

Principles of Management

Unit 4: Directing

Prepared and presented by,

VEERAPANDIAN.K
AP/MECH

Content

1. Managing people
2. Communication
3. Hurdles to effective communication
4. Organizational culture
5. Elements and types of culture
6. Managing cultural diversity

Leading

- The process of influencing people so that **they will contribute to organizational and group goals**
- Managing **requires the creation and maintenance of environment** in which individuals work together toward the accomplishment of common objectives

Human factors in Managing

1. Multiplicity of role
2. No average person
3. The importance of personal dignity
4. Consideration of whole person

Motivation

- Human motives – based on needs (basic/psychological needs) – water, air, food, sleep
- **Motivation** – a general term applying to the entire class of drives, desires, needs, wishes and similar forces

Models of motivation

I. Mc Gregor's theory X and theory Y

Two sets of assumptions about the nature of people

Neutral terminology without any connotation of

being “good” or “bad”

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Theory X Assumptions

- Dislike of work, people must be coerced, controlled, directed and threatened with punishment
- People need to be directed, wish to avoid responsibility, little ambition and so on.

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Theory Y Assumptions

- People will exercise self-direction and self-control
- Degree of commitment to objectives
- Size of rewards associated with their achievements

II. Maslow's hierarchy of need theory

1. Physiological needs
2. Security/safety needs
3. Affiliation or Acceptance needs
4. Self-Esteem needs
5. Self- actualization needs

III. Alderfer's ERG theory

- People are motivated by **existence needs, relatedness needs and growth needs.**
- **By Clayton Alderfer** – existence of three categories of needs

IV. Herzberg's motivation-hygiene theory

- Dissatisfiers, also called maintenance, hygiene or job control factors are not motivators
- While satisfiers are motivators and are related to job content

Two hygiene factor theory: **Maintenance factors and motivators**

V. Vroom's Expectancy theory

- People will be motivated to do things to reach a goal if they believe in the worth of that goal and of they can see that why they do will help them in achieving it
- Force = Valence * Expectancy

VI. Porter and Lawler motivation theory

- Lyman W. Porter and Edward E. Lawler derived a substantially more complete model of motivation
- The amount of effort depends on the value of a reward plus the amount of energy a person believes is required and the probability of receiving the reward

VII. Equity theory

- Motivation is influenced by an **individual's subjective judgment about the fairness of the reward** he or she gets, relative to the inputs, compared with the reward of others
- **J. Stacy Adams** formulated the motivation model as:

$$\frac{\text{Outcomes by a person}}{\text{Input by a person}} = \frac{\text{Outcomes by another person}}{\text{Input by another person}}$$

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VIII. Goal setting theory of motivation

- For objectives to be meaningful, they must be **clear, attainable and verifiable**
- To gain commitment of achieving the goals, true participation in setting them is essential

IX. Skinner's reinforcement theory

- The psychologist **B.F. skinner** – developed interesting and **controversial theory of motivation**
- **Positive reinforcement or Behavior modification** – individuals can be modified by proper design of their work environment and by **praise for their performance, while punishment for poor performance produces negative results**

X. Mc Clelland' needs theory of motivation

- **David Mc Clelland** has contributed to the understanding of motivation by identifying three types of basic motivating needs
- The basic motivating needs are the **need for power, need for affiliation and need for achievement**

Leadership

- Leadership and motivation are closely interconnected

Definition : Leadership – The art or process of influencing people. So that they will strive willingly and enthusiastically toward the achievement of group goals

Ingredients of leadership

- Power; a fundamental understanding of people; the ability to inspire followers to apply their full capabilities; the leader's style and the development of a conducive organizational climate

Principle of leadership

- Since people tend to follow those who offer them a **means of satisfying their personal goals**, the more managers understand what **motivates their subordinates** and the more they reflect this **understanding in their actions**, the more effective they are likely to be as leaders

Various approaches of leadership

Trait Approaches to leadership:

Many traits related studies have been made.

Ralph M. Stogdill found that various researchers had identified specific traits related to leadership ability

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- **5 Physical traits:** such as energy, appearance, height and so on. Four intelligence and ability traits
 - **16 personality traits:** adaptability, aggressiveness, enthusiasm, and self confidence and so on
 - **6 task related characteristics:** achievement drive, persistence, and initiative
 - **9 Social characteristics:** cooperativeness, Interpersonal skills and administrative ability

Charismatic leadership Approach

- Studies done by Robert J. House – charismatic leaders may have certain characteristics viz;
 1. Self confidence
 2. Having strong convictions
 3. Articulating a vision
 4. Being able to initiate change
 5. Communicating high expectations and so on.

Leadership Behavior and styles

1. Leadership based on the use of authority
2. The managerial grid

Styles based on use of Authority

1. **Autocratic leader** – commands and expects compliance, is dogmatic and positive and leads by the ability to withhold or give rewards and punishment
2. **Democratic or participative leader** – consults with subordinates and encourages their participation
3. **Free Rein leader** – uses power very little if at all, giving subordinates a high degree of independence

The Managerial Grid

- A well known approach to define leadership styles is the managerial grid – developed by **Robert Blake and Jane Mouton**
- Has been used throughout the world as a **means of training managers and of identifying various combinations of leadership styles**

The Grid dimensions

2 dimensions – concern for people and concern for production

Concern for people	9.1	9.2	9.3	9.4	9.5	9.6	9.7	9.8	9.9
	8.1	8.2	8.3	8.4	8.5	8.6	8.7	8.8	8.9
	7.1	7.2	7.3	7.4	7.5	7.6	7.7	7.8	7.9
	6.1	6.2	6.3	6.4	6.5	6.6	6.7	6.8	6.9
	5.1	5.2	5.3	5.4	5.5	5.6	5.7	5.8	5.9
	4.1	4.2	4.3	4.4	4.5	4.6	4.7	4.8	4.9
	3.1	3.2	3.3	3.4	3.5	3.6	3.7	3.8	3.9
	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8	2.9
	1.1	1.2	1.3	1.4	1.5	1.6	1.7	1.8	1.9
Concern for production									

Four Extreme styles

- (1.1) Management Exertion of **minimum effort** is required to get work done and **sustain organization morale**
- (9.1) Management efficiency results from arranging work in such a way that **elements have little effects**
- (5.5) Management **adequate performance** through balance of work requirements and **maintaining satisfactory morale**
- (9.9) Management **work accomplished is from committed people** with interdependence through a common stake in organization purpose and **with trust and respect**

Leadership as a continuum

- Leadership **involves a variety of style**, ranging from one that is highly boss centered to one that is highly sub-ordinate centered
- The continuum theory recognizes that the **appropriate style of leadership** depends on the leader, the followers and the situation

Contingency theory of leadership

- Fred E. Fiedler and his associates at the university of Illinois – Contingency theory of leadership
- Theory states that people become leaders not only because of their personality attributes but also because of various situational factors and the interactions between leaders and group members

Critical Dimensions of the leadership situation

1. Position power
2. Task structure
3. Leader – members relations

Based on the dimensions, the leadership measured on situation

The path goal approach to leadership effectiveness


- **Path goal theory** – the main feature of the leader is to clarify and set goals with sub-ordinates, help them find the best path for achieving the goals, and move obstacles.

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Illustration of Path-goal approach



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- This theory categorizes leader behavior into four groups:
 1. **Supportive leadership behavior:** gives consideration to the needs of subordinates
 2. **Participative leadership:** allows subordinates to influence the decision of superiors
 3. **Instrumental leadership:** gives subordinates rather specific guidance and clarifies what is expected of them
 4. **Achievement oriented leadership:** involves setting challenging goals, seeking improvement of performance

Transactional and Transformational leadership

1. **Transactional leadership** – Identify what needs to be done to achieve goals, including clarifying roles and tasks, rewarding performance and providing for social needs of followers
2. **Transformational leadership** – articulate a vision, inspire and motivate followers and create a climate favorable for organizational change

Communication

- Definition: The transfer of information **from a sender to the receiver**, with the information being understood by the receiver.

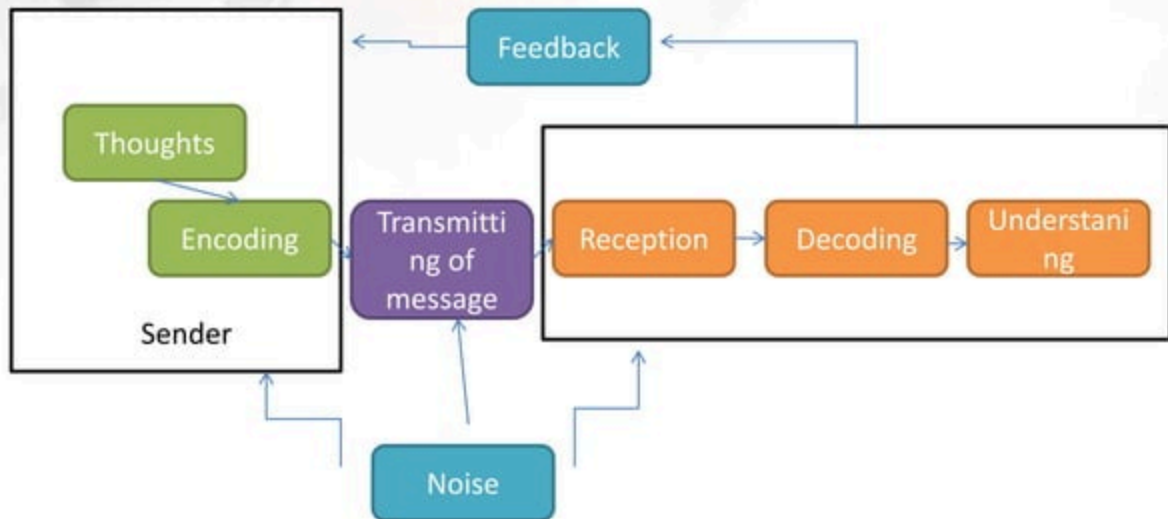
Purpose of Communication

1. To **establish and disseminate the goals** of an enterprise
2. To **develop plans** for their achievement
3. To **Organize human and other resources** in the most effective and efficient way
4. To **Select, develop and appraise members** of the organization
5. To **lead, direct, motivate and create a climate** in which people want to contribute
6. To **control performance**

The Communication Process



Illustration of communication process



Noise Hindering communication

- Noise – any thing – **whether in the sender, the transmission, or receiver that hinders communication**

Feedback in communication

- Feedback – effective check in communication
- - to make sure whether or not a message has been effectively encoded, transmitted, decoded and understood until it is confirmed by feedback

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- The communication process is **affected by many situational and organizational factors**
 - The communication model provides an overview of the communication process, **identifies the critical variables and shows their relationship**

Communication Flow in organization

- Communication flows in various direction: downward, upward and crosswise
 1. **Downward communication:** flows from people at higher levels to those at lower levels in the organization hierarchy
 2. **Upward Communication:** travels from subordinates to superiors and continues up the organizational hierarchy

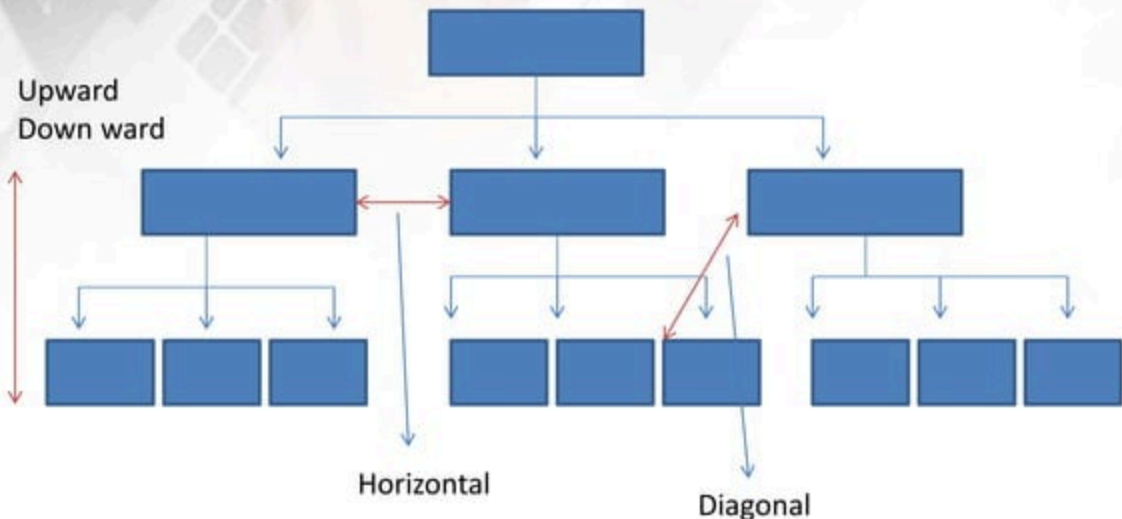
Ombudsman – A person assigned to investigate employee concerns, thus providing a valuable upward communication link

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- Crosswise communication: Includes **1. Horizontal flow** and **2. Diagonal flow**

1. **Horizontal flow:** Information is among people on the same or similar organizational levels
2. **Diagonal flow:** Information is among persons at different levels who have no direct reporting relationships with one another

Illustration of Information flow in organization



Written Communication

- Written communication – formal
- Advantages – **providing records, references and legal defenses**
- Also promote uniformity in policy and procedure and can reduce cost in some cases
- **Disadvantage** – ineffective writing and feedback is not immediate

Oral Communication

- Can occur in a face to face meeting or to a large audience (presentation) – **formal or informal**
- Advantages – **Immediate feedback – speedy interchange – effect can be noted.**
- Disadvantages – **does not always save time – costly in terms of time and money**
- Non verbal communication – **includes facial expressions and body gestures**

Barriers and Breakdowns in Communication

- Good communication will not happen by chance
1. Lack of planning
 2. Un clarified Assumptions
 3. Semantic distortion
 4. Poorly expressed messages
 5. Communication barriers in international environment
 6. Loss of transmission and poor retention
 7. Poor listening and premature evaluation
 8. Impersonal communication
 9. Distrust, fear and Ill treat
 10. Insufficient period for adjustment to change
 11. Information overload

Guidelines for Improving Communication

1. Clarify the purpose of the message
2. Use intelligent encoding
3. Consult others' views
4. Consider receiver's needs
5. Use appropriate tone and language
6. Ensure credibility
7. Get feedback
8. Consider receivers' emotions and motivations
9. Listen

Tips for improving listening skills

- Listening is a skill that can be developed

John W. Newstorm and Keith Davis – proposes 10 techniques

1. Stop talking

2. Put the talker at ease

3. Show the talker that you want to listen

4. Remove distraction

5. Empathize with the talker

6. Be patient

7. Hold your temper

8. Go easy on arguments and criticism

9. Ask questions

10. Stop talking !

Tips for improving Written communication

1. Use simple words and phrases
2. Use short and familiar words
3. Use personal pronouns – whenever appropriate
4. Give Illustrations and examples; use charts
5. Use short sentences and paragraphs
6. Use active verbs
7. Avoid unnecessary words

Tips for improving Oral communication

1. Use technology – communicating large audiences
2. Tell a story, an anecdote and give examples
3. Pause while you speak (articulate words)
4. Use visual aids, such as diagrams, charts, overheads, slides and power point presentations
5. Communicate confidence and create trust
6. Body language shows your attitude
7. Take command of any situation – Assertive to handle

Electronic media

1. **Telecommunication** - transfer of data or information to the distance place. By using technology, information can be transmitted within seconds or minutes
2. **Teleconferencing**: A group of people interacting with each other by means of audio and video media with moving or still pictures
3. **Instant messaging**: shows whether a friend or colleagues is connected to the internet. If connected, message can be exchanged instantly

Culture

- **Culture** – a complex whole which includes knowledge, belief, arts, morals, law, customs and habits acquired by human society
- Organizational culture – defined as the philosophies, ideologies, values, assumptions, beliefs, expectations, attitudes and norms that keep an organization together and are shared by employees

Levels of culture



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1. **National Culture** : dominant culture with in the political boundaries of the nation-state
 2. **Business culture** : represents norms, values and beliefs that pertain to all aspects of doing business in a culture
 3. **Occupational culture** : norms, values, beliefs, and expected ways of behaving of people in the same occupational group, regardless of which organization they work (e.g.) Doctors, Lawyers and Accountants
 4. **Organizational Culture**: represents beliefs, attitudes and norms club together and are shared by its employees

Organizational culture –classification/types

1. Mechanical Vs Organic Culture:


Mechanical: exhibits the values of bureaucracy and feudalism

Organic: great deal of emphasis on task accomplished, team work and formal/informal free flow of communication

2. Authoritative Vs Participative Culture:

Authoritative: Power is concentrated on the leader and obedience to orders and disciplines are stressed. Any disobedience is strictly punished

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- **Participative:** premised on the notion that people are committed to the decisions that are participatory made, rather imposed on them.
 - 3. **Dominant and subcultures:** Many big companies have a dominant culture and several cells of sub cultures, Which are attached to different roles, functions and levels.
 - 4. **Strong, Weak and Unhealthy cultures:**
 - i) A Strong culture will have a significant influence on employee behavior manifesting in reduced turnover, lower absenteeism, increased cohesiveness and positive attitude

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- II. **Weak culture:** A weak culture is characterized by the presence of several sub-culture, sharing of few values and behavioral norms by employees and existence of few sacred traditions
- III. **Unhealthy culture:** Unhealthy culture is politicized internal environment that allows influential managers to operate autonomously and resist needed change


How is culture created?

- Organizational culture is formed in response to two major challenges are 1. External adaption and survival 2. Internal Integration
 1. **External adaption and survival:**
 1. Mission and strategy 2. Goals 3. Means 4. Measurement
 2. **Internal Integration:**
 1. Language and concepts 2. Group and team boundaries 3. Power and statuses 4. Reward and Punishment

Organizational Culture is created from:

1. **Culture formation around critical incident** – norms and beliefs arise around the way members respond to critical incidents
2. **Identification with leaders** – Leader figures – permit group members to identify with them and internalize their values and assumptions
3. **Property rights** – the right the organization gives to receive and use organizational resources

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4. **Organization structure** – is the formal system of tasks and authority relationships that an organization establishes to control its activities
 5. **Organizational Ethics** – are the moral values, beliefs, and rules that establish the appropriate way for organizational stakeholders to deal with one another and within the organizational environment
 6. **Characteristics of people within the organization** – People who make up the organization

Sustaining the culture

1. Selecting and Socializing Employees
2. Actions of leaders and founders
3. Culturally consistent rewards
4. Managing the cultural network
5. Maintaining a stable workforce

Effects of culture

1. Effective control
2. Promotion of Innovation
3. Strategy formulation and Innovation
4. Strong commitment from employees
Performance and satisfaction
5. Performance and satisfaction

Changing Organizational culture

3 approaches in Organizational cultural change

1. Behavioral approach (Pattern of behavior)
2. Competing Values approach (resolving the values dilemma)
3. Deep assumptions approach (deepest levels of organization culture)

Managing Diversity

- Diversity – dealing with a collective mixture of differences and similarities
- Includes age, background, education, function and personality

Diversity in work place

1. Access to a changing market place
2. Large scale business transformation
3. Superior customer service
4. Workforce improvement
5. Total quality
6. Alliances with suppliers and customers
7. Continuous learning

Barriers in accepting Diversity

1. **Prejudice:** unjustified negative attitude towards a person
2. **Ethnocentrism:** a tendency to regard one's own group, culture or nation as superior to others
3. **Stereotypes:** set of beliefs about a group applied to all members of the group
4. **Discrimination:** Barring an individual from membership of an organization
5. **Harassment:** Verbally or physically abusing an individual
6. **Back lash:** negative reaction to gaining of power and influence by members of a under represented power

How to Manage Diversity effectively

- It involves
 1. Increasing awareness
 2. Increasing diversity skills
 3. Cultural Diversity
 4. Gender diversity
 5. Committing top management to diversity

Increasing awareness

- Awareness demands appreciation of diversity as a fact of organizational life
- Diversity awareness program – **strive to increase awareness of managers and workers**
 1. Their own attitudes, bias and stereotypes
 2. Different perspectives of diverse managers, subordinates and coworkers

Increasing Diversity skills

- Efforts to increase diversity skills focus on improving the way the managers and subordinates interact with each other

Cultural Diversity

- Cultural diversity in the workplace is growing because of globalization

Gender Diversity

- The feminization of the workforce has increased substantially – their participation is increasing

Committing top management to diversity

- Top Management in organization should also commit to the diversity of workplace



THE END