evaluation and Review Technique. It is a diagram showing the inter-relationships between the events and activities that comprise a project. It is a detailed, easy-to-communicate means for determining current status of a project, stimulate alternative plans and schedules and controlling activities..

4.6 POLICIES AND DESIGN CHOICES IN CONTROL

Organisations have three options in exercising control:

- Centralization or delegation
- Formal or informal
- Direct or indirect

Preferences for one or a mix of all options are matters of judgment. Judgment in turn could be based on theory, practice or premonition. Each option has relevance in a particular situation.

Centralization or Delegation: Centralization is an approach where control is exercised by the chief executive or the top management group (comprising a few individuals). Others in the lower rungs of hierarchy cannot act on their own or use their discretion. Thus, functional autonomy will be lacking at operating levels.

Delegation, on the contrary, manifests transfer of decision-making authority downward and outward within the formal structure.

Sometimes, decision-making power is transferred downwards in a hierarchy prescribing limits on the scope and type of decisions. For example, a branch manager is allowed to spend upto Rs 5000 per month on consumables, without referring upwards for approval, so long as it falls within the monthly budget. Here although the decision-making power is transferred, overall control is incorporated into the arrangement. Where delegation occurs in an organisation-wide context, it becomes decentralization.

Centralised Control:
• makes it easier to coordinate the activities of various subunits/departments in an organisation.
• seeks to achieve balance among various functions because the top management can be expected to have a broad organisation-wide perspective.
• proves more useful because control will be in the hands of senior experienced top executives.
• is necessary to meet extraordinary situations.
• is economical since duplication in activities and resource use can be avoided.

Delegation and decentralization too have positive features:
• they relieve the top management from overload.
• motivate individuals to give better performance due to opportunities for individual freedom, discretion and control.
• contribute to the personal and professional development of managers.
• people at operating levels are more knowledgeable about the dynamics in decision-making situations and can be expected to take appropriate actions to suit local conditions. This is particularly true in the case of large and widely dispersed units.
• affords prompt actions and provides flexibility.

Formal or Informal: Formalization refers to establishing written policies, procedures, rules etc. which prescribe the do's and dont's. As organisations grow, formalisation grows. Formalization renders activities more predictable in a desired direction and facilitates coordination and control.

In large organisations where it is no longer possible to retain high degree of centralised control, formalisation helps to retain consistency and continuity by restraining the negative effects of delegation and decentralization. Formalization is appropriate for large organisations operating in conditions of stability. But, in today's fast changing environments, complete formalisation may not be desirable and practicable. Excessive formalisation vitiates the climate for initiative and employee freedom in performance, results in employee resistance and may even become counterproductive.

Formalization can be effective insofar as policies, procedures and rules are flexible enough and reviewed periodically to make them appropriate to current changing situation.

Direct or Indirect: There are two ways of controlling. One way is to supervise subordinates' activities closely, trace deviations to the persons responsible and get them to correct their practices. This is called indirect control The other way is to develop high quality managers who will properly understand and apply managerial principles, functions, techniques and philosophy, make few mistakes and initiate corrective actions, wherever necessary, themselves. This is called direct control. The higher the quality of managers and their subordinates, the less will be the need for indirect controls.

Exercising close supervision through indirect controls adds to overhead costs and reduces employee motivation. Modern management practices call for a greater degree of 'self control' (which in effect means direct control) by those who perform work. With the revolution in information technology using computers, control can be exercised through real-time information, i.e., gathering information on what is happening as events are occurring. This made it easy for organisations to combine direct controls with indirect controls. But here indirect control is exercised not through close personal supervision, but through modern technology and hence several of the negative features of close personal supervision of superiors such as infringement on freedom of operation and subjectivity in evaluation are avoided.

Direct control hastens corrective actions, lightens the burden caused by indirect control and subordinates feel less concerned about superior's subjectivity in rating their performance because in indirect control one would feel a close relationship between performance and measurement.

4.7 STRATEGIES ADOPTED FOR CONTROLLING

There are four Strategies implemented for controlling in organisation. Each strategy will utilise one or more of the features listed

1 **Personal centralised control**

- centralised decision-making
- direct supervision
- personal leadership: founded upon ownership or charisma, or technical expertise
- reward and punishment reinforce conformity to personal authority

2 Bureaucratic control

- breaking down of tasks into easily definable elements
- formally specified methods, procedures and rules applied to the conduct of tasks
- budgetary and standard cost-variance accounting controls
- technology designed to limit variation in conduct of tasks with respect to pace, sequence and possibly physical methods
- routine decision-taking delegated within prescribed limits
- reward and punishment systems reinforce conformity to procedures and rules

3 Output control

- jobs and units designed to be responsible for complete outputs
- specification of output standards and targets
- use of `responsibility accounting' systems
- delegation of decisions on operational matters: semi-autonomy
- reward and punishment linked to attainment of output targets

4 Cultural control

- development of strong identification with management goals
- semi-autonomous working: few formal controls
- strong emphasis on selection, training and development of personnel
- rewards oriented towards security of tenure and career progression

5 Control through electronic surveillance

- speed and quality of work recorded and assessed remotely via information and communication technology (ICT)
- employee's performance assessed against that of other employees and trends
- such monitoring of performance used to reward and discipline employees

6 HRM control

- use of selection methods to ensure that new recruits 'fit' the profile of attitude, behaviour, and capabilities desired by management
- training and development designed to reinforce this desired profile
- assessment procedures and reward systems used to encourage conformity

a) Personal centralised control: This approach is often found in small owner-managed organisations and is characterized by the centralization of decision-making and initiative around a leadership figure. Control consists largely of personal inspection to see that decisions are carried out, and the leader may spend a high proportion of time supervising the work personally. Once the organisation grows large enough to employ someone to undertake detailed supervision of everyday tasks, the locus of decision-making and close supervision will tend to become separated. The authority of the leader will usually rest upon the rights of ownership, special personal qualities (charisma) or technical expertise.

b) Bureaucratic control: This approach to control is familiar in public sector organisations and in many other types of large organisations. It is based on the specification of how members should behave and carry out their work. There is an attempt to ensure predictability through formal job descriptions and procedures, the breaking down of tasks into constituent elements, and the specification of standard methods for the performance of tasks. Reward and punishment systems can be designed to reinforce this control strategy. Compliance can be rewarded by upgrading, improved status, favorable employment benefits and job security. Bureaucratic control will make use of accounting control systems such as budgetary control and standard cost variances. The bureaucratic strategy also permits delegation without loss of control. Managers can delegate routine decision-making within formally prescribed limits of discretion

c) Output control: This approach relies upon the ability to identify specific tasks having a measurable output or criterion of overall achievement – for example, an end-product, a part manufactured to agreed standards, batch production or a sub-assembly. Rewards and sanctions can be related to performance levels expressed in output terms. Output control strategy is aimed at facilitating the delegation of operational decision-making without the need for bureaucratic controls or relying on close personal supervision. Once output standards have been agreed, subordinates can work with a 'semi-autonomous' relationship to management, free from detailed control over how tasks are carried out. Output control may be difficult to apply to certain activities, such as the legal department of a business organisation. Although it may be difficult to establish suitable and agreed measures of output, and it may be difficult for management to codify the activities involved, output control may be more appropriate than the application of a bureaucratic control strategy.

d) Cultural control: This approach has been identified with moves away from conventional forms of organisation and is based on maintaining control through internalised compliance rather than external constraint. The basis of cultural control is the acceptance and willing compliance with the requirements of management and belief of the organisation. A major example is the cultural control that tends to be exemplified by larger Japanese corporations, although this is subject to criticism of compulsory sociability. Although a strong corporate culture is intended to provide an alternative to control, in practice strenuous efforts are usually made to ensure employees conform to the culture. Provided members have the necessary skills and ability they can be given wide freedom of action in deciding how to undertake their responsibilities. Cultural control, combined with personal autonomy, has long been associated with the professions. Despite criticisms of cultural control it is in tune with the increasing number of professional and knowledge workers, and is consistent with self-managing units or teams working with only limited formal controls.

e) Control through electronic surveillance: The essence of control is that the speed and quality of work is recorded and assessed remotely through the use of ICT without reliance on personal supervision. Control data are precise rather than impressionistic and subject to management bias. Monitoring of performance can be used readily as the basis for reward and discipline. Control through electronic surveillance is applied to many types and levels of activity. A common example is call centres although customer service representatives dislike the pressure from this form of control and the objectivity of relying on electronically produced statistics is subject to challenge.

f) HRM control: HRM procedures can be used both to develop people a work and to control their behaviour and performance. They enhance the contribution to the achievement of organisational goals and objectives. Systematic selection techniques are designed to ensure new recruits fit the profile and technical competencies required by management. Performance evaluation and appraisal provide feedback to both management and employees. Appraisals should provide the basis for reward and for an assessment of the need for further training or development. If training and development programmes are attuned to the needs of employees and the requirements of their jobs this should contribute to better performance.

4.8 LET'S SUM UP

Control is an integral part of the process of management. There are, however, varying connotations of the meaning and exercise of control. It is often interpreted in a negative manner to suggest direction or command, the restriction of behaviour or even exploitation of employees. However, control is not only a function of the formal organisation, it is also a function of interpersonal influence. Control is a general concept that is applied both to individual behaviour and organisational performance.

Control can serve many important functions and be manifested in a variety of forms. There are a number of important characteristics of an effective control system. The system should be understood, conform with the structure of the organisation, report deviations quickly, draw attention to critical activities of the organisation, be flexible, consistent with the activity to which it relates and subject to continual review. If control systems are to be successful in leading to improved performance, then attention must also be given to the factors which influence human behaviour.

Work organisations are not only systems of hierarchical structure; they are also systems of social relationships, status and power. Power is an inherent feature of work organisations and an underlying reality behind the decision-making process. Organisations can be classified in terms of the relationship between power, involvement and the compliance of their members. The pluralistic approach, however, recognizes power as a social process. Power is a major organisational variable that derives from a multiplicity of sources and situations. A dilemma that underlies the nature of control is finding the right balance between order and flexibility.

Management control systems are frequently thought of in terms of accounting or financial systems. The reasons are easy to understand but accounting control systems tend to operate in a negative way, and to give little specific recognition from management and only a limited sense of achievement. What need to be considered are behavioral factors and the manner in which control systems motivate people to improve their performance. To do this, they must take account of individual, social and organisational factors that determine people's patterns of behaviour.

4.9 KEY TERMS

- **Controlling**: The managerial function of measuring and correcting performance of activities of subordinates in order to assure that enterprise objectives and plans are being accomplished.

- **Control Process:** In managing, the basic process involves establishing standards, measuring performance against standards and correcting for deviations.

- **Budgetary Control**: Measuring performance against plans and expected results expressed in numerical terms.

- **Direct Control:** The concept that the most direct of all controls is to assure high-quality managers on the premise that qualified managers make fewer mistakes requiring other (or indirect; controls, perceive and anticipate problems, and initiate appropriate actions to avoid or correct for deviations.

- **Feedback:** An informational input in a system transmitting messages of system operation to indicate whether the system is operating as planned. Information on operations is relayed to the responsible persons for evaluation.

4.10 SELF ASSESSMENT QUESTIONS

- **. Discuss the main factors that are likely to affect resistance to, and the successful implementation of management control systems.**

- **Give your own views on the controversial nature of management control.**
- **What do you see as the purposes of management control in work organizations?**

4.11 FURTHER READINGS

i. Child, J. (2005), *Organization: Contemporary Principles and Practice*, Blackwell Publishing.
ii. Robbins, S. P. and Judge, T. A.(2009), *Organizational Behaviour*, thirteenth edition, Pearson Prentice-Hall .
iii. Wilson, F.(2004), Organizational Behaviour and Work: A Critical Introduction, second edition, Oxford University Press.

4.12 MODEL QUESTIONS

- How would you explain the organisational and personal relationships between a manager and subordinate staff that are created by the process of empowerment?
- As a departmental manager explain fully how you would attempt to realize the full advantages of delegation without loss of control over subordinate staff.
- Discuss critically what you see as the likely consequences of a manager exercising close personal supervision as a means of maintaining control and power over the work of subordinate staff.

UNIT-5 RECENT TRENDS IN MANAGEMENT

Learning Objectives

This sub-unit will:

- Make students aware about the recent trends which are emerging as the key influencers of business and Management in the current century,
- Update students about the required skills needed to make them fit in the changing environment.

Structure

Trends which are emerging as the key influencers of business and management in the 21st century and are also likely to spawn a good share of research in the domain may be enlisted as-

5.1 Millennials will start dominating the workplace culture – Just a logical consequence, as Millennials are now the largest generation in the workforce. But this sets the stage for much of which follows – as they more fully exert "majority influence on company culture." It is expected that workplace values to continue to shift "to those prioritized by this generation, from collaboration to social responsibility and work-life integration."

5.2 Engagement will remain a major concern – 87% of companies consider "culture and engagement" top priorities, the predictions note, and this focus is unlikely to change, given that engaged, committed employees are "the core of so many vital components of workplace success." Given, too, that vast numbers of employees remain disengaged – around 70%, according to numerous national surveys – there's no shortage of substantive management work to be done here.

5.3 Professional development opportunities will be a key factor in turnover rates – Opportunities for growth will be vital and lack of them will pop up frequently in exit interviews.. Lack of opportunity is a sure motivation killer. Numerous studies show this to be true.

5.4 Watch out for a new hidden turnover risk –The job market recovery and declining unemployment rate will uncover a new attrition risk: the 'middle of the pack' employees who are neither strongly engaged nor terribly disengaged. The low commitment level of these workers may not have been an issue when it was an employers' market and alternate options were scarce. As more opportunities open up, they'll easily drift away.

5.5 Younger employees filling upper ranks will shift the definition of leadership – It is predicted that there will be a significant qualitative change in management style. As baby boomers retire and younger employees fill supervisory roles, the nature of leadership will evolve. Look for management best practices to swing towards more collaborative and less hierarchical. As old guard command-and-control management diminishes, a challenge for the new guard will be to maintain solid results and accountability – not always the easiest task with a gentler collaborative touch.

5.6 There will be a greater push for transparency –Millennials have grown up with information being instantly accessible, so with their voice in the workplace increasing, they will be pushing for more management transparency. Simply put, people like and appreciate being dealt with openly and honestly.

5.7 Remote work is the new way to build a team-It has been experienced that remote workers provide a ton of flexibility when building a team. A remote workforce provides access to a much broader talent pool, especially when one is looking for a specific skill set. If the HQ is in an expensive real estate market like Mumbai or Delhi, working with remote employees also offers an alternative to sky high office leases.

Many managers are concerned that remote workers are more likely to laze around without supervision, but I've found through our remote team, it's typically the opposite. Because people working away from HQ do not have the luxury of their co-workers actually seeing them at the office, they tend to make a greater effort to demonstrate that they are working and get just as much done, if not more sometimes, than everyone at the office.

A big leap for making this transition possible is the evolution of team communication platforms like Google Hangouts and Slack. Not only are they allowing remote workers to stay connected as if they were in the same physical space, but they also provide the transparency that allows managers to see what employees are actually doing.

5.9 New work tools increase transparency-Transparency is a common theme with modern teams as they move away from the more siloed email and Office suite to a broader set of cloud-based tools that allow them to plan, create, share, and work together. As a result, traditional management systems have changed.

In the past, managers have typically determined how employees spend their time. These days, it's more common for managers to empower employees to self-organize.

An open organization also leaves room for alignment on everything from big picture goals to who's responsible for specific projects. When employees have visibility from top to bottom, they feel valued and understand their role on their team and within the company's broader vision.

At the core of this shift is trust, and the way to build this trust is making it easier for people to work collaboratively, make decisions, and show progress.

In this world, the role of the manager is to coach, remove roadblocks and advocate for the team.

5.10 The move to mobile has employees driving tech choices-Not long ago, the office was the only place where work could happen, and you had to go to this physical space in order to do your job. These days you can take work on the go, whether it's a laptop, tablet, or smartphone.

BYOD or Bring Your Own Device isn't a new term. But what is new is the comfort level with employees making decisions about the tech they bring to work. Instead of IT imposing its vision on employees, employees are finding their own tools. This works in part because people gravitate towards tools that not only increase their productivity, but are easy to use and even kind of fun.

Employees are more likely to do better work when they have the freedom to pick the tools that work best for them, since they can work in a way that best suits their needs and habits.

5.11 Globalization- The melting of barriers among nations and their increasing interconnectedness, accelerated by technology, has led to a change in the world order that has had a profound impact on global business. The emergence of nations such as India and China has replaced the era of unquestioned dominance of the Western countries or any one particular region, paving the way for a flattened business arena where developments in one part of the other are certain to have a spiraling impact. Perhaps the best evidence of this is the recent financial crisis. The implications of this is the rising expectations from business and society for graduates with global competencies, coupled with the increasing complexity and global connectedness of higher education, command the attention of business schools around the world.

5.12 Technology- If the current wave of globalization has been the driving force behind the most far-reaching and powerful changes in business, then information technology have indisputably been the facilitator. Customers are courted and supply chains are managed via websites, social media, and email; marketing, manufacturing, and distribution processes are managed by sophisticated real-time information systems; colleagues working 12 time zones apart can see and hear each other as they work at their desks-or in airport lounges on opposite sides of the planet.

5.13 Sustainability and Corporate Social Responsibility- For business to be sustainable, and even profitable, our planet has to be sustainable - this realization has hit businesses perhaps the hardest in recent times. HBS Dean Nitin Nohria feels that in the coming decade, it is likely to see a lot of focus directed towards applying management principles to solutions of complex social issues such as environmental sustainability, energy security, access to healthcare etc. This will also underline the need for increased interdisciplinary interaction and influence on business management.

One evidence of this growing engagement with issues of society and sustainability is the increase in number of companies who have intensified their CSR focus and the innovative ways in which they have engaged themselves. Shifting steadily from corporate philanthropy to more direct and effective engagement, companies have devised new models of extending a social footprint.

5.14 The Study of Psychology-Speaking of interdisciplinary influences on business, the study of human psychology - probing into cognition, motivation, behavior and performance - has become a key pillar of organizational management. From employee management to customer satisfaction and social engagement, satisfaction of business objectives requires effective analysis of both individual and institutional psychology..

5.15 Business Ecosystems-Another most notable trends in management has been the rise of business ecosystems - defined as groups of firms which together provide complex products and related services to meet end-to- end requirements of users across the value chain. The integration between media, technology and telecommunication firms would be an apt contemporary example.

This has important implications for management because innovation in business ecosystems has a character distinct from traditional, vertically integrated firms. Every organization in the ecosystem has to be aware of the bigger picture. Working Knowledge, Innovation in ecosystems requires collective action to both invent and appraise, efficient, cross-organization knowledge flows, modular architectures, and good stewardship of legacy systems. It rests on multiple, complementary platforms.

5.16 Reverse logistics- Reverse Logistics is the process of moving goods from the ultimate customer to another point, for extracting value that is otherwise unavailable, or disposing them properly. Goods returned to the supplier may be in the form of:

• Manufacturing returns from the production floor consisting of products having unsatisfactory quality or left over materials

• Commercial returns arising out of contracts for taking back obsolete stocks of short-life products

• Product recalls arising out of the detection that defective products have been released in the supply chain

• Warranty returns of defective products under warranty • Service returns of products for servicing

• End-of-use returns for re-manufacturing or re-cycling

• End-of-life returns for appropriate disposal

Reverse Logistics activities include the following activities:

• Processing returned products

• Recycling packaging materials and reusing containers

• Reconditioning, remanufacturing and refurbishing products

• Disposing obsolete equipment

• Reuse or disposal of hazardous materials

• Asset recovery

The reverse logistics part of the supply chain starts with collection of returned goods or refuse which then pass through sorters to reprocessing (reuse, recycle, recondition, remanufacture, refurbishing and asset recovery) or to disposal. One of the main objectives of reverse logistics is to keep the cost of reprocessing returned/refused materials lower than that of new products in order to keep the venture profitable. Accordingly, transportation and handling costs have to be kept to a minimum. Often the extra cost incurred in reverse logistics is added to the products when they are first sold new. Moreover, recycling and disposal procedures must incorporate applicable government and environment protection laws.

5.17 Green supply chain- Green supply chain involves the management of materials and resources from suppliers to manufacturers, service providers to customers and back while protecting and conserving the natural environment. A green supply chain involves the implementation of appropriate strategies to reconcile the supply chain to environmental protection and conservation on a sustainable basis. Waste minimization and elimination of inessential non-value added activities is one of the most important strategies towards a green supply chain. Process wastage decreases efficiency and lowers productivity. Reduced output and blocked inventory decreases profitability and growth thereby making the business process unsustainable in the end. Such business processes ultimately end up firing fuel and energy without delivering value to the society. Another important green strategy is to automate processes by using the electronic media as far as possible. This reduces paper work, and eliminates non-value added activities involved in filing, storing, maintaining and retrieving documents.

5.18 Total Quality Management

TQM is a management philosophy that encourages the process of continuous improvement within an organization and where total emphasis is placed on the customer. TQM defines the customer as all members of society and facets of environment that interact with the activities of the company.A company that integrates sustainable development within its' TQM management processes could set itself apart from the competition, and perhaps force its' competition to include sustainable development within their own operational considerations as well, thereby benefiting society as a whole.

Gathering Information

The major steps in the implementation of TQM yield a marked similarity to those processes for implementing sustainable development. One of the first concerns is the development of long term strategies for achieving the company objectives for sustainable development. Before tactics can be applied, a definition of the goals, and time line, need to be established. In process of information gathering question what is your company's definition of sustainable development,if your company could make only one change towards sustainable development, what would it be, what would be the major focus of sustainable development that our customers would like us to incorporate the most etc must be asked. The resource demands posed by each question can be kept as simple as necessary.

Cooperation

This leads to a second recommendation for implementation. It encourages the development of processes that will lead to greater cooperation between economic, public and other multinational entities. The creation of a government controlled data base as suggested above might serve as a corner stone of this goal. Facilitating sustainable development as a feature of TQM requires that all decisions be made in reference to the customer.

Organizational Structure

It is suggested that the policies of sustainable development should be integrated into an existing TQM program. TQM organizations should have at least one quality circle management team established. A quality circle management team is made up of different stakeholders at all levels within the organization that share some common area of responsibility. The members of the team can change depending upon the objectives, function, size and organizational structure of the company.

Training

The relationship between education and sustainable development is paramount education and the dissemination of knowledge as related to socioeconomic policies should occur on multiple levels. Government sustainable development educational efforts directed specifically to business and society. The processes of educational training might be one of the more costly areas of implementing sustainable development. Fortunately, training is a continuous function of TQM. Sustainable development should become another extension of that training. Along with the principles of sustainable development, TQM quality circles will also need to be trained on the decision making processes best applied to the management of sustainable development

Evaluation

The process of evaluation is critical to successful management. Evaluation should be carried out in three phases for managing towards sustainable development. First, evaluate your company's activities in terms of ecological impact; then implement a plan towards sustainable development policy. Then, evaluate the success and failures of your policy. Finally, evaluate potential reorganization strategies for increased ecological considerations within activities associated with trade, energy usage and other operating factors.

5.19 Six Sigma

Six Sigma is important because it scores much higher over other quality improvement techniques such as TQM. Business organizations employing TQM just focus on achieving predetermined quality levels, which certainly improves efficiencies but does not allow the organization to realize the full potential. Six Sigma is different as the focus here is to make consistent quality improvements until business processes are fully optimized. As soon a certain quality level is achieved, the organization shifts gears and starts concentrating on achieving other levels of quality. The whole process continues until all the business processes are fully optimized.

Six sigma concepts and methodologies stress the use of statistical tools and techniques for improving quality and reducing defects. The dependence on hard facts and figures automatically ensures that whatever decisions are taken will have the desired affect on the quality of goods or services and the efficiency of business processes. The inherent ability of Six Sigma to produce the desired results has thus increased its importance in today's business world.

Another reason for the ever-increasing popularity and importance of Six Sigma is that it really helps when it comes to handling competition, which has increased considerably in today's business world. Business organizations worldwide have realized that in order to beat the competition, they will have to offer better quality products or services to their customers and that too at competitive rates.

Six Sigma helps because it enables business organizations to achieve the above stated objective, which ultimately results in greater customer satisfaction and helps in building customer loyalty. Having a loyal group of customers is always important for any business because it ensures a constant flow of revenues even when there is a cyclical downturn in the industry.

The importance of Six Sigma has increased manifold in the last two decades and is set to increase even more in the coming years as more and more businesses realize its benefits. Six Sigma is anticipated to maintain its dominance over all other existing quality improvement techniques because it is flexible and can be altered to suit the requirements of new businesses that might come up in the near future. We can never be too sure about the future but as far as the present is concerned, Six Sigma is certainly calling the shots across all types of industries worldwide.

5. 20 LET'S SUM UP

Effective management of large and complex supply chains necessitates the implementation of new strategies in the ever-changing market space in the future. Keeping customers satisfied and happy by delivering greater value than the competitor would be the prime concern of organizations in the coming years. Supply chains having smooth product and information flow can continue to compete and grow in the market space. Strategic alliances among channel partners can be one way of enhancing supply chain effectiveness. Collaborative strategies like VMI, RSP etc. are gaining momentum. Companies can outsource supply chain services to third party and fourth party logistics companies in order to focus on their core-competencies. Information technology and the Internet have become indispensable for adding value to traditional supply chain services. Nations around the world are working towards the implementation of environment friendly supply chain activities. Reverse logistics closes the supply chain and can contribute to environmental protection and conservation.

5.21 SELF ASSESSMENT QUESTIONS

- **For business to be sustainable, and even profitable, our planet has to be sustainable - this realization has hit businesses perhaps the hardest in recent times. Comment.**
- **Describe the role of the Internet in managing supply chains in the future.**
- **How can reverse logistics cater to a green supply chain strategy in the future?**

5.22 FURTHER READINGS

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5.23 MODEL QUESTIONS

- Critically examine the role of BOYD in the coming years.
- Discuss increasing role of Six Sigma in today's business scenario.
- What are various steps involved in the implentation of TQM in any organization?

Answers to Self-Assessment Question

Unit-1 Motivation

1. **What are the different types of motivation?**

Motivation is referred to as a way in which our urges, derives, desires, strivings, aspirations control or explain the behavior of human beings.

Intrinsic Motivation: An intrinsic motivation emerges from the work performance itself when the work performer experiences sense of accomplishments on doing a good work.

Extrinsic Motivation: It is in tangible form that is provided to employees after the work performance such as pay increase, promotion, praise and so on. Extrinsic rewards do not have direct relationship with behavior at work place.

Monetary Motivation: In this money or any other object whose values can be expressed in monetary form is used to motivate employees.

Non -Monetary motivation: In this the objects that are used for motivating employees are not measurable in monetary forms. For Eg. Praising an employee for good work.

2. **What are the differences between Maslow and ERG theory of motivation?**

Difference between Maslow's Theory and Alderfer's ERG theory

1.As per the Maslow's Theory you need to follow the order for satisfying need. Incase of ERG theory there is no such order. A person can satisfy a need on top even if his needs at the lower level are not satisfied.

2. As per ERG Theory people satisfy their most concrete needs first and then they move on to the abstract needs. In this way the progression of need satisfaction of ERG theory is similar to Maslow, that is people first satisfy their lower needs and gradually moves towards satisfying higher needs. Here Alderfer goes one step forward. He argues that along with satisfaction-progression, people can experience frustration-regression, that is if people cannot satisfy their need at a given level of abstraction, they drop back and again focus on more concrete needs.

3. **How does morale boost the productivity?**

In all organizations every employee has an attitude that range over the entire spectrum of human behavior. Every manager has a constant concern about the morale of the group which they lead. From one point of view Morale is considered to be an individual matter. It is described in terms of the feelings of an employee or manager toward his work, it is this a matter of satisfaction. Most researchers are impressed with social group significance of morale. They emphasize social reaction and concentrate on attitude towards group value rather than towards individual values.

Morale and productivity.

There is a belief that morale and productivity go hand in hand and higher the morale, higher is the productivity and vice versa. However, this is not true in all cases. Generally, there is some positive correlation between morale and productivity but they are not absolutely related, that is an increase in the 5 percent in morale does not guarantee a proportional increase in productivity. In fact, morale reflects attitude of employees and there are a number of variables between employee's attitude and productivity. An attitude in the individual tends to interpret the situation with others. Attitudes are the persons likes or dislikes towards persons, things or situations. A more accurate statement about high morale is that it indicates a pre-disposition to be more productive if leadership is effective along with proper production facilities, and individual abilities.

This shows that productivity is a function of 4 factors: Organizational factors, Individual factors, Attitude,. Morale

Unit-2 Communication

- **Why is effective communication important to the manager?**

Below are the few important areas where an effective communication plays an important role-

a) Better Employee relation: For an astute manager it is very important to maintain one on one relation with his team members. A good Relationship demolishes the communication gap and helps to understand members' skills more deeply. An effective communication builds collaborative atmosphere that an organization needs to succeed.

b) Gains in productivity: An effective communicative manager gives clear understanding of goals and objectives to his team members, once every individual is clear about his role in the organization it off course builds up the overall productivity.

c) Problem Solving Skill: An effective communication and problem solving skill go hand in hand. Employees in need look for their manager to guide and provide them direction to perform their duties appropriately. Manger with an effective communication always better defines the problem and finds an appropriate solution to it.

d) Professional image: An effective communication contributes majorly in individuals overall personality both within and outside the organization. It is seen managers with effective communication climb organization ladder faster. Managers with effective communication have better ability to command respects from employees, coworkers and clients.

- **Explain the elements of the communication process.**

A communication process includes all the steps of a successful communication. It has majorly seven steps mentioned below-

1) Sender or Source: Source is a person who starts the communication and the first step in the process. A source can be anyone who wants to deliver the message.

2) Encoding: A sender at this point decides the effect of the message on receiver with the choice of words and tone he uses. An effective communicator uses right selection of words, he does not fumble makes proper gestures and also the correct tone, the same words of a sentence may give different meaning with different tones and gestures. At this point sender also decides the medium of the communication.

3) Communication channel: a communication channel is the carrier of the message from sender to receiver. The communication channel may be verbal and non-verbal both. Deciding the corrector channel is an important task for example if any consumer durable organization launches a new product and wants to inform about it to the mass users it may choose mass media like TV, newspaper or radio as the channel of communication.

4) Receiver: Receiver is the person who receives the message or for whom the message is meant for.

5) Decoding: Here at this step receiver the receiver looks for the exact meaning of the message that sender wants to deliver. If the appropriate symbols, words, tone and gestures are not used by the sender receiver may not be able to get correct meaning of the message and this will lead to the communication gap.

6) Feedback: feedback is the acknowledgement of the message that is given by the receiver that he has received the message. If the receiver is failed to get the meaning of the message he may ask for repeating or reframing the message to the sender. This is only possible if receiver responds by orating or showing some gestures.

7) Noise: Noise is the interruption that can come at any point of time and disturb the meaning of the message partially or completely. For an effective communication it is important to avoid the noise as far as possible.

- **What factors in the organizational environment cause noise?**

There can be many factors in an organization that may cause noise in the communication and effect the success of it, some of them are listed below-

a) Perception: These are because of different perception of different people regarding the same thing. This difference in the opinion of the different persons leads the perceptual noise.

b) Emotions: This is caused by the fear or mistrust. If there is some fear of giving the right opinion this may cause emotional noise.

c) Language: In an organization there may be different language speaker. Language causes noise when there is difference in the language of sender and the receiver.

d) Culture: In this global scenario people belong to different parts of the globe and they carry with them their own culture. This cultural difference also sometime causes the noise.

e) Organizational ladder: organization ladder also disturbs the communication. Because of different levels in the organization sometime employees are not comfortable in giving their opinion to their seniors. Most offices have cabins for seniors and workstation for other employees this forbids workers from effective interaction.

Unit-3 Leadership

Self- Assessment Questions

- **"Leadership is the driving force which gets things done." Explain.**

The action of leading to a group of people or the organization is called leadership. It is a management function and one of the most important elements of direction. Leadership provides the direction for achieving a set objective. A leader may not be a manager but a manager has to be a leader. Leader provides a clear direction to his or her subordinates to not only achieve the common goal but also to improve the skills of each and every subordinate. Leadership is a positive force that keeps members motivated towards delivering what is expected from them.

Leadership is a psychological process through which a leader motivates and influences his team members to work willingly with their fullest positive energy A good leader is not only involved himself in the process but also keeps his subordinates involved in the system effectively. If we consider a train leader is the engine and coaches are like subordinates, without engine there is no usefulness of train and simultaneously without coaches there is no usefulness of train. Like in a train engine provides the force of movement and direction of the destination in a leadership process leader provides the force of movement and direction to achieve desired goals and objective.

- **Is it possible to be both a task-oriented and people-oriented leader?**

Mangers must organize employees not just to maximize efficiency but to develop their skills, talent and inspire results. A leader is nothing without his followers. For a leader it is not only important to be task oriented but people oriented also. In an organization human resource is the most precious resource, hence it is very important to handle man power effectively. Humans are full of emotions it very important for a leader to respect the emotions of individual. This will not only help people to work willingly but increase the efficiency of the work. In fact the major part of result is directly proportional to the motivation of the people to work. It is proven that a highly motivated team produces more favorable results.

The end result of both the approaches is to get the things done, for the leaders who simply want the work to be done they are task oriented and who want the work to be done with willingness of employees in a most effective way they are people oriented.

Even though it is important to be people oriented, it is also equally important to be task oriented. If the motivation of the employees is not set in the right direction it is of no use. Task oriented leaders make sure that the things get done in a manner that is both proficient and on time. The pros of this style is that it maintains high standards with optimal efficiency but the cons are low morale of the people that can lead lac of creativity and desire to get the things done to their fullest.

- **Distinguish between leadership and management.**

Management focuses to follow the process and structure whereas leadership is always people oriented.

Management follow the approach of how and when whereas leadership follow the approach of why and what.

Management does things right and leadership does right things.

Management focuses managing work versus leadership focuses on leading people.

People follow their leader because of the influence that they make by their visionary approach whereas workers follow their manager by the authority and position they possess.

Leadership has transformational style versus management has transactional style of working.

Managers always tell their worker what to do whereas leader encourages them to take the decision. A manager accepts the status quo, while a leader challenges it.

Unit-4 Controlling Tools and Techniques

- **. Discuss the main factors that are likely to affect resistance to, and the successful implementation of management control systems.**

Difference in Style of the management: Every manager manages the overall work and its subordinates in a very different way. There a few managers who are good in documenting everything. They expect the same documents from their juniors too. In the other hand there are a few other managers who would just take a verbal update or stress more on verbal communication. If you are working good some managers will give you monetary rewards while others will improve your designations etc.

Implication for Management control:The different dimensions of the management style affect the proper working of the control systems. Even if we will share same reports to two different CEO's they will have a very different perspective of studying the results. Style has a huge impact on the management control process and therefore most of the CEO's prefer the proper usage of information, conducting timely performance reviews which will further showcase about how systems operates.

Personal controls versus Impersonal controls: Ever manager differs in a way that the amount of importance they have with budgets which is formal and reports too, along with the personal communications. Few managers are number oriented. They are seeking a large database of quantitative information. They spend most of their time analyzing the data and deriving final conclusions from them. In contras the other managers are people oriented. They do go through the quantitative data but they prefer arriving at any conclusions after speaking to them . They spend maximum of their time travelling and speaking to other members of the organizations.

Tight versus Loose Controls: A production manager will be controlled tightly or loosely. The tightness and looseness is not disclosed by the content put on the forms. It is all about in which way these mentioned formal devices are used. Degree of looseness will increase at top levels. These managers pay minor attention to details and comparatively more to results.

- **Give your own views on the controversial nature of management control.**

Management control controversial nature could be that all subordinates have to strictly follow the instructions shared by their managers. This can kill creativity in certain departments like Marketing and advertisement department. Some managers can be too buggy and kill the interest of the subordinates to try something new and take calculative risks.

- **What do you see as the purposes of management control in work organizations?**

Purpose of the management control in work organizations:

Measure Progress. Planning is a very important part in which all the objectives and short term and long term goals are set. Control will help us in checking if everything is working as per the plan. Being a manager all the progress made by the subordinates is measured by their respective managers.

Uncover Deviations. There are various deviations that are seen as a obstruction to perform the daily tasks by an executives. A management control deviation helps organizations in detecting such deviations in early stages. Control system will enable a manager to bring the changes affecting the normal work routine of the sub ordinates to lime light.

Avoid Mistakes. When too many brains are working on certain project, it is obvious that a few mistakes will be there. A perfect control system will help in diagnosing those mistakes

Unit-5

- **For business to be sustainable, and even profitable, our planet has to be sustainable - this realization has hit businesses perhaps the hardest in recent times. Comment.**

By the middle of this century the population is expected to be 9 or maybe even 9.5 billion – up from 2.8 billion in the 1950s. 98% of the extra people from now to 2050, will live in cities and in the emerging and developing markets. By mid-century, there will be at least another 800 million people with middle-class life-styles and many more who really, really want that lifestyle (you only have to travel to Delhi or Mumbai or Bangalore). The population growth will lead to a 50% increase in energy demand between now and 2030. A 50% increase in food demand by 2030, and a 30% increase in the demand for water over the same period.

We already facing the situations of "water wars" as we experience the recent clash between Karnataka and Tamilnadu State Government and many more. Increased population and growing urbanization are the key factors. Everyone wanting and getting higher standards of living plus climate change is creating a situation like storm.

A long term plan for planet is as important as good business practices. Both are essential tools for our sustainable future. An intelligent review of how we are performing as a 'global village' and how we can collectively make the greatest advances with the least delay is must. We all have a significant part to play, this purpose built management plan defines the roles, strategies and best practice methods required to make it happen.

Climate change is a major issue of unprecedented proportions that will have far-reaching impacts on society and the economy, as the phenomenon will trigger an increase in flooding, drought and other natural disasters. For a business to grow in a sustainable manner, it is vital that the society itself develops in a sustainable manner. All organisations and individuals must embody the spirit of sustainable development in their own activities.

- **Describe the role of the Internet in managing supply chains in the future.**

<u>Supply chain management</u>

Supply chain management (SCM) -The movement of materials as they flow from their source to the end customer. Supply Chain includes purchasing, manufacturing, warehousing, transportation, customer-service, demand planning, supply planning and Supply Chain management. It is made up of the people, activities, information and resources involved in moving a product from its supplier to customer.

<u>Role of Internet in SCM</u>

Procurement over the Internet has made a great difference to the management of the supply chain and the concept of electronic markets is being used by a wide spectrum of Indian companies. Internet and technology plays key role in SCM, some of the key areas are highlighted as below:

1) Effective sharing of information(Communication)

2) Price competitiveness

3) E-Procurement

4) Better Quality Management

5) Payment Management

6) Integration Of Various Function

7) Inventory Management

Technology in supply chain management has helped move suppliers from 'available ' to 'promise' to 'capable ' to 'commit 'and has actually replaced inventory with information. Virtual enterprises have emerged and technology has freed up time for customer relationship, which has become the core business activity.

Supply-chain management is not a new challenge. However, the opportunities created by the Internet are unlimited. In the future to stay competitive globally and remain on the cutting edge of a complex business world, more companies are incorporating technology into their supply chain management systems today. In recent years, consumers have become increasingly demanding, setting their expectations high when it comes to quality and service. At the same time, supply chain managers have come to realize that the latest technology can help them ensure better accountability and visibility, allowing them to maintain tight control and stay ahead of the pack.

E.g. Truck drivers can use GPS-equipped devices to immediately report transportation snags that may disrupt processes further along the supply chain. Thus from cutting costs to reducing production errors and enhancing customer service, technology is providing a slate of supply chain benefits to companies across all industries.

- **How can reverse logistics cater to a green supply chain strategy in the future?**

<u>Reverse Logistics</u>

Reverse logistic refer to the process of recapturing the value of the product or disposal. The process starts from planning, implementing and controlling the flow of raw material, in-process goods or unfinished goods and finished goods from the consumer to the point of origin. This essentially is the remanufacturing or refurbishing or recycling by the way of using them as input. The reverse logistics paradigm plays an important role in improving the environmental, social and economic performance of the green supply chain.

Green Supply Chain Management (GSCM)

Green Supply Chain Management is the process managing procurement, processing, storage, transportation and after sales services from producer to end users considering environmental influence and using resources efficiently. Green supply Chain Management advocates the flow of goods and services with minimum impact on environment, minimum exploitation of resources and optimum utilization of available assets.

Some of the key benefits of reverse logistics to GSCM are highlighted as under:

1) **ROI-** Return on investment is the key objective of SCM which is well supplemented by reverse logistics by reducing the input cost and adding to the bottom-line of the company.
2) **Building Brand Image**- Branding is the vital component for business success which can be strengthen with favorable perception by the consumer. Example: We have seen aggressive bidding by **Bajaj Motors** for the scrap of **INS Viraat** and the same was used as raw material for new bike **'Bajaj-V'** which is creating buzz since customer see that as a honor to the services of Navy Ship.
3) **Meeting Competition-** High profit and low variable cost gives the business an edge over competitors and sometimes compel others to follow the green supply chain.
4) **Customer Loyalty-** Providing safe disposal of the used goods and sometimes adding monetary value to it leads to customer satisfaction and loyalty.