

# MANAGEMENT

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# Introduction

# Definitions of Management

- Louis E Boone & David L Kurtz- The use of people and other resources to accomplish objectives.
- Mary Parker Follet- the act of getting things done through people.
- Frederick Taylor defines Management as the art of knowing what you want to do in the best and cheapest way.

# Characteristics

- Management is a distinct process.
- Management is an organized activity
- Management aims at the accomplishment of predetermined objectives.
- Management is both a science and an art.
- Management is a group activity
- Management principles are universal in nature
- Management integrates human and other resources.

# Steps in MBO

- To establish long-term and short-term organizational goals
- To establish long-term and short-term objectives for each manager, clarifying the key performance standards
- Periodic review of performance
- Encouraging managers to accept responsibility

# Benefits of MBO

- The need for planning will be recognized
- It provides for objectives and accountability for performance
- It encourages participative management
- It helps in job enrichment
- It provides for a good feedback system

# Features of Management

- Management involves five functions
- These functions are organised to achieve organisational goals.
- Management involves effective and efficient use of resources

# Functions of Management

- PLANNING
- ORGANIZING
- STAFFING
- DIRECTING
- CONTROLLING



# Planning

- Planning is determining the objectives and formulating the methods to achieve them. It is more simply said than done. A job well planned is half done. During planning one needs to ask oneself the following:
- What am I trying to accomplish i.e. what is my objective?
- What resources do I have and do I need to accomplish the same?
- What are the methods and means to achieve the objectives?
- Is this the optimal path?

# Types of Planning

- **Objectives**-It is the ultimate goal towards which the activities of the organization are directed
- **Strategies**-general program of action and deployment of resources
- **Policies**-general statement or understanding which guide or channel thinking in decision making
- **Procedures**-states a series of related steps or tasks to be performed in a sequential way
- **Rules**-prescribes a course of action and explicitly states what is to be done
- **Programs**-comprehensive plan that includes future use of different resources
- **Budgets**-statement of expected results expressed in numerical terms

# Steps in Planning

1. Determining the goals or objectives for the entire organization.
2. Making assumptions on various elements of the environment.
3. To decide the planning period.
4. Examine alternative courses of actions.
5. Evaluating the alternatives.
6. Real point of decision making
7. To make derivative plans.

# Types of Managerial Decisions

- Programmed
- Non programmed.
- Mechanistic-It is one that is routine and repetitive in nature
- Analytical-It involves a problem with a larger number of decision variables
- Judgmental-It involves a problem with a limited number of decision variables, but the outcomes of decision alternatives are unknown
- Adaptive-It involves a problem with a large number of decision variables, where outcomes are not predictable

# Process of Organizing

- Determine what is to be done/ Division of Work:
- Assign Tasks: Departmentalization:
- Link Departments: Hierarchy Development:
- Decide how much Authority to Designate/ Authority, Responsibility and Delegation:
- Decide the Levels at which Decisions are to be made / Centralization vs. Decentralization:
- Decide how to Achieve Coordination

# Techniques for achieving coordination

- Coordination by Rules or Procedures
- Coordination by Targets or Goals:
- Coordination through the Hierarchy
- Coordination through Departmentalization
- Using a Staff Assistant for Coordination:
- Using a Liaison for Coordination:
- Using a Committee for Coordination
- Using Independent Integrators for Coordination:
- Coordination through Mutual Adjustment

# Staffing

## Definition 1

- Selecting and training individuals for specific job functions, and charging them with the associated responsibilities.

## Definition 2

- Number of employed personnel in an organization or program. Also called workforce.

# Directing

- Provides positive and dynamic leadership
- Provides maximum opportunities
- Provides proper motivation of personnel
- Ability to command people



# Controlling Concepts

- **Feed Forward Control**-Control that attempts to identify and prevent deviations before they occur is called feed forward control, sometimes called preliminary or preventive control.
- **Concurrent Control**-Control that monitors ongoing employee activities during their progress, to ensure they are consistent with quality standards, is called concurrent control.
- **Feedback Control**-In this case, the control takes place after the action. Sometimes called post-action or output control

# Steps in the Control Process

- Establish Standards of Performance
- Measure Actual Performance
- Compare Performance to Standards:
- Take Corrective Action

# Principles of Effective Control

- Effective controls are timely.
- Control standards should encourage compliance.
- Setting effective standards is important
- Use management by exception.
- Employees should get fast feedback on performance.
- Do not over rely on control reports.
- Fit the amount of control to the task.

# Types of Managers

- **FIRST-LINE MANAGERS-** often called supervisors stand at the base of the managerial hierarchy
- **MIDDLE MANAGERS-** heads of various departments and organise human and other resources to achieve organizational goals
- **TOP MANAGERS-** set organizational goals, strategies to implement them and make decisions.

# What Makes Managers Successful?

- Hard work
- Smart work
- Patience
- Out of box thinking
- Reading and acquiring knowledge
- Ethical consciousness
- Collaborative relationship
- Perseverance

# **EVOLUTION OF MANAGEMENT THOUGHTS**

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## Environmental Factors Influencing Management Thought

- Economic Influences
  - The availability, production, and distribution of resources within a society.
- Social Influences
  - The aspects of a culture that influence interpersonal relationships.
- Political Influences
  - The impact of political institutions on individuals and organizations.

## Environmental Factors Influencing Management Thought (Contd.)

- Economic Influences
  - The availability, production, and distribution of resources within a society.
- Social Influences
  - The aspects of a culture that influence interpersonal relationships.
- Political Influences
  - The impact of political institutions on individuals and organizations.
- Technological Influences
  - The advances and refinements in any of the devices that are used in conjunction with conducting business.
- Global Influences
  - The pressures to improve quality, productivity, and costs as organizations attempt to compete in the worldwide marketplace.



# Scientific Management: Taylor

- Frederick W. Taylor (1856-1915)
  - *Father of “Scientific Management.”*
    - ❖ attempted to define “the one best way” to perform every task through systematic study and other scientific methods.
    - ❖ believed that improved management practices lead to improved productivity.
  - *Three areas of focus:*
    - ❖ Task Performance
    - ❖ Supervision
    - ❖ Motivation
- Scientific management incorporates basic expectations of management, including:
  - Development of work standards
  - Selection of workers
  - Training of workers
  - Support of workers

# Scientific Management: The Gilbreths

- Frank Gilbreth

- Specialized in time and motion studies to determine the most efficient way to perform tasks.
- Used motion pictures of bricklayers to identify work elements (therbligs) such as lifting and grasping.

- Lillian Gilbreth

- A strong proponent of better working conditions as a means of improving efficiency and productivity.
  - ❖ Favored standard days with scheduled lunch breaks and rest periods for workers.
  - ❖ Strived for removal of unsafe working conditions and the abolition of child labor.

# Administrative Management: Fayol

- Henri Fayol (1841–1925)
  - First recognized that successful managers had to understand the basic managerial functions.
  - Developed a set of 14 general principles of management.
  - Fayol ' s managerial functions of planning, leading, organizing and controlling are routinely used in modern organizations.

# Fayol's General Principles of Management

1. Division of work
2. Authority and responsibility
3. Discipline
4. Unity of command
5. Unity of direction
6. Subordination of individual interest to the common good
7. Remuneration of personnel
8. Centralization
9. Scalar chain
10. Order
11. Equity
12. Stability
13. Initiative
14. Esprit de corps

# Bureaucratic Management: Weber

- Max Weber (1864–1920)
  - A German sociologist and historian who envisioned a system of management that would be based upon impersonal and rational behavior—the approach to management now referred to as “bureaucracy.”
    - ❖ Division of labor
    - ❖ Hierarchy of authority
    - ❖ Rules and procedures
    - ❖ Impersonality
    - ❖ Employee selection and promotion

# Behavioral Perspective

- Followed the classical perspective in the development of management thought.
  - Acknowledged the importance of human behavior in shaping management style
  - Is associated with:
    - ❖ Mary Parker Follett
    - ❖ Elton Mayo
    - ❖ Douglas McGregor
    - ❖ Chester Barnard

# Mary Parker Follett

- Concluded that a key to effective management was coordination.
- Felt that managers needed to coordinate and harmonize group effort rather than force and coerce people.
- Believed that management is a continuous, dynamic process.
- Felt that the best decisions would be made by people who were closest to the situation.

# Elton Mayo

- Conducted the famous Hawthorne Experiments.
  - *“Hawthorne Effect”*
    - ❖ Productivity increased because attention was paid to the workers in the experiment.
    - ❖ Phenomenon whereby individual or group performance is influenced by human behavior factors.
- His work represents the transition from scientific management to the early human relations movement.



# Douglas McGregor

- Proposed the Theory X and Theory Y styles of management.
  - Theory X managers perceive that their subordinates have an inherent dislike of work and will avoid it if at all possible.
  - Theory Y managers perceive that their subordinates enjoy work and that they will gain satisfaction from performing their jobs.

# Comparison of Theory X and Theory Y Assumptions

<b>Factor</b>	<b>Theory X Assumptions</b>	<b>Theory Y Assumptions</b>
• <i>Employee attitude toward work</i>	Employees dislike work and will avoid it if at all possible.	Employees enjoy work and will actively seek it.
<i>Management view of direction</i>	Employees must be directed, coerced, controlled, or threatened to get them to put forth adequate effort.	Employees are self-motivated and self-directed toward achieving organizational goals.
<i>Employee view of direction</i>	Employees wish to avoid responsibility; they prefer to be directed and told what to do and how to do it.	Employees seek responsibility; they wish to use their creativity, imagination, and ingenuity in performing their jobs.
• <i>Management style</i>	Authoritarian style of management	Participatory style of management

# Chester Barnard

- Felt that executives serve two primary functions:
  - Must establish and maintain a communications system among employees.
  - Must establish the objectives of the organization and motivate employees.
- Developed an acceptance theory of authority:
  - Authority of a manager flows from the ability of subordinates to accept or reject an order from the manager once they:
    - ❖ Comprehend what the order requires of them.
    - ❖ Review the order's consistency with organization goals.
    - ❖ Perceive a personal benefit in obeying the order.

# Systems Perspective

- An approach to problem solving based on an understanding of the basic structure of systems.
  - Environmental interaction
    - ❖ **Open systems** must interact with the external environment to survive.
    - ❖ **Closed systems** do not interact with the environment.
  - Synergy: when all subsystems work together making the whole greater than the sum of its parts.
  - Entropy: the tendency for systems to decay over time.

# The Contingency Perspective

- A view that proposes that there is no one best approach to management for all situations.
  - Asserts that managers are responsible for determining which managerial approach is likely to be most effective in a given situation.
  - This requires managers to identify the key contingencies in a given situation.

# Management in the 21<sup>st</sup> Century

- William Ouchi's Theory Z
  - Japanese-style approach to management developed by William Ouchi
    - ❖ Advocates trusting employees and making them feel like an integral part of the organization.
    - ❖ Based on the assumption that once a trusting relationship with workers is established, production will increase.

# **ORGANIZING**

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# What is organizing?

Arranging and structuring work to accomplish organizational goals



# Purpose of Organizing

- Divides work to be done into specific jobs and departments
- Assigns tasks and responsibilities associated with individual jobs
- Coordinates diverse organizational tasks
- Clusters jobs into units
- Establishes relationships among individuals, groups, and departments
- Establishes formal lines of authority
- Allocates and deploys organizational resources

# Organizational Structure

- It is a formal arrangement of jobs within organization
- We can illustrate the organizational structure by using “organizational chart”
- When managers create or change the structure, they’re engaged in “organizational design”

# Division of Labor

- Work specialization for greater efficiency
- Division of labor is the arrangement of having discrete parts of a task done by different people.
- With division of labor, an organization can parcel out the entire complex work effort to be performed by specialists, resulting in greater efficiency.

# Job Design

- The number, kind, and variety of tasks that individual workers perform in doing their jobs.
  - **Job Specialization:** a job composed of a small part of a larger task or process

# Eight Types of Organizational Arrangement

- Simple Structure
- Functional Structure
- Divisional Structure
- Conglomerate Structure
- Hybrid Structure
- Matrix Structure
- Team-Based Structure
- Network Structure

# Hierarchy of Authority

- Or the Chain of Command
- It is a control mechanism for making sure the right people do the right things at the right time
- Without tiers or ranks of authority, a lone manager would have to confer with everyone in his/her domain, making it difficult to get things done

# Span of Control

- or span of management, refers to the number of people reporting directly to a given manager
- There are 2 kinds of spans of control:
  - **Narrow** (or tall): manager has limited number of people reporting — more managers are required, managers can communicate quickly to subordinates and control them easily
  - **Wide** (or flat): manager has several people reporting—less managers are required = more efficient in terms of cost, the message reaches more employees faster, faster decision making

# FORECASTING

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# Objectives of Forecasting

- Give the fundamental rules of forecasting
- Calculate a forecast using a moving average, weighted moving average, and exponential smoothing
- Calculate the accuracy of a forecast

# Why is forecasting important?

Demand for products and services is usually uncertain.

Forecasting can be used for...

- Strategic planning (long range planning)
- Finance and accounting (budgets and cost controls)
- Marketing (future sales, new products)
- Production and operations

# Types of Forecasting Methods

Qualitative Methods: Rely on subjective opinions from one or more experts.

Quantitative Methods: Rely on data and analytical techniques.

# Which Forecasting Method Should You Use

- Gather the historical data of what you want to forecast
- Divide data into initiation set and evaluation set
- Use the first set to develop the models
- Use the second set to evaluate
- Compare the MADs and MFEs of each model

# **DECISION MAKING**

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# The Nature of Managerial Decision Making

**Decision making:** Process by which managers respond to opportunities and threats by analyzing options, and making determinations about specific organizational goals and courses of action

# The Diverse Forces Influencing Business Activities

Other people, groups & forces interact w/ business to shape its activities:

- a. The **organization** itself, whose mission and objectives determine what business it is in and what goals it seeks
- b. **Management** is responsible for establishing these goals & corporate strategy to satisfy them
- c. The **marketing department** works w/ other departments to develop products and facilitate relationships with customers, shareholders, suppliers, & other organizations

**Environmental forces** shape an organization's activities & include social/cultural technological, economic, competitive, ecological and ethical/regulatory forces a. i.e. business is affected by and impacts society and culture

- b. The organization must strike a continual balance among competing interests of customers, suppliers, channel partners, employees, & shareholders

# Types of Decision Making

- **Programmed decision:** Routine, virtually automatic decision making that follows established rules or guidelines
  - Managers have made these decisions many times before
  - Define rules or guidelines to follow based on experience with past decisions
  - Little ambiguity involved
- **Non-programmed decisions:** Nonroutine decision making that occurs in response to unusual, unpredictable opportunities and threats
- In the absence of decision rules managers may rely on their intuition



# The Classical Model of Decision Making

- Prescriptive model that assumes the decision maker can identify and evaluate all possible alternatives and their consequences and rationally choose the most appropriate course of action
- **Optimum decision:** Most appropriate decision in light of what managers believe to be the most desirable consequences for the organization

# The Administrative Model of Decision Making

- An approach to decision making that explains why decision making is inherently uncertain and risky and why managers usually make satisfactory rather than optimum decisions
  - Bounded rationality, incomplete information

# Causes of Incomplete Information

- **Risk:** Degree of probability that the possible outcomes of a particular course of action will occur
- **Uncertainty:** When the probabilities of alternative outcomes cannot be determined and future outcomes are unknown
- **Ambiguous information:** Information that can be interpreted in multiple and conflicting ways
- **Time constraints and information costs:** Managers have neither the time nor money to search for all possible alternatives and evaluate potential consequences
- **Satisficing:** Searching for and choosing an acceptable, or satisfactory response to problems and opportunities, rather than trying to make the best decision

# Decision Making Steps

- Step 1 - Recognize need for a decision
  - Sparked by stimuli such as changes in the organizational environment
  - Managers who actively pursue opportunities to use these competencies create the need to make decisions
- Step 2 - Generate alternatives
  - Managers must develop feasible alternative courses of action
    - Failure to properly generate and consider different alternatives sometimes leads to bad decisions
    - It is hard to develop creative alternative solutions
- Step 3 - Assess alternatives
  - Key to a good assessment of the alternatives
    - Define the opportunity or threat exactly
    - Specify the criteria that should influence the selection of alternatives
- Step 4 - Choose among alternatives
  - Rank the various alternatives and make a decision
    - There is a tendency for managers to ignore critical information, even when available
- Step 5 - Implement chosen alternative
  - Managers must now implement the selected course of action
  - Implementing the chosen course of action would require making subsequent decisions
  - Managers should take up the responsibility for making the follow-up decisions necessary to achieve the goal
- Step 6 - Learn from feedback
  - Compare what happened to what was expected to happen
  - Explore why any expectations for the decision were not met
  - Derive guidelines that will help in future decision making

# Group Decision Making

- Superior to individual decision making
- Choices less likely to fall victim to bias
- Able to draw on combined skills, competencies, and accumulated knowledge of group members
- Improve ability to generate feasible alternatives and make good decisions
- Allows managers to process more information
- Probability of the decision being implemented successfully increases
- Groupthink
  - Pattern of faulty and biased decision making that occurs in groups
  - Members strive for agreement among themselves at the expense of accurately assessing information relevant to a decision
- **Devil's advocacy:** Critical analysis of a preferred alternative to ascertain its strengths and weaknesses before it is implemented

# Organizational Learning and Creativity

- **Organizational learning:** Process through which managers seek to improve a employee's desire and ability to understand and manage the organization and its task environment
- **Creativity:** Decision maker's ability to discover original and novel ideas that lead to feasible alternative courses of action
- **Innovation:** Implementation of creative ideas in an organization

# **LINE AND STAFF DECENTRALIZATION**

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# LINE AND STAFF...

- DEALS WITH THE AUTHORITY RELATIONSHIPS
- i.e THE PROBLEMS OF LINE AND STAFF
- WHAT IS POWER, RESPONSIBILITY AND AUTHORITY?
- WHAT ARE AUTHORITY RELATIONSHIPS?



# LINE AND STAFF

- LINE FUNCTIONS ARE THOSE WHICH HAVE **DIRECT RESPONSIBILITY** FOR ACCOMPLISHING THE OBJECTIVES OF THE ENTERPRISE.
- STAFF REFERS TO THOSE ELEMENTS OF THE ORGANISATION THAT **HELP THE LINE** TO WORK MOST EFFECTIVELY IN ACCOMPLISHING THE PRIMARY OBJECTIVES OF AN ENTERPRISE.
- STAFF FUNCTIONS : PURCHASE, ACCOUNTING, PERSONNEL, & QUALITY CONTROL.
- LINE: PRODUCTION, MARKETING & SALES, FINANCE.
- WHY CONFUSION?
- THERE IS A LINE OF AUTHORITY FLOW FROM SUPERIOR TO SUBORDINATE KNOWN AS THE ‘

# FUNCTIONAL AUTHORITY

IT IS THE POWER WHICH AN INDIVIDUAL OR DEPARTMENT MAY HAVE DELEGATED TO IT OVER SPECIFIED PROCESSES , PRACTICES, POLICIES , OR OTHER MATTERS RELATING TO ACTIVITIES UNDERTAKEN BY PERSONNEL IN DEPARTMENTS OTHER THAN ITS OWN.

- DELEGATION
- EXERCISED BY OPERATIONAL MANAGERS
- THE AREA OF FUNCTIONAL AUTHORITY
- UNITY OF COMMAND AND THE FLOW OF FUNCTIONAL AUTHORITY
- CLARIFICATION OF FUNCTIONAL AUTHORITY

# MAKING STAFF WORK EFFECTIVELY:

- UNDERSTANDING AUTHORITY RELATIONSHIPS
- MAKE LINE LISTEN TO STAFF
- KEEP STAFF INFORMED
- COMPLETED STAFF WORK - i.e ADVICE NOT CONTROL
- MANAGERS HAVE RESPONSIBILITY AND ARE ACCOUNTABLE

# DELEGATION OF AUTHORITY

- THE PRIMARY PURPOSE OF DELEGATION IS TO MAKE ORGANISATION POSSIBLE
- ENABLES DECISION MAKING
- EFFECTIVE SUPERVISION

# PROCESS OF DELEGATION

- THE DETERMINATION OF RESULTS EXPECTED FROM PERSONS IN A POSITION
- THE ASSIGNMENT OF TASKS TO PERSONS IN A POSITION
- THE DELEGATION OF AUTHORITY FOR ACCOMPLISHING THESE TASKS
- THE HOLDING OF PEOPLE RESPONSIBLE FOR THE ACCOMPLISHMENT OF THESE TASKS.

# PRINCIPLES OF DELEGATION

- PRINCIPLE OF DELEGATION BY RESULTS EXPECTED
- PRINCIPLE OF FUNCTIONAL DEFINITION
- SCALAR PRINCIPLE
- AUTHORITY PRINCIPLE
- PRINCIPLE OF UNITY OF COMMAND
- PRINCIPLE OF ABSOLUTENESS OF RESPONSIBILITY
- PRINCIPLE OF PARITY OF AUTHORITY AND RESPONSIBILITY

# THE ART OF DELEGATION

- RECEPTIVENESS
- WILLINGNESS TO LET GO
- WILLINGNESS TO LET OTHERS MAKE MISTAKES
- WILLINGNESS TO TRUST SUBORDINATES
- WILLINGNESS TO ESTABLISH AND USE BROAD CONTROLS

# MOTIVATION

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# Definition of Motivation

**Motivation** - the process of arousing and sustaining goal-directed behavior

# 3 Groups of Motivational Theories

- Internal
  - Suggest that variables within the individual give rise to motivation and behavior
  - Example: Maslow's hierarchy of needs theory
- Process
  - Emphasize the nature of the interaction between the individual and the environment
  - Example: Expectancy theory
- External
  - Focus on environmental elements to explain behavior
  - Example: Two-factor theory

# McGregor's Assumptions About People Based on Theory X

- Naturally indolent
- Lack ambition, dislike responsibility, and prefer to be led
- Inherently self-centered and indifferent to organizational needs
- Naturally resistant to change
- Gullible, not bright, ready dupes

# McGregor's Assumptions About People Based on Theory Y

- Experiences in organizations result in passive and resistant behaviors; they are not inherent
- Motivation, development potential, capacity for assuming responsibility, readiness to direct behavior toward organizational goals are present in people
- Management's task—arrange conditions and operational methods so people can achieve their own goals by directing efforts to organizational goals

# McClelland's Need Theory

**Need for Achievement** - a manifest (easily perceived) need that concerns individuals' issues of excellence, competition, challenging goals, persistence, and overcoming difficulties

**Need for Power** - a manifest (easily perceived) need that concerns an individual's need to make an impact on others, influence others, change people or events, and make a difference in life

**Need for Affiliation** - a manifest (easily perceived) need that concerns an individual's need to establish and maintain warm, close, intimate relationships with other people

# Herzberg's Two-Factor Theory

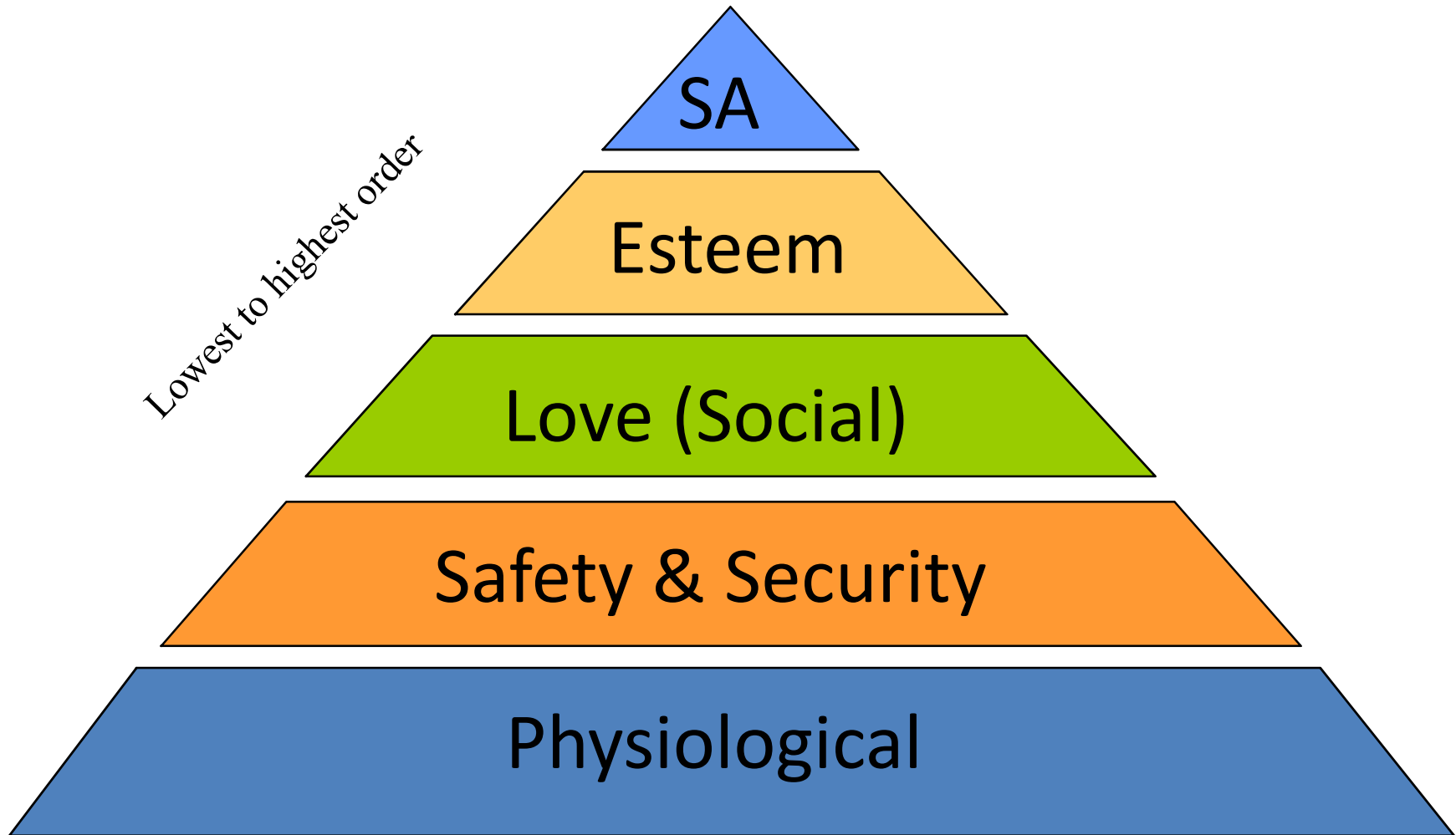
**Hygiene Factor** - work condition related to dissatisfaction caused by discomfort or pain

- maintenance factor
- contributes to employee's feeling not dissatisfied
- contributes to absence of complaints

**Motivation Factor** - work condition related to the satisfaction of the need for psychological growth

- job enrichment
- leads to superior performance & effort

# Maslow's Hierarchy of Needs



# Expectancy Theory of Motivation: Key Constructs

**Valence** - value or importance placed on a particular reward

**Expectancy** - belief that effort leads to performance

**Instrumentality** - belief that performance is related to rewards



# 3 Causes of Motivational Problems

- Belief that effort will not result in performance
- Belief that performance will not result in rewards
- The value a person places on, or the preference a person has for, certain rewards

# LEADERSHIP

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# Definition of Leadership

Leadership, according to Peter DeLisle, is the ability to influence others, with or without authority.

All successful endeavors are the result of human effort; thus, the ability to influence others is a derivation of

- Interpersonal Communications
- Conflict Management
- Problem solving

# Leader vs Manager

Leader n, 1. A person who is followed by others.

Manager n, 1. A person controlling or administering a business or a part of a business. 2. A person regarded in terms of skill in household or financial or other management.

# Leadership vs Management

- Management seeks stability & predictability  
– *(order)*
- Leadership seeks improvement through change  
– *(disorder)*

# Leadership & Management Skills

Leadership – soft skills

- Communications
- Motivation
- Stress Management
- Team Building
- Change Management

Management – hard skills

- Scheduling
- Staffing
- Activity Analysis
- Project Controls

# Types of Leadership Style

- **Autocratic:**
  - Leader makes decisions without reference to anyone else
  - High degree of dependency on the leader
  - Can create de-motivation and alienation of staff
  - May be valuable in some types of business where decisions need to be made quickly and decisively
- **Democratic:**
- Encourages decision making from different perspectives – leadership may be emphasised throughout the organisation
  - **Consultative:** process of consultation before decisions are taken
  - **Persuasive:** Leader takes decision and seeks to persuade others that the decision is correct
- **Laissez-Faire:**
  - ‘Let it be’ – the leadership responsibilities are shared by all
  - Can be very useful in businesses where creative ideas are important
  - Can be highly motivational, as people have control over their working life
  - Can make coordination and decision making time-consuming and lacking in overall direction
  - Relies on good team work
  - Relies on good interpersonal relations

# Change Leadership

- The most challenging aspect of business is leading and managing change
- The business environment is subject to fast-paced economic and social change
- Modern business must adapt and be flexible to survive
- Problems in leading change stem mainly from human resource management
- Leaders need to be aware of how change impacts on workers:
- Series of self-esteem states identified by Adams et al and cited by Garrett



# Theories of Leadership

- Trait theories:
  - Are such characteristics inherently gender biased?
  - Do such characteristics produce good leaders?
  - Is leadership more than just bringing about change?
  - Does this imply that leaders are born not bred?
- Behavioural:
- Imply that leaders can be trained – focus on the way of doing things
  - Structure based behavioural theories – focus on the leader instituting structures – task orientated
  - Relationship based behavioural theories – focus on the development and maintenance of relationships – process orientated

# Theories of Leadership (Contd.)

- Contingency Theories:
- Leadership as being more flexible – different leadership styles used at different times depending on the circumstance.
- Suggests leadership is not a fixed series of characteristics that can be transposed into different contexts

# Theories of Leadership (Contd.)

- **Transactional Theories:**
  - Focus on the management of the organisation
  - Focus on procedures and efficiency
  - Focus on working to rules and contracts
  - Managing current issues and problems

# Factors Affecting Leadership Style

- Leadership style may be dependent on various factors:
  - Risk - decision making and change initiatives based on degree of risk involved
  - Type of business – creative business or supply driven?
  - How important change is – change for change's sake?
  - Organisational culture – may be long embedded and difficult to change
  - Nature of the task – needing cooperation? Direction? Structure?

**CONTROL**

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# Concept of Controlling

- A process of monitoring performance and taking action to ensure desired results.
- It sees to it that the right things happen, in the right ways, and at the right time.
- It helps ensure that objectives and accomplishments are consistent with one another throughout an organization.
- It helps maintain compliance with essential organizational rules and policies.

# The Control Process

- Establish objectives and standards.
- Measure actual performance.
- Compare results with objectives and standards.
- Take necessary action.

# Effective Controls

The Best Controls in Organizations are:

- Strategic and results oriented
- Understandable
- Encourage self-control
- Timely and exception oriented
- Positive in nature
- Fair and objective
- Flexible



# Types of Control

- Concurrent

Focus on what happens during the work process. Sometimes called steering controls, they monitor ongoing operations and activities to make sure that things are being done correctly.

- Internal Controls

Allows motivated individuals to exercise self-control in fulfilling job expectations.

The potential for self-control is enhanced when capable people have clear performance objectives and proper resource support.

- External Controls

It occurs through personal supervision and the use of formal administrative systems.

- Performance appraisal systems, compensation and benefit systems, employee discipline systems, and management-by-objectives.

# Operations Management and Control

- Purchasing
  - Economic Order Quantity  
automatic reorder points
  - Just-In-Time Scheduling
- Project Management
  - Program Evaluation and Review Technique (PERT) -  
Identifies and controls the many separate events in  
complex projects.
- Statistical Quality Control
  - Based on the establishment of upper and lower control  
limits, that can be graphically and statistically monitored to  
ensure that products meet standards.