

UNIT IV

CREATIVITY AND INNOVATION

An important factor in managing people is creativity. A distinction can be made between creativity and innovation. The term creativity usually refers to the ability and power to develop new ideas. Innovation, on the other hand, usually means the use of these ideas. In an organization this can mean a new product, a new service, or a new way of doing things.

The Creative Manager

All too often it is assumed that most people are noncreative and have little ability to develop new ideas. This assumption, unfortunately, can be detrimental to the organization, for in the appropriate environment virtually all people are capable of being creative, even though the degree of creativity varies considerably among the individuals. Generally speaking, creative people are inquisitive and come up with many new and unusual ideas; they are seldom satisfied with the status quo. Although intelligent, they not only rely on the rational process



but also involve the emotional aspects of their personality in problem solving. They appear to be excited solving a problem, even to the point of tenacity. Creative individuals are aware of themselves and capable of independent judgment. They object to conformity and see themselves as being different. Unquestionably, creative people can make great contributions to an enterprise. Change as any manager knows is not always popular. Moreover, change frequently has undesirable and unexpected side effects. Similarly, unusual ideas, pursued stubbornly, may frustrate others and inhibit the smooth functioning of an organization. Finally, creative individuals may be disruptive by ignoring established policies, rules, and regulations. As a result creativity of most individuals is probably underutilized. However, individual and group techniques can be effectively used to nurture creativity, especially in the area of planning. But creativity is not a substitute for managerial judgment it is the manager who must determine and weigh the risks involved in pursuing unusual ideas and translating them into innovative practices.

The Creative Process

The creative process is seldom simple and linear. Instead, it generally consists of four overlapping and interacting phases: (1) unconscious scanning, (2) intuition, (3) insight, and (4) logical formulation. The first phase,

unconscious scanning

, is difficult to explain because it is beyond consciousness. This scanning usually requires an absorption in the problem, which may be vague in the mind. Yet managers working under time constraints often make decisions prematurely rather than dealing thoroughly with ambiguous ill-defined problems. The second phase, **intuition**, connects, the unconscious with the conscious. This stage may involve a combination of factors that may seem contradictory at first. For example in the 1920s Donaldson Brown and Alfred Sloan of General Motors conceived the idea of a decentralized division structure with centralized control – concepts which seem to contradict each other. Yet the idea makes sense when one recognizes the underlying principles of (1) giving responsibility of the operations to the general manager of each division, and (2) maintaining centralized control in head quarters over certain functions. It took the intuition of two great corporate leaders to see that these two principles could interact in the managerial process. Intuition needs time to work. It requires that people find new combinations and integrate diverse concepts and ideas. Thus, one must think through the problem. Intuitive thinking is promoted by several techniques such as brainstorming and synectics.

Insight, the third phase of the creative process, is mostly the result of hard work. For example many ideas are needed in the development of a usable product, a new service, or a new process. The last phase in the creative process is **logical formulation** or verification. Insight needs to be tested through logic or experiment. This may be accomplished by continuing to work on an idea or by inviting critiques from others. Brown and Sloan's idea of decentralization.

Techniques to enhance creativity

Creativity can be taught. Creative thoughts are often the fruits of extensive efforts, and several techniques are available to nurture those kinds of thoughts, especially in the decision-making process. Some techniques focus on group interactions; others focus on individual actions.

Brainstorming:

One of the best-known techniques for facilitating creativity has been developed by Alex F Osborn, who has been called —the father of brainstorming—. The purpose of this approach is to improve problem solving by finding new and unusual solutions in the brainstorming

session; a multiplication of ideas is sought. The rules are as follows: 1. No ideas are ever criticized. 2. The more radical the ideas are, the better. 3. The quantity of idea production is stressed. 4. The improvement of ideas by others is encouraged. Brainstorming, which emphasizes group thinking, was widely accepted after its introduction. However, the enthusiasm was dampened by research, which showed that individuals could develop better ideas working by themselves than could work in-group.

Synectics:

Originally known as the Gordon technique, this system was further modified and became known as synectics. In this approach, the members of the synectics team are carefully selected for their suitability to deal with the problem, a problem that may involve the entire organization. The leader of the group plays a vital role in this approach. In fact, only the leader knows the specific nature of the problem. This person narrows and carefully leads the discussion without revealing the actual problem itself. The main reason for this approach is to prevent the group from reaching a premature solution to the problem. The system involves a complex set of interactions from which a solution emerges – frequently the invention of a new product.

Innovation and Entrepreneurship

Recently, innovations and entrepreneurship have received considerable attention. It may be an appealing thought to get rich quick, often by establishing new companies. Peter Drucker suggests that innovation applies not only to high-tech companies but also equally to low-tech, established businesses. Worthwhile innovations are not a matter of sheer luck; it requires systematic and rational work, well organized and managed for results. What does entrepreneurship imply? It suggests dissatisfaction with how things are and awareness of a need to do things differently. Creativity and innovation in one's work helps a person to be a successful entrepreneur. Innovation comes about because of some of the following situations.

The unexpected events, failure, or success

The incongruous – what is assumed and what really is

The process or task that needs improvement

Changes in the market or industry structure

Changes in demographics.

Changes in meaning or in the way things are perceived

Innovation based on knowledge
Innovations based solely on bright ideas may be very risky and are, at times, not successful. The most successful innovations are often the mundane ones. Innovation is not only relevant to high-tech firms but also crucial for old-line, traditional companies, which may not survive without the infusion of innovation. Managers in such companies must create an environment that fosters entrepreneurial spirit and actions

MOTIVATION Definition

A manager gets result through other people. His effectiveness depends, to a large extent, on the willingness of his employees to do the assigned tasks with interest and enthusiasm.

According to Scott, —Motivation is a process of stimulating people to action to accomplish desired goals. **Motivation has three distinct features**

It results from a felt need

It is goal directed

It persists until the satisfaction of a need state occurs.

Meaning of motivation

Motivation is the set of processes that moves a person toward a goal. Thus, motivated behaviors are voluntary choices controlled by the individual employee. The supervisor (motivator) wants to influence the factors that motivate employees to higher levels of productivity

Any influence that triggers, directs or maintains behavior

The Process that accounts for an individual's intensity, direction and persistence of efforts towards attaining a goal.

Process and Content theories- Relationship with Managerial Motivation

Approaches understanding motivation differ because many individual theorists have developed their own views and theories of motivation. They approach motivation from different perspectives, with different ideas in mind and from different backgrounds. Motivation theories are classified into two, content theories and process theories (see exhibit 2.2). Process theories, as opposed to the content theories suggest that a variety of factors prove to be motivating, depending on the needs of individual, the situation the individual is in, and the rewards he expects for the work done

Content Theories of Motivation

This theory explains why people have different needs at different times (see exhibit 2.3) Assumptions

All Employees are alike

All situations are alike

There is one best way to motivate all employees

Maslow's Hierarchy of Need Theory

Each individual has needs, or feelings of deficiency that drive their behavior

Once a need is satisfied, then it is no longer motivating

Needs are in a hierarchy that an individual moves up as they satisfy levels of needs **Levels of Needs**

Physiological/Survival needs

Food, Clothing, Shelter, Air

Security

Feel safe, absence of pain, threat, or illness

Affiliation

Friendship, company, love, belonging

First clear step up from physical needs

Esteem Needs

Self-respect, achievement, recognition, prestige

Cues a persons worth

Self-Actualization

Personal growth, self-fulfillment, realization of full potential

Managerial perspective
Self-esteem needs

Internal esteem factors such as self-respect, autonomy, achievement will act as an internal motivator for managers.

Managers are also in need of external esteem factors such as status, recognition and attention in order to get refreshed and perform their work efficiently.

Self Actualization Need

The Drive to become what one is capable of becoming

This includes Ones growth, potential and self-fulfillment
The above-mentioned two factors are important for a manager who is an achievement-oriented person.

Alderfer's ERG Theory

Consolidates Maslow's hierarchy of needs into 3 categories (see exhibit 2.4)

Existence-physiological and security

Relatedness-affiliation

Growth-esteem and self-actualization

Differs from Maslow's Hierarchy

When unable to satisfy upper level needs, the individual will revert to satisfying lower level needs

Managerial perspective

Alderfer's growth need is closely related with Managerial Motivation.

An intrinsic desire for personal development

This include intrinsic component from Maslow's esteem and self actualization component
McClelland's needs

The Theory envisages that each person has a need for all three (as well as others), but that people differ in the degree to which various needs motivate their behavior

Needs are acquired through interaction with environment

Types of Needs

NAch (Need for Achievement)-This is a motive to meet some standard of excellence or to compete with others.

NAff (Need for Affiliation)-This describes a motive to develop and maintain close and meaningful relationships with others.

NPow (Need for Power)-This is based upon desire to influence and control others and the environment

Managerial perspective

Task managers show high on achievement and power need and low on affiliation

People centered managers show high on affiliation need.

Herzberg's Two-Factor Theory

Some variable prevent job dissatisfaction and some variables produce motivation

Hygiene factors-basic needs that will prevent dissatisfaction e.g. ventilation, normal temperature, pay, parking etc.

Motivators, when present cause high levels of motivation. Work gets more interesting, advancement and growth becomes possible.

Managerial perspective

The manager in an organization can be motivated by

Challenging assignments

Recognition.

Responsibility

Career growth

Process Theories

Reinforcement Theory

Expectancy Theory

Equity Theory

Goal Setting Theory

Reinforcement Theory

Behaviors are functions of consequences that they produce (see exhibit 2.5)

If a behavior is followed by a pleasant experience it will be repeated

In order to change behaviors the consequences must be changed

Types of Reinforcement

Positive Reinforcement-rewards

Negative Reinforcement-punishments

Types of Rewards

Extrinsic-external rewards such as money, fringe benefits, job security

Intrinsic-internal satisfaction outcomes derived from doing work- Satisfaction Relation with Managers

Managers are highly attracted by the intrinsic rewards and internal satisfaction that comes out of his work rather than monetary benefits

Vroom's Expectancy Theory

Combines goal setting and reinforcement theories

Three questions drive motivation—Will effort lead to performance?

Will performance lead to reward?—Will the reward be of value to the person?—This theory is more applicable to both employees and managers (see exhibit 2.6)

Terms

Expectancy-increases the belief that employees effort will lead to successful performance

Instrumentality-increases the belief that performance leads to valued rewards

Valence-increases the expected value of outcomes resulting from desired performance **Expectancy Theory in Practice**

Increasing the E-to-P expectancy

Training, selection, resources, clarify roles, provide coaching and

feedback Increasing the P-to-O expectancy

Measure performance accurately, explain how rewards are based on past and present performance

Increasing outcome valences

Use valued rewards; individualize rewards preferred by the employees.

Equity Theory

Stacy Adams has proposed this theory. According to this theory individuals try to find a balance between their inputs, viz amount of effort, time and energy expended to do the work and the corresponding output received in return for the work done, in the form of pay, incentives and other benefits. They compare this input-output ratio, with that of others, in the same position, working both within the organization and outside. If the person's perceived ratio is not equal to the others he or she will strive to restore the ratio to equity.

Elements of Equity Theory

Outcome/input ratio—Inputs — what employee contributes (e.g. skill, time, effort)—Outcomes — what employees receive (e.g. pay, incentives)

Equity evaluation—Compare outcome/input ratio with others who are in the same line.

Goal Setting Theory

Assignment of specific, results oriented, moderately difficult goals, combined with adequate feedback will provide motivation to work

Employee participation in goal setting

Receive rewards on the accomplishment of goals

Provide competencies necessary for achievement of these goals

Relation with Managerial motivation

It is usual for employees to take lighter task first

Managers who are highly achievement oriented will accept to take up heavier tasks **APPLICATION OF MOTIVATION THEORIES**

Knowledge about the theories of motivation though useful is not enough to motivate employees at work situations. Managers must know specific ways, by which they could help and motivate their subordinates. Some amongst them is

Money

Job design

Participative Management

Quality of work life

Behavioral modification

Others

Money

Money is understood to be a powerful motivator for more than one reason. In the first place money is fundamental for completion of a task (see exhibit 2.7). The employee takes pay as a reward for his work, and the employer views it as a price for using the services of the employee. Second, as a medium of exchange, money is a vehicle by which employees can buy

numerous need satisfying goods and services they desire. Third, money is one of the hygiene factors and improving maintenance factors is the first step in efforts directed towards motivation. Fourth, money also performs the function of a scorecard by which employees assess the value that the organization places on their services and by which employees can compare their values to others. Fifth, reinforcement and expectancy theories attest to the value of money as a motivator Pay and Performance relationship

But, behavioral scientist thinks otherwise. They downgrade money as a motivator. They prefer, instead other techniques such as challenging jobs, goals, participation in decision-making and other non-monetary incentives for motivating employees. The conclusion is that money can motivate some people under some conditions i.e. money cannot motivate all people under all circumstances.

Job design

Job design involves conscious efforts on the part of the management to organize tasks, duties and responsibilities into the unit of work in such a way that meets the needs of the employees and the organization. The design of jobs has a critical impact on organization and employee objectives. From the organization's perspective the way tasks and responsibilities are grouped can affect productivity and cost. Poorly designed jobs may lead to lower productivity, employee turn over, absenteeism, complaints, sabotage, unionization, resignations and other problems. It was Herzberg who conceived job design as an important instrument to motivate employees.

Job enrichment

First coined by Herzberg in his famous research with motivators and maintenance factors, job enrichment, has become a popular concept. It simply means adding a few more motivators to job to make it more rewarding. A job is enriched when the nature of the job is exciting, challenging, and creative or gives the jobholder more decision making planning and controlling powers.

Job rotation

This involves shifting managers from one job to another. It reduces boredom and disinterest through diversifying the employee's activities. Managers with a wider range of skills give management more flexibility in scheduling work, adapting to changes, and filling vacancies. Some of the drawback of this method is that the training costs increase, work gets disrupted as managers take time to adjust to a new set-up, and it may demotivate intelligent and ambitious managers who seek specific responsibilities in their chosen specialty.

Participation

Managerial participation at all levels encourages and permits contributions to decisions, goals and plans along with suggestions on how these can be implemented. Participative management is compatible with motivation-hygiene and ERG theories of motivation. In terms of the two-factor theory, participative management could provide employees and managers with intrinsic motivation by increasing opportunities for growth, responsibility and involvement in the work itself. Similarly, the process of making and implementing a decision and then seeing how it works could satisfy the growth needs of the ERG theory.

Quality of Work Life

The term —quality of work life means different things to different persons. For eg, to a worker on an assembly line, it may just mean a fair day's pay, safe working conditions, and a supervisor who treats him with dignity. To a new entrant, it may mean opportunities for advancement, creative tasks, and a successful career. Factors affecting quality of work life

Adequate and fair compensation

A congenial working environment

Jobs aimed at developing and using employee skill and abilities

An environment in which employees develop self-esteem and a sense of identity.

Protection and respect for employee's rights to privacy and equity.

A sensible integration of job career and family life and leisure time

Behavior Modification

Organizational behavior modification is yet another technique of influencing behavior of people in organizations.

Step 1- Identification of critical behaviors

Step 2-Measurement of the behaviors

Step 3-Functional analysis of the behavior

Step 4-Development of an intervention strategy

Step 5-Evaluation to ensure performance improvement

other application of motivation theories

1. Management by objectives (MBO)

It is defined as a process whereby superiors and subordinates jointly identify the common objectives (see exhibit 2.8), set the results that should be achieved by the subordinates assess the contribution of each individual in terms of results expected of him and integrate individuals with the organization so as to make best use of organizational resources. Steps in MBO

Setting objectives: To establish verifiable objectives for the organization as a whole and for various positions in the organization. The objectives are established at several **stages**.

Developing Action Plan: The responsibility for achievement of each goal is fixed.

Conducting periodic reviews: At frequent intervals the superior and subordinate review actual performance jointly.

Appraising Annual performance: A thorough evaluation of individual

Performance is done at the end of the year

Mgr vs leader

2. Flexible working hours Also called as flexi time to suit the convenience of individual employees has often been pointed out as one of the techniques of motivation. It leads to reduced absenteeism, increased productivity, reduced over time expenses, elimination of tardiness, a lessening in the hostility towards management etc.

3. Two-tier pay system

: - This provides for offering significantly lower wage rates to newly hired employees than those already employed in the same job. For example, a junior lecturer in a university is paid less than a senior grade lecturer.

4. Flexible benefits

: - These allow employees to pick and choose from among a menu of benefits package that is individually tailored to his or her own needs and situations.

Modern motivation techniques

Employee stock option scheme
a) Compulsory offs on Saturdays and Sundays
b) Family tour either domestic or foreign once in a year
c) Dating allowance
d) Free lunche
e) Recreation program for children
f) Crèche facility for women employees
g) Free transport facility
h) Celebration of important festivals

Manager's motivation tool kit

Appraise, approval and recognition

Trust, respect and high expectations

Loyalty, given that it may be received

Removing organizational barriers

Job enrichment

Communications

People have different needs at different times. Offer employees a choice of flexible rewards. Do not rely too heavily on financial rewards. They mainly address lower level needs. Managers who are highly achievement oriented will accept to take up heavier tasks.

Meaning of Leadership

In the words of Louis A. Allen,

“A leader is one who guides and directs other people. He gives the efforts of his followers a direction and purpose by influencing their behavior. Managers at all levels must perform this function of leadership to lead the subordinates towards organizational goals. Leadership is the physical process influencing followers or subordinates and providing guidance to them. It is always related to a situation, which means a leader may be effective in one situation while ineffective in another. To be effective, a leader should change his leadership style depending upon the requirements of the situation. Leadership is a process of influence on a group. It is an important part of a manager's job. Leadership is the ability of a manager to induce subordinates to work with confidence and zeal. It is the driving force, which get things done by others. A good leader achieves maximum cooperation from the group members by providing two-way communication and by motivating. He is also able to coordinate the activities of the followers to achieve common objectives. Leadership can be an important modifier of behaviour of people working in the organization. Effective leadership is necessary for inspiring the people to work for the accomplishment of given objectives.

Importance of Leadership

The significance of leadership in management will be clear if we study the functions, which are performed by a leader. The functions are as follows:

Determination of goals:

A leader performs the creative function of laying down goals and policies for the followers. He acts as a guide in interpreting the goals and policies.

Organization of activities:

A good leader divides organization activities among the employees in a systematic manner. The relationships between them are clearly laid down. This reduces the chances of conflict between them.

Achieving coordination:

A leader integrates the goals of the individuals with the organizational goals and creates a community of interests. He keeps himself informed about the working of the group. He shares information with the group for the coordination of its efforts.

Representation of workers:

A leader is a representative of this group. He takes initiative in all matters of interest to the group. He also attempts to fulfill the psychological needs of his followers.

Providing guidance:

A leader guides the subordinates towards the achievement of organizational objectives. He is available for advice whenever a subordinate faces any problem.

Inspiration of employees:

A good leader inspires the subordinates for better performance. Motivation is necessary for getting the desired work from the subordinates. The leader motivates the employees by providing them economic and non-economic rewards.

Building employees' morale:

Good leadership is indispensable for high employee morale. The leader shapes the thinking and attitudes of the group. He develops good human relations and facilitates interactions among the members of the group. He maintains voluntary cooperation and discipline among followers.

Facilitating change:

Leadership is the mechanism to convince workers about the need for change. Dynamic leadership is the corner stone of organizational change. An effective leader is able to overcome resistance to change on the part of workers and thus facilitates change.

Characteristics of leadership

Leadership is a process of influence: Leadership is a process whose important ingredient is the influence exercised by the leader on group members. A person is said to have an influence over others when they are willing to carry out his wishes and accept his advice, guidance and direction. Such successful leaders are able to influence the behaviour, attitudes and beliefs of their followers.

Leadership is related to a situation:

Leadership styles will be different under different circumstances. At one point of time, the subordinates may accept the autocratic behaviour of the leader while at a different point of time and under a different situation, only participative leadership style may be successful.

Leadership is the function of stimulation:

Leadership is the function of motivating people to strive willingly to attain organizational objectives. Leaders are considered successful when they are able to subordinate the individual interests of the employees to the general interests of the organization. A successful leader allows his subordinates to have their individual goals set up by themselves in such a way that they do not conflict with the organizational objectives.

Leadership gives and experience of helping attain the common objectives:

Under successful leadership, every person in the organization feels that his operation, however minor it may be, is vital to the attainment of organizational objectives. It happens when the manager's feelings the importance of individuals gives them recognition and tells them about the importance of activities performed by them.

Employees must be satisfied with the type of leadership provided:

Only short-term productivity of employees can increase by pressure and punishment. This approach is not in the long-term interests of the organization. Force

generates counter-force which results in a decreased long-term productivity. Long-term interest of the organization are best served when managers allow subordinates to influence their behaviour, particularly when subordinates are knowledgeable and competent.

Leadership Theories

Trait Theory Of Leadership

Trait theory seeks to determine universal personal characteristics of effective leaders. Numerous physical, mental and personality traits were researched during the period from 1930 to 1950. Leaders were characterized by a wide variety of traits ranging all the way from neatness to nobility. In late 1940's Ralph Stogdill reported on the basis of at least fifteen studies that leaders possess intelligence, scholarship, dependability in exercising responsibilities, activity and social participation and socio-economic status. Persons who are leaders are presumed to display better judgement and engage themselves in social activities. The study of the lives of successful leaders reveals that they possessed many of these traits. Some of the important traits of an effective leader are discussed as below:

1. Intelligence:

This trait seems to hold up well than any other. Leaders generally have somewhat higher level of intelligence than the average of their followers. They possess the ability to think scientifically, analyze accurately and interpret clearly and precisely the problems before them in terms of different aspects and perceptive.

2. Physical features:

Physical characteristics and level of maturity determine personality of an individual, which is an important factor in determining success of leadership. Height, weight, physique, health and appearance of an individual are important for leadership to some extent.

3. Inner Motivation Drive:

Leaders have relatively intense achievement type motivational drives. They have the inner urge to keep accomplishing something. To initiate suitable activities at proper time is the habit of a leader. He works hard more for the satisfaction of inner drives than for extrinsic material rewards.

4. Maturity:

Leaders generally have broad interests and activities. They are emotionally mature and have balanced temperaments avoiding menacing extremes so that they may not become thoughtless victims of the circumstances. They also have high frustration tolerance.

5. Vision and Foresight:

A leader can't maintain his influence unless he exhibits his trait of looking forward well in advance and imagination for handling his followers. So he should imaginatively visualize trends and devise his policies and programmes with foresight based on logical programmes.

6. Acceptance of Responsibilities:

A reliable leader is one who is prepared to shoulder the responsibility for the consequences of any steps he contemplates or takes. He is always aware of the duties and obligations associated with the position he holds.

7. Open-mind and Adaptability:

A leader is ready to absorb and adopt new ideas and views of others as may be demanded by the situation. Flexibility is the other name for open-mindedness, which makes the leader more identified with the group.

8. Self-confidence:

A good leader has conceptual clarity about the things he is going to do. He has confidence in himself whenever he initiates any course of action. Self-confidence is essential to motivate the followers and boost up their morale.

9. Human Relations Attitude:

A good leader is considerate of the followers as his success as a leader largely depends on the cooperation of the people. He always tries to develop social understanding with other people. He is constantly busy in achieving the voluntary cooperation of the followers.

10. Fairness and Objectivity:

A good leader is fair and objective in dealing with subordinates. He must be free from bias and prejudice while becoming emotionally involved with the followers. Honesty, fair play, justice and integrity of character are expected of any good leader.

Behavioral Theory Of Leadership

The behavioral approach is based on the premise that effective leadership is the result of effective role behavior. A leader uses conceptual, human and technical skills to influence the behavior of his subordinates. There is a dynamic interaction between the leader and the followers, and leaders produce different styles while dealing with the employees. Some of the important contributions in this regard include Ohio State Studies, Michigan University Studies and Managerial grid of Blake and Mouton. The behavioral scientists don't concentrate on the traits of leaders; rather they study the activities of leaders to identify their behavioral patterns. The behavioral approach has failed to explain why a particular leadership behavior is effective in one situation, but fails in another situation. Thus, situational variables are not considered. In practice, it is the situation, which determines the effectiveness of a particular leadership style.

Michigan Studies

The Institute for Social Research at the University of Michigan conducted empirical studies to identify styles of leader behavior that results in higher performance and situation of a group. As a result of these studies, two distinct styles of leadership were identified:

Production-centered (task oriented) leadership:

The production-oriented leaders emphasize productivity by the use of procedures, rules and close supervision of subordinates. They concentrate on the technical aspect of the job; employees are seen as tools to accomplish the goals of the organization.

Employee-centered (Relation oriented) leadership:

The employee-centered leaders concentrate on human relations and emphasize delegation of authority, concern for employees' needs, welfare, advancement, etc. Leaders who are described as employee-oriented stress the relationship aspect of the job. They feel that every employee is important and take interest in everyone, accepting their individuality and personal needs.

Ohio State Leadership Studies

The leadership studies initiated by the Bureau of Research at Ohio State University attempted to identify various dimensions of leader behavior. Ultimately, these studies narrowed the description of leader behavior to two dimensions: Initiating Structure and Consideration (see exhibit 4.4).

Initiating structure

refers to the leader's behavior in delineating the relationship between him and members of the work-group and in endeavoring to establish well-defined patterns of organization, channels of communication, and methods or procedures. On the other hand,

consideration

refers to behavior indicative of friendship, mutual trust, respect, and warmth in the relationship between the leader and the member of his staff

The research studies also showed that initiating structure and consideration are two distinct dimensions and not mutually exclusive. A low score on one does not require

highscore on the other. Thus, leadership behavior can be plotted on two separate axes rather than on a single continuum. The four quadrants show various combinations of initiating structure and consideration and a manager can adopt any one style.

Situational Theory Of Leadership

This theory advocates that leadership is strongly affected by the situation from which a leader emerges and in which he works. It is based on the assumptions that there exists an interaction between a group and its leader and that people tend to follow the leader who is capable of fulfilling their aspirations. Thus, leader is a means of achieving the goals of the group and its members. He recognizes the needs of the situation and then acts accordingly. The focus in the situational approach to leadership is on observed behavior and not on any hypothetical inborn or acquired ability or potential for leadership. The emphasis is on the behavior of leaders and their followers and the type of the situation. In other words, a person becomes a leader not only because of his personal attributes, but also because of various situational factors and the interactions between the leader and the group members.

Fiedler's Contingency Model

The situational theory contends that there is no one best style of leadership universally applicable to all situations. A leadership style may be effective under one situation and ineffective under the other. Fiedler identified two basic styles of leadership and on the basis of the study tried to analyze their effectiveness under different situations: (i) task-oriented or controlling, structuring leadership under which the leader gains satisfaction from seeing tasks performed; and (ii) relationship-oriented or considerate leadership under which the leader tries to achieve good interpersonal relations with the subordinates.

Least-preferred co-worker scale (LPC):

Fiedler developed a least preferred co-worker scale to measure the two basic styles, viz., task-oriented and relationship-oriented. In developing this scale, Fiedler asked the respondents to identify the traits of a person with whom they could work least well.

Fiedler found that low-LPC leaders emphasize completing task successfully, even at the expense of interpersonal relationships, gaining self-esteem through task completion and valuing job performance. High-LPC leaders emphasize good interpersonal relationships, are more considerate, derive major satisfaction from relationships with others, and are not influenced by success or task accomplishment. Low LPC reflects task-oriented leadership and high LPC reflects relationship-oriented leadership. Situational Variables: Fred E. Fiedler analyzed three major situational variables, which exert powerful influence on the leader's behavior and his effectiveness. The three variables are: (i) Leader-member relations: these refer to the compatibility between group members and managers. If group members respect the manager and also feel a personal attachment, then formal authority is less important in getting work accomplished. (ii) Task structure: The nature of jobs and how tasks are structured influence leadership. If tasks are highly structured, with formal guidelines and well-defined expectations, authority is also formalized and both managers and employees will be at ease with a directive style of leadership. If tasks are unstructured, such as in creative research labs, group members and managers expect less directive leadership with more conciliatory behavior. (iii) Position power: The position power of leaders is influenced by organizational culture, the formality of management hierarchy and the style of work environment. Therefore, the values and beliefs of employees and managers, the philosophy of top management towards leadership and the prevailing attitude towards leadership will partially determine what style is acceptable.

Leadership as an Influence Process

Leadership is the process of influencing others to get the job done effectively over a sustained period of time. Leaders play a crucial role in influencing the work behaviour of employees in

the system. The term influence is a nebulous concept; however, it could be described as the power to shape the potential behaviour of others, as desired.

Three types of Influence Patterns

There are three ways people are influenced – compliance, identification and internalization. Compliance occurs when people are influenced to do something against their will because they have been coerced into doing it. People may obey because the repercussions of failure to do so may have serious consequences, as for example, stoppage of their increments, or a bad report that might jeopardize their future career in the organization. Identification relates to the situation when people perform what the leader wants them to because they like him or her and want to put forth the effort to please the person. This liking may be either because the leader is attractive, likeable, acts as a role model or possesses qualities that are valued and draw the admiration of others in the organization. Such a leader has charisma and people voluntarily behave in functional ways when they identify themselves with him. Internalization occurs when followers are convinced that acting as the leader's directions serves their interest best.

Leadership Styles Charismatic Leader Definition:

Followers make attributions of heroic or extraordinary leadership abilities when they observe certain behaviors.

How do charismatic leaders actually influence followers?

It is a **four-step** process. It begins by the leader articulating an appealing vision. The vision provides a sense of continuity for followers by linking the present with a better future for the organization. The leader then communicates high performance expectations and expresses confidence that followers can attain them. This enhances follower self-esteem and self-confidence. Next, the leader conveys, through words and actions, a new set of values and, by his or her behavior, sets an example for followers to imitate. Finally, the charismatic leader makes self-sacrifices and engages in unconventional behavior to demonstrate courage and convictions about the vision.

Key characteristics of charismatic leaders

1. Vision and articulation.

Has a vision—expressed as an idealized goal. – that proposes a future better than the status quo; and is able to clarify the importance of the vision in terms that are understandable to others.

2. Personal risk.

Willing to take on high personal risk, incur high costs, and engage in self-sacrifice to achieve the vision.

3. Environmental sensitivity.

Able to make realistic assessments of the environmental constraints and resources needed to bring about change.

4. Sensitivity to follower needs.

Perceptive of others' abilities and responsive to their needs and feelings.

5. Unconventional behavior.

Engages in behaviors that are perceived as novel and counter to norms.

Transactional and Transformational leader Transactional Leaders

: Leaders who guide or motivate their followers in the direction of established goals by clarifying role and task requirements.

Transformational Leaders

: Leaders who inspire followers to transcend their own self-interests and who are capable of having a profound and extraordinary effect on followers. Transactional and transformational leadership shouldn't be viewed as opposing approaches to getting things done. Transformational leadership is built on top of transactional leadership—it produces levels of follower effort and performance that go beyond what would occur with a transactional approach alone. Moreover transformational leadership is more than charisma. —The purely charismatic leader may want followers to adopt the charismatic's world view and go no further; the transformational leader will attempt to instill in followers the ability to question not only established views but eventually those established by the leader. Characteristics of Transactional and Transformational Leaders

Transactional Leader

1. Contingent Reward:

Contracts exchange of rewards for effort, promises rewards for good performance, recognizes accomplishments.

2. Management by Exception (active):

Watches and searches for deviations from rules and standards, takes corrective action.

3. Management by Exception (passive):

Intervenes only if standards are not met.

4. Laissez-Faire:

Abdicates responsibilities, avoids making decisions.

Transformational Leader

1. Charisma: Provides vision and sense of mission, instills pride, gains respect and trust.

2. Inspiration: Communicates high expectations, uses symbols to focus efforts, expresses important purposes in simple ways.

3. Intellectual Stimulation:

Promotes intelligence, rationality, and careful problem solving.

4. Individualized Consideration:

Gives personal attention, treats each employee individually, coaches, and advises.

Visionary leader Definition: -

The ability to create and articulate a realistic, credible, attractive vision of the future for an organization or organizational unit that grows out of and improves upon the present.

Qualities of a vision

The key properties of a vision seem to be inspirational possibilities that are value centered, realizable, with superior imagery and articulation. Visions should be able to create possibilities that are inspirational, unique, and offer a new order that can produce organizational distinction. Desirable visions fit the times and circumstances and reflect the uniqueness of the organization. People in the organization must also believe that the vision is attainable. It should be perceived as challenging yet workable.

Qualities of a Visionary Leader

What skills do the visionary leaders exhibit?

First is the ability to explain the vision to others. The leader needs to make the vision clear in terms of required actions and aims through clear oral and written communication.

Second is to be able to express the vision not just verbally but through the leader's behavior. This requires behaving in ways that continually convey and reinforce the vision.

The third skill is being able to extend the vision to different leadership contexts. This is the ability to sequence activities so the vision can be applied in a variety of situations.

Team Leader

Leadership is increasingly taking place within a team context. As teams grow in popularity, the role of the leader in guiding team members takes on heightened importance. Here we shall consider the challenge of being a team leader and review the new role that team leaders take on. The challenge for most managers is to learn to become an effective team leader. They have to learn skills such as the patience to share information, to trust others, to give up authority, and understanding when to intervene. Effective leaders have mastered the difficult balancing act of knowing when to leave their teams alone and when to intercede. A meaningful way to describe the team leader's job is to focus on the following four specific roles:

First, team leaders are **liaisons** with external constituencies. These include upper management, other internal teams, customers, and suppliers. The leader represents the team to other constituencies, secures needed resources, clarifies others' expectations of the team, gathers information from the outside, and shares this information with team members.

Second, team leaders are **troubleshooters**. When the team has problems and asks for assistance, team leaders sit in on meetings and help try to resolve the problems. This rarely relates to technical or operation issues because the team members typically know more about the tasks being done than does the team leader. Where the leader is most likely to contribute by asking penetrating questions, helping the team talk through problems, and by getting needed resources from external constituencies.

Third, team leaders are **conflict managers**. When disagreements surface, they help process the conflict. What's the source of the conflict? Who is involved? What are the issues? What resolution options are available? By getting team members to address questions such as these, the leader minimizes the disruptive aspects of intra-team conflicts.

Finally, team members are **coaches**. They clarify expectations and roles, teach, offer support, cheerlead, and do whatever else is necessary to help team members improve their work performance.

Mentoring

A mentor is a senior employee who sponsors and supports a less-experienced employee (a protégé). The mentoring role includes coaching, counseling, and sponsorship. As a coach, mentors help to develop their protégés' skills. As counselors, mentors provide support and help bolster protégés' self-confidence. And as sponsors, mentors actively intervene on behalf of their protégés; lobby to get their protégés visible assignments and to facilitate protégés' rewards such as promotions and salary increases.

Why would a leader want to be a mentor?

There are personal benefits to the leader as well as benefits for the organization. The mentor-protégé relationship gives the mentor unfiltered access to the attitudes and feelings of lower-ranking employees. Protégés can be an excellent source of potential problems by providing early warning signals. They provide timely information to upper managers that short-circuit the formal channels. So the mentor-protégé relationship is a valuable communication

channel that allows mentors to have news of problems before they become common knowledge to others in upper management.

Self-leader:

A set of processes through which individuals control their own behavior

How do leaders create self-leaders?

The following have been suggested:

1. Model self-leadership.

Practice self-observation, setting challenging personal goals, self-direction, and self-reinforcement. Then display these behaviors and encourage others to rehearse and then produce them.

2. Encourage employees to create self-set goals.

Having quantitative, specific goals is the most important part of self-leadership

Encourage the use of self-rewards to strengthen and increase desirable behaviors.

In contrast, self-punishment should be limited only to occasions when the employee has been dishonest and destructive.

4. Create positive thought patterns.

Encourage employees to use mental imagery and self-talk to further stimulate self-motivation.

5. Create a climate of self-leadership.

Redesign the work to increase the natural rewards of a job and focus on these naturally rewarding features of work to increase motivation.

6. Encourage self-criticism.

Encourage individuals to be critical of their own performance.

Leadership Vs Manager

Leadership is the ability to enthuse the followers towards a definite goal. It is the process of stimulating members of the group towards a particular direction. Leadership is a part of management, but not all of it. A manager requires planning and organizing. A strong leader can be a weak manager because he is weak in planning or some other managerial duty. Earl P. Strong is of the opinion that leadership in business is not a synonym of the boss. He makes the following distinctions between the two terms

MANAGERIAL STYLES:(ALSO REFERRED AS LEADERSHIP STYLES)

1. The formal style:

Skillful use of formal style will involve a good working knowledge, of the laws of the land, rules and regulations and aggregates the willingness to use former power of rooms to get what one wants. Increasingly, the use of former power has been managed where many management's and organizational development thinkers, developers and practitioners believe in order to map of the need for competency mapping with that of roles that are deployed by respective individual. The use of power is still a potent means to influence our original events provided those in word recognize the use of former power as being legitimate.

2. The political style:

The political style of behaviour relies principally on informal influence to get things done and has different but something complimentary strategies. The first of these is the formation of alliance and usually those that all originally powerful groups or individuals accept and agreed and mutual self-interest. These alliances will usually be converted but occasionally strong groups which will form an overt that they want to put them in an unchangeable position. The

basis of relationship within such an arrangement is usually proud negotiations, for the promotion and support of some goal or object and of mutual benefit of all parties. If an individual reasons to deploy negative behaviour so that it can benefit one's own group, it is foolhardy and is detrimental to the opposite group as a behavioral disposition. Then the alliance might well be broken on the parties will tend to compete against rather than support each other's activities. The second basis of the style of influence relies on the use of information. Information tends to be used in the strategic way. Distortions of information, including impression management, posturing propaganda rumormongering under strategic use of lying are ways in which the quality of information in which the quality of information is manipulated to have maximum effect on the target.

3. Open style:

The open style of influence in behaviour, can generally be seen to be the style that organizational development specialist advocated. Essentially it offers an idea of the – individual being aware of him, as a person with feelings, attitudes, knowledge, skills and behavioral responses, being prepared to share this awareness of him, and behave in ways that are coherent. Organizations should create climates of trust and acceptance or the employees. But by its very nature an open approach also involves being prepared to express feelings of hostility, anger and confrontation and not just feelings of love and support. In dealing with the reality, it is hoped that a much more insightful understanding of the problems can be developed and that solutions to problems will be long-term, since they deal with fundamentals as supposed to peripheral issues. In a sense, the open style of behaviour can be seen as the opposite of a political style of behaviour, since it values reveals the use of standard issues.

4. The laissez faire style:

The laissez faire behaviour is essentially a style of non-intervention in events when things are going well and according to plan. It is perhaps the most difficult style to get managers to consider, because it seems like an application of manageable responsibility. In fact it is fairly close to the principle of management by exception.

Roles of effective leaders

1. Make a commitment at all levels-especially at the top level:

Research clearly shows that strong leadership is paramount in creating a positive organizational climate for nurturing the management and helping in its growth. Senior management leadership is vital throughout the competency measurement and improvement process. By senior management, we mean the organizational level that can realistically foster cross-functional, mission-oriented performance improvements, from senior operating or functional managers in the various acquisition and program offices throughout a federal agency, to the secretary or administrator of the agency. Senior managements should have frequent formal and informal meetings with employed and managers to show their support for improvement efforts implementation initiatives. Also, they should frequently review progress and the results of improvement efforts.

2. Develop organizational goals:

Goals need to be specified and publicized to be able to provide focus and direction to the organization. Vision statement and strategic/tactical plans (including systematic ways to evaluate competency based performance) are important for methodically planning the targeted competency based performance improvements. To be meaningful, they must include measurable objectives along with realistic timetables for their achievement.

3. Offer training in improvement techniques:

Training should be provided to appropriate personnel to help them properly make process improvements. The scope of training should include the operation of

integrated project improvement teams, the role employees play in exercising sound business judgment, and the specific techniques for making process improvements (e.g. flowcharts, benchmarking, cause and effect diagram etc.) comprehensive training is needed to expand the employees' technical capabilities and to achieve —buy-in— for undertaking meaningful improvement efforts. Use of facilitators can provide —just-in-time— training to members of process action teams

4. Establish a reward and recognition systems to foster competency based performance improvements:

In our view, organizations should tie any reward and recognition system to competency based performance improvement as measured by the competency maps. Thus, employee incentives will tend to reinforce the organizational objectives being measured by the competency maps. While handing out rewards to individual employees has its own place, certain group reward and recognition systems are needed to encourage integrated, cross-functional teams of employees, customers and managers to undertake targeted competency based performance improvement.

5. Break down organizational barriers:

To overcome unfounded fears about the perceived adverse effects of competency based performance measurement and improvement, we believe that the official uses of the competency maps need to be spelled out to all the employees and managers.

4.10.2 Co- ordination, the essence of Managerial role

Some authorities consider coordination to be a separate function of the manager. It seems more accurate, however, to regard it as the essence of Managership, for achieving harmony among individual efforts made towards the accomplishment of group goals. Each of the managerial functions is an exercise contributing to coordination. Even in the case of a church, individuals often interpret similar interests in different ways, and their efforts towards mutual goals do not automatically mesh with the efforts of others. The central task of the manager is, therefore, to reconcile differences in approach, timing, effort or interest and to harmonize individual goals to contribute to organization goals.

COMMUNICATION:

INTRODUCTION

Communication is the exchange of messages between people for the purpose of achieving common meanings. Unless common meanings are shared, managers find it extremely difficult to influence others. Whenever group of people interact, communication takes place. Communication is the exchange of information using a shared set of symbols. It is the process that links group members and enables them to coordinate their activities. Therefore, when managers foster effective communication, they strengthen the connections between employees and build cooperation. Communication also functions to build and reinforce interdependence between various parts of the organization. As a linking mechanism among the different organizational subsystems, communication is a central feature of the structure of groups and organizations. It helps to coordinate tasks and activities within and between organizations.

DEFINITIONS OF COMMUNICATION

Whenever a group of people interact, communication takes place. Communication is the exchange of information using a shared set of symbols. It is the process that links group members and enables them to coordinate their activities. Therefore, when managers foster effective communication, they strengthen the connections between employees

and build cooperation. The term "communication" is derived from the Latin word "communis" which means "common". This stands for the sharing of ideas in common. It is the process of passing information and understanding from one person to another. According to Theo Haimann, "Communication, fundamental and vital to all managerial actions, is the process of imparting ideas and making oneself understood by others". According to Dalton McFarland, "Communication may be broadly defined as the process of meaningful interaction among human beings. More specifically, it is the process by which meanings are perceived and understandings are reached among human beings". According to Louis A Allen, "Communication is the sum of all the things one person does when he wants to create understanding in the mind of another. It is a bridge of meaning. It involves a systematic and continuous process of telling, listening and understanding". In the words of Newman and Summer, "Communication is an exchange of fact, ideas, opinions or emotions by two or more persons". According to Hudson, "Communication in its simplest form is conveying of information from one person to another". According to Charles E Redfield, communication is "the broad field of human interchange of facts and opinions and not the technologies of telephone, telegraph, radio and the like". According to Koontz and O'Donnell, "Communication, is an intercourse by words, letters symbols or messages, and is a way that the organization members shares meaning and understanding with another". In the words of Jacques, "Communication is the sum total of directly and indirectly, consciously and unconsciously transmitted feeling, attitudes and wishes". In the words of Mockler, "Communication is the process of passing information, ideas or even emotions from one person to another". In the words of Kelly, "Communication is a field of knowledge dealing with systematic application of symbols to acquire common information regarding an object or event". In the words of Brown, communication is "a process of transmitting ideas or thoughts from one person to another, for the purpose of creating understanding in the thinking of the person receiving the communication".

According to Sigmund, Communication is "the transmission and reception of ideas, feelings and attitudes both verbally and non-verbally eliciting a response. It is a dynamic concept underlying all lands of living systems".

According to Ordeay Tead, "Communication is a composite:

- 1 Of information given and received,
- 1 Of learning experience in which certain attitudes, knowledge and skills change, carrying with them alternations of behaviour,
- 1 Of a listening effort by all involved,
- 1 Of a sympathetic fresh examination of issues by communicator himself,
- 1 Of a sensitive interaction of points of view – leading to a higher level of shared understanding and common intention".

It should be clear from the above definitions that communication is not merely sending or receiving message. It is much more than that. It includes proper understanding of message, its acceptance and action on it. Unless common meanings are shared, managers find it extremely difficult to influence others. Communication is a critical part of every manager's job. Without effective communication, even the most brilliant strategies and the best-laid plans may not be successful. As a result, it is not surprising that high-level executives, as well as managers at other levels, often mention effective communication skills, both oral and written, as crucial elements for managerial success. Communication is thus an attempt

to share understanding by two or more persons. It is a two-way process and is completed when there is some response from the receiver of information. It has two basic objectives: To transmit message, ideas or opinions, and To create an impression or understanding in the minds of the receiver of information.

7.3 IMPORTANCE OF COMMUNICATION

Communication is an indispensable activity in all organizations. No organization can think of its existence without effective communication. That is why, Chester Bernard remarked, "the first executive function is to develop and maintain a system of communication". An organization's very survival depends on its employees' ability to communicate with one another and with the members of its environment. The free flow of ideas and information is an essential ingredient in the drive for quality and continuous improvement. The organization relies on communications to learn what its customers want, to foster cooperation among its employees, and to identify and adapt to changes in the environment. An effective communication system is essential to pass messages, ideas and information for explaining objectives and plans, controlling, performance and taking corrective action.

The importance of communication in management can be judged from the following:

1. Gaining acceptance of policies, winning cooperation of others, getting instructions and ideas clearly understood and bringing about the desired changes in performance are dependent upon effective communication.
2. Communication helps the management in arriving at vital decisions. In its absence, it may not be possible for the top-level management to come in closer contact with each other and discuss the important problems pertaining to the organization.
3. Constant communication with personnel helps the management to remain informed about their problems, difficulties and grievances. Appropriate steps can be taken in time to remove the worker's difficulties. Conflicts often arise because of communication gap. They can be averted by setting up a regular arrangement of keeping contact with the workers through communication media.
4. Communication is quite essential for coordination, which is the essence of effective management. It brings about mutual understanding between the personnel at all levels and fosters the spirit of cooperation. In the words of Mary Crushing Niles, "Good communications are essential to coordination. They are necessary upward, downward and sideways, through all the levels of authority and advise for the transmission, interpretation and adoption of policies, for the sharing of knowledge and information, and for the more subtle needs of good morale and mutual understanding".
5. Greater, better and cheaper production are the aims of all managers. In today's organizations; the information passes through a variety of filters and there is always a chance for misinterpretation. An effective system of communication can play a vital role in avoiding this illusion. The employees should be told clearly what exactly to do and the way in which an instruction is to be carried out. In this process certain directions are to be given, certain feelings must be expressed and a certain amount of interpersonal perceptions must be exchanged. In the words of Shobhana Khandwala, "For this, management has to sell ideas, motivate the workers to work with a will, and build up higher morale in the company. Communication, as an influence, process, plays a vital role here. It becomes, thus, a part of education, propaganda, leadership and guidance function of the management".
6. Under an effective system of communication it is quite convenient for the employees to express their grievances, and bring all their problems to the notice of the

management. Proper communications between the interested parties reduce the point of friction and minimize those that inevitably arise. Hence by effective communication, a group having 'skill' and 'will' to do is to be built up.

7. Communication helps in securing the largest possible participation or consultation in decision making, planning and general administration. This will give democratic character to managerial process and strengthen the morale of the staff.

FUNCTIONS OF COMMUNICATION

Communication serves four major functions within an organization.

7.4.1 Control

Communication acts to control the employees' behaviour. Organizations have authority hierarchies and formal guidelines that employees are required to follow. The control mechanism can work only when the communication – oral and written, is effective. Informal communication also controls behaviour.

7.4.2 Information

Communication is a vital necessity to an organization, just as the bloodstream is to the person. It is essential that information must be communicated to the managers on the basis of which the plans can be developed; these plans must be communicated to the operating managers and employees.

7.4.3 Motivation

Communication fosters motivation by clarifying to employees what is to be done, how well they are doing and what can be done to prove performance if it is unsatisfactory.

7.4.4 Emotional Expression

Communication provides a release for the emotional expression of feelings and for fulfillment of social needs. Employees show their frustrations and feelings of satisfaction through communication.

COMMUNICATION STYLES

When people communicate, they differ not only in non-verbal behaviours and language but in the degree to which they provide and seek information. Such differences constitute various communication styles. A popular model for describing differences in communication style is the Johari window developed by Joseph Luft and Harry Ingham. The name Johari is derived from the first names of its developers. The Johari window is a grid that describes tendencies for facilitating or hindering interpersonal communication. The model classifies an individual's tendencies to facilitate or hinder interpersonal communication along two dimensions: exposure and feedback. Exposure is defined as the extent to which an individual openly and candidly divulges feelings, experiences, and information when trying to communicate. Feedback is the extent to which an individual successfully elicits exposure from others. As shown in the figure above, these dimensions translate into four "windows" – open self, hidden self, blind self and undiscovered self.

1. **Open Self:** The open self is the arena information known to the person and to others. A large arena results from behaviour that is high in both exposure and feedback. There would generally be openness and compatibility and little reason to be defensive. This type of interpersonal relationship would tend decrease interpersonal conflict.

2. **Hidden Self:** In this situation the hidden information is known to the person but not to others; it encompasses those things or feelings that we are aware of but don't share with others for fear they will think less of us or possibly use the information against us. Very large hidden knowledge can cause problems if the person expends

too much effort in keeping secrets or others if suspicious about the lack of disclosure. There is potential interpersonal conflict in this situation because the person may keep his or her true feelings or attitudes secret and will not open up to the others.

3. **Blind Self:** The blind self are information known to others but not to yourself. This is the result of no one ever telling you or because you are defensively blocking them out. The person may be unintentionally irritating to the other. The other could tell the person but may be fearful of hurting the person's feelings. Such a configuration is rarely total human resources. Furthermore, the person is likely to make many blunders, reflecting insensitivity to others. As in the "hidden self", there is potential interpersonal conflict in this situation.

4. **Undiscovered Self:** The undiscovered self includes feelings, experience, and information that neither you nor others are aware of. It arises from lack of communication. A manager whose unknown area is very large tends to be an autocratic leader, perceived as aloof. Employees may have trouble discerning what this person wants. In other words, there is much misunderstanding and interpersonal conflict and is almost sure to result.

The Johari window only points out possible interpersonal styles. It does not necessarily describe but rather helps analyze possible interpersonal conflict situations. The National Training Laboratory (NTL) recommends seven guidelines for providing feedback for effective interpersonal relations. These guidelines given below can help to decrease the potential for interpersonal conflict.

BARRIERS TO EFFECTIVE COMMUNICATION

Barriers to communication are factors that block or significantly distort successful communication. Effective managerial communication skills helps overcome some, but not all, barriers to communication in organizations. The more prominent barriers to effective communication which every manager should be aware of is given below:

7.11.1 Filtering

Filtering refers to a sender manipulating information so it will be seen more favourably by the receiver. The major determinant of filtering is the number of levels in an organization's structure. The more vertical levels in the organization's hierarchy, the more opportunities for filtering. Sometimes the information is filtered by the sender himself. If the sender is hiding some meaning and disclosing in such a fashion as appealing to the receiver, then he is "filtering" the message deliberately. A manager in the process of altering communication in his favour is attempting to filter the information.

7.11.2 Selective Perception

Selective perception means seeing what one wants to see. The receiver, in the communication process, generally resorts to selective perception i.e., he selectively perceives the message based on the organizational requirements, the needs and characteristics, background of the employees etc. Perceptual distortion is one of the distressing barriers to the effective communication. People interpret what they see and call it a reality. In our regular activities, we tend to see those things that please us and to reject or ignore unpleasant things. Selective perception allows us to keep out dissonance (the existence of conflicting elements in our perceptual set) at a tolerable level. If we encounter something that does not fit out current image of reality, we structure the situation to minimize our dissonance. Thus, we manage to overlook many stimuli from the environment that do not fit into out current perception of the world. This process has significant implications for managerial activities. For example, the employment interviewer

who expects a female job applicant to put her family ahead of her career is likely to see that in female applicants, regardless of whether the applicants feel that way or not.

7.11.3 Emotions

How the receiver feels at the time of receipt of information influences effectively how he interprets the information. For example, if the receiver feels that the communicator is in a jovial mood, he interprets that the information being sent by the communicator to be good and interesting. Extreme emotions and jubilation or depression are quite likely to hinder the effectiveness of communication. A person's ability to encode a message can become impaired when the person is feeling strong emotions. For example, when you are angry, it is harder to consider the other person's viewpoint and to choose words carefully. The angrier you are, the harder this task becomes. Extreme emotions - such as jubilation or depression - are most likely to hinder effective communication. In such instances, we are most prone to disregard our rational and objective thinking processes and substitute emotional judgments.

7.11.4 Language

Communicated message must be understandable to the receiver. Words mean different things to different people. Language reflects not only the personality of the individual but also the culture of society in which the individual is living. In organizations, people from different regions, different backgrounds, and speak different languages. People will have different academic backgrounds, different intellectual facilities, and hence the jargon they use varies. Often, communication gap arises because the language the sender is using may be incomprehensible, vague and indigestible. Language is a central element in communication. It may pose a barrier if its use obscures meaning and distorts intent. Words mean different things to different people. Age, education and cultural background are three of the more obvious variables that influence the language a person uses and the definitions he or she gives to words. Therefore, use simple, direct, declarative language. Speak in brief sentences and use terms or words you have heard from you audience. As much as possible, speak in the language of the listener. Do not use jargon or technical language except with those who clearly understand it.

7.11.5 Stereotyping

Stereotyping is the application of selective perception. When we have preconceived ideas about other people and refuse to discriminate between individual behaviours, we are applying selective perception to our relationship with other people. Stereotyping is a barrier to communications because those who stereotype others use selective perception in their communication and tend to hear only those things that confirm their stereotyped images. Consequently, stereotypes become more deeply ingrained as we find more "evidence" to confirm our original opinion.

Stereotyping has a convenience function in our interpersonal relations. Since people are all different, ideally we should react and interact with each person differently. To do this, however, requires considerable psychological effort. It is much easier to categorize (stereotype) people so that we can interact with them as members of a particular category. Since the number of categories is small, we end up treating many people the same even though they are quite different. Our communications, then, may be directed at an individual as a member of a category at the sacrifice of the more effective communication on a personal level.

7.11.6 Status Difference

The organizational hierarchy pose another barrier to communication within organization, especially when the communication is between employee and manager. This is so because the employee is dependent on the manager as the primary link to the organization and

hence more likely to distort upward communication than either horizontal or downward communication. Effective supervisory skills make the supervisor more approachable and help reduce the risk of problems related to status differences. In addition, when employees feel secure, they are more likely to be straightforward in upward communication.

7.11.7 Use of Conflicting Signals

A sender is using conflicting signals when he or she sends inconsistent messages. A vertical message might conflict with a nonverbal one. For example, if a manager says to his employees, "If you have a problem, just come to me. My door is always open", but he looks annoyed whenever an employee knocks on his door". Then we say the manager is sending conflicting messages. When signals conflict, the receivers of the message have to decide which, if any, to believe.

7.11.8 Reluctance to Communicate

For a variety of reasons, managers are sometimes reluctant to transmit messages. The reasons could be:-

l They may doubt their ability to do so.

l They may dislike or be weary of writing or talking to others.

l They may hesitate to deliver bad news because they do not want to face a negative reaction. When someone gives in to these feelings, they become a barrier to effective

Communication communications.

7.11.9 Projection

Projection has two meanings.

(a) Projecting one's own motives into others behaviour. For example, managers who are motivated by money may assume their subordinates are also motivated by it. If the subordinate's prime motive is something other than money, serious problems may arise.

(b) The use of defense mechanism to avoid placing blame on oneself. As a defense mechanism, the projection phenomenon operates to protect the ego from unpleasant communications. Frequently, individuals who have a particular fault will see the same fault in others, making their own fault seem not so serious.

7.11.10 The "Halo Effect"

The term "halo effect" refers to the process of forming opinions based on one element from a group of elements and generalizing that perception to all other elements. For example, in an organization, a good attendance record may cause positive judgements about productivity, attitude, or quality of work. In performance evaluation system, the halo effect refers to the practice of singling out one trait of an employee (either good or bad) and using this as a basis for judgement of the total employee (e.g., seeing the well-dressed

manager as the "good" manager).

UNIT V CONTROLLING

THE SYSTEM & PROCESS OF CONTROLLING DEFINITIONS

There are many definitions of controlling.

1. Controlling is the process of determining what is being accomplished.

2. Controlling is evaluating the performance and if necessary applying corrective measures so that the performance takes place according to plans.
 3. Controlling is measurement and correction of performance in order to make sure that enterprise objectives and the plan advised to attain them are being accomplished.
 4. Controlling is looking behind planning bears a close relationship to controlling.
 5. Effective controlling assists to regulate actual performance to assure that it takes place as planned.
 6. Controlling exists at every management level from president to supervisor of a company
- Control is the process through which managers assure that actual activities conform to planned activities.

ACCORDING TO BREACH

"Control is checking current performance against predetermined standards contained in the plans, with a view to ensuring adequate progress and satisfactory performance."

ACCORDING TO GEORGE R TERRY –

"Controlling is determining what is being accomplished i.e., evaluating the performance and if necessary, applying corrective measures so that the performance takes place according to plans."

ACCORDING TO BILLY E GOETZ

"Management control seeks to compel events to conform plans".

ACCORDING TO ROBERT N ANTHONY –

"Management control is the process by which managers assure that resources are obtained and used effectively and efficiently."

IN THE WORDS OF KOONTZ AND O'DONNELL

"Managerial control implies measurement of accomplishment against the standard and the correction of deviations to assure attainment of objectives according to plans."

IN THE WORDS OF HAYNES AND MASSIE

"Fundamentally, control is any process that guides activity towards some predetermined goal. The essence of the concept is in determining whether the activity is achieving the desired resultsl.

IN THE WORDS OF HENRY FAYOL

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

From the above definitions it is clear that the managerial function of control consists in a comparison of the actual performance with the planned performance with the object of discovering whether all is going on well according to plans and if not why. Remedial action arising from a study of deviations of the actual performance with the standard or planned performance will serve to correct the plans and make suitable changes. Controlling is the nature of follow-up to the other three fundamental functions of management. There can, in fact, be not controlling without previous planning, organizing and directing.

Controlling cannot take place in a vacuum.

THE BASIC CONTROLL PROCESS

The basic control process involves three steps.

1. Establishing standards.
2. Measuring performance against these standards.
3. Correcting variations from standard and plans / correction of deviations.

1. ESTABLISHING STANDARD

Standards are by definition is simply criteria of performance. Standards are the selected points in a planning performance at which performance is measured, so that managers can receive signals about how things are going.

There are many kinds of standard.

(1)Physical Standard (2) cost Standard (3) capital Standard (4) revenue Standard (5) program Standard (6) intangible Standard (7) goals/ objectives Standard (8) Strategic plans as : control point strategic control.

2. MEASUREMENT OF PERFORMANCE

It is the second step of control process. Although such measurement is not always predictable, but if standard are appropriately drawn and if means are available for determining exactly what subordinates are doing then measurement of performance is fairly easy. But there are many activities for which it is difficult to develop accurate standards and there are many activities that are hard to measure. Technical kind of work is hard to measure performance.

3. CORRECTION OF DEVIATIONSS

It is third and last step of control process. If performance is measured accurately, it is easier to correct deviations manager know exactly where the corrective measure must be applied correction of deviations is the point at which contact can be related to the other managerial factions. Managers may correct deviations by redrawing their plans or by modifying their goals or they may correct deviations by clarification of duties.

CRITICAL CONTROL POINTS & STANDARDS

Standards are yardsticks against which expected performance is measured. In simple operation a manager may control through careful observations. But, in most operations this is not possible because of the complexity of the operations. Manager must choose points for special attention and then watch them to be sure that the whole operation is proceeding as planned.

The points selected for control should be critical. With such standards, manager can handle a large group of subordinates and plans are working out the principle or critical. Points control states —effective control requires attention to these factors critical to evaluating performance against plans.

QUESTION OF SELECTED CRITICAL POINT OF CONTROL

In selection of critical control points, manager must ask themselves such questions.

- 1- What will best reflect the goals of my department? -88-
- 2- What will best show me when these goals are not being met?
- 3- What will best measure critical deviation?
- 4- What will tell me who is responsible for any failure?
- 5- What standard will cost the least?
- 6- For what standards is information economically-available?

TYPES OF CRITICAL POINT STANDARDS

There are many types of standards

1- PHYSICAL STANDARDS

Physical standards are non monetary measurements and common at operating level

where material is used, labor is employed, services are rendered and goods- are produce-they may-reflect quantities such as labor hours per unit of output, unit of production per machine hour etc. physical standards may also reflect quality such as hardness of bearing, durability of fabric, fastness of color etc.

2- COST STANDARDS

Cost standards are monetary measurements and common at the operating level. Cost standards are widely used to measure direct and indirect costs per unit produced, labor cost per unit or per hour material cost per unit, machine cost per hour etc.

3- CAPITAL STANDARDS

There are varieties of capital standards. These standards are primarily related to the balance sheet rather than to the income statements. Capital standards range from monetary measurements to physical items. These standards may be indifferent ratios such as the ratio of current assets to current liabilities etc.

REVENUE STANDARDS

Revenue standards arise from attaching monetary values to sales. They may include such standards as average sales per customer etc.

PROGRAMME STANDARDS

Such standards are determined for installing a variable budget program, for example program for improving the quality of a sale fore.

INTANGIBLE STANDARDS

Sometime it is difficult to establish standards for quantitative and qualitative measurement, especially when human relationships count in performance. It is very difficult to measure human attitudes, in connection with individual's loyalty, efficiency, etc. All this need to be based on intangible standards.

GOALS AS STANDARDS

Goal can be used as performance standards. Both in simple in complex operations quantitative and qualitative Goals represents an important development in the area of standards.

STRATEGIC PLANS AS CONTROL POINTS FOR STRATEGIC CONTROL

Strategic plans require strategic control. Through the use of strategic control awareness about the organizational performance and about ever changing environment by monitoring it.

CONTROL AS FEEDBACK SYSTEM

This system places control in more complex way. These systems including steps, establishing standards, measuring performance and correcting for deviations. Managers do measure performance, establish standards and identify deviations, they must then to make the necessary corrective action.

RAEL TIME INFORMATION & CONTROL

FEEDBACK FORWARD CONTROL

Feed forward control is system that attempts to identify future deviations. This control shows the deficiency of historical data. For example one of the difficulties with such historical data is that they tell business managers is November that they lost money in October or even September because of some thing that was don in July. At this late time such information is only a interesting historical fact. Feed forward control is manager have been so dependent for purposes of control on accounting and statistical data.

CONTROL TECHNIQUES

THE BUDGET

A widely used device for managerial control is the budget. Budgeting is the device for accomplishing control.

THE CONCEPT OF BUDGETING

Budgeting is the formulation of plans for a given future period in numerical terms.

THE PURPOSE OF BUDGETING

Starting plans in terms of numbers and breaking into parts parallel the parts of an organization. Budgets enables managers to see clearly what capital will be spent by whom and where, and what expense, revenue the plans will involve. A budget must reflect the organizational pattern. When plans are completed, co-coordinated and developed a departmental budget can be used as an instrument of control.

TYPES OF BUDGETS

Budgets may be classified in to several basic types

1. REVENUE AND EXPENSE BUDGETS

Revenue and expense budgets are most common budget which are used to make plans for revenue and expenses in dollar terms.

2. TIME , SPACE , MATERIAL &PRODUCT BUDGETS

Many budgets are better expressed in quantities rather than in numerical terms or monetary terms. Although such budgets are usually translated into monetary terms but if they are expressed in terms of quantities, they are most significant at certain stage of planning and control. I.e. machine hours, etc.

3. CAPITAL EXPENDITURE BUDGETS

Capital expenditure budgets shows capital expenditure for plant, machinery, equipment, inventories etc.

4. CASH BUDGETS

The cash budget is a fore cast of cash receipts. Cash budgeting shows the availability of excess cash etc.

EFFECTIVE BUDGETARY CONTROL

If budgetary controls are to work well managers have limitations and they must be tailored to each job. There are many effective budgetary controls.

1. TOP-MANAGEMENT SUPPORT

To make most effective budget, administration must receive the whole hearted support of top-management.

2. PARTICIPATION

Real participation in budget making is necessary for success.

3. STANDARDS

One of the key to successful budgeting is to develop and make available standards by which programs and work can be translated in to need for labor, operating expenses , capital expenditures , space and other resources. Many budgets fail for lake of such standards.

4. INFORMATIONS

Finally if budgetary control is to work managers need ready information about actual and forecast performance under budgets by their departments. This information must be designed to show them how well thy are doing.

DANGERS IN BUDGETING

Budgets are used for planning and control. Unfortunately, some budgetary control programs are so complete and detailed that they must become meaningless and expensive.

There are many dangers in budgeting.

1. Over budgeting.
2. Hiding influences.
3. Causing inflexibility.
4. Overriding enterprise goals.

METHODS FOR DECREASING DANGERS 1. VARIABLE BUDGETS

Because dangers arise from inflexibility in budgets so these dangers can be decreased by variable or flexible budgeting?

2. ALTERNATIVE AND SUPPLEMENTARY BUDGETS

Another method of obtaining variable budgeting is to establish alternative budgets and variable budgets can also be obtained by supplementary budgets.

3. ZERO BASE BUDGETING

Another method to obtain budget flexibility is zero- base budgeting.

TRADITIONAL NON BUDGETORY CONTROL TECHNIQUES

There are also many traditional non-budgetary control techniques used for budgetary control. The more important are

1. STATISTICAL DATA

Statistical analysis of an operation and the clear presentation of statistical data (historical forecast nature) are important to control. Most managers understand statistical data best when the data are presented in chart or graphic form. In chart or graphic trends and relationship are easier to see. Moreover, if data are meaningful, when presented on chart then data should be formulated in such a way that comparison with some standard can be made. What is the significance of a 3 or 10 percent rise or fall in sales or costs? Who is responsible for clear presentation of statistical data in chart in an art that requires imagination?

Moreover, since no manager can do anything about history so the data, presented in charts should be made available about information like variations due to accounting adjustment and other periodic difference.

SPECIAL REPORTS AND ANALYSIS

Special reports and analyses help in problems for control purposes. Although accounting and statistical reports give necessary information's but there are some problems in which they are inadequate. One successful manager of a completed operation hired a small staff of trained analysts and gives them no assignment other than investigating and analyzing activities under his control. This group developed of a surprising sense for situations in which things did not seem just right. Almost invariably, their investigation disclosed opportunities for cost improvement.

OPERATIONAL AUDIT

Another effective tool of managerial control is the internal audit or operational audit. Operational auditing is the regular and independent appraisal of the accounting, financial and other operations of an enterprise by a staff of internal auditors. The operational auditors reflect the fact, appraise policies procedure, use of authority, quality of management, effectiveness of methods, special problems and other phases of operations.

PERSONAL OBSERVATION

One should never over-look the importance of control through personal



NPR COLLEGE OF ENGINEERING & TECHNOLOGY

NPR. Nagar, Natham - 624 401, Tamil Nadu, India.
Phone No. : 04544 - 305500, 501 & Fax No: 04544-305562
Website: www.nprcolleges.org E-Mail: nprgi@nprcolleges.org

observation. Budgets, charts, reports, ratios, auditors, recommendations and other devices are essential to control. But the manager who depends wholly on these devices and sit cannot make effective control. Managers should have task of seeing the enterprise objectives are accomplished by people. A manager can get information and experience from personal observation.

TIME-EVENT NETWORK ANALYSIS

DEFINITION

Time- event network analysis is a planning & control technique. It is also called

(PERT). Performance, evaluation and review technique.

EXPLANATION

What is PERT?

P- Program

E- Evaluation

R- Review

T- Techniques

PERT is a planning and control technique through which we evaluate a program and courses of implementation and on the basic of that evaluation we review over program.

In this time event analysis introduced in PERT from and then introduced further two more techniques.

First is Gantt chart

Second Milestone budgeting.

