

Organisations and behaviour



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Lesson 7



ORGANISATIONS AND BEHAVIOUR

LO 3: Understand the ways of using motivational theories in organisations

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The Basic Syllabus



- - Understand the relationship between organisational structure and culture
- - Understand different approaches to management and leadership
- Understand ways of using motivational theories in organisations
- - Understand mechanisms for developing effective teamwork in organisations

LEARNING OBJECTIVES



- At the end of the class, students should be able to:
- Evaluate the usefulness of a motivation theory for managers

OVERVIEW



- Peter Drucker famously stated that "management is doing things right; leadership is doing the right things." Great leaders possess dazzling social intelligence, a zest for change, and above all, vision that allows them to set their sights on the "things" that truly merit attention. Not a bad skill set for the rest of us, either.

LEADERSHIP IN ORGANISATIONS



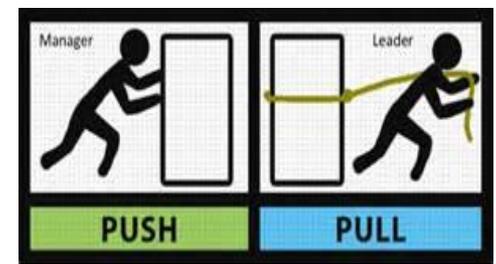
- Effective managers are not necessarily true leaders. Many administrators, supervisors, and even top executives execute their responsibilities successfully without being great leaders. But these positions afford opportunity for leadership. The ability to lead effectively, then, will set the excellent managers apart from the average ones.
- Where as management must deal with the ongoing, day-to-day complexities of organizations, true leadership includes effectively orchestrating important change. While managing requires planning and budgeting routines, leading includes setting the direction (creating a vision) for the firm
Management requires structuring the organization, staffing it with capable people, and monitoring activities; leadership goes beyond these functions by inspiring people to attain the vision. Great leaders keep people focused on moving the organization toward its ideal future, motivating them to overcome whatever obstacles lie in the way.

LEADERSHIP IN ORGANISATIONS



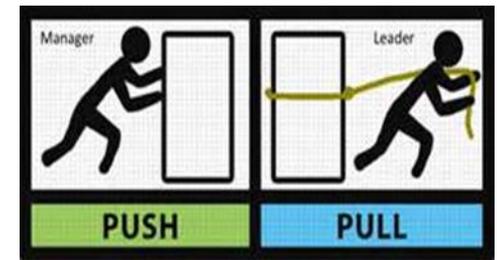
- Organizations succeed or fail not only because of how well they are led but also because of how well followers follow. Just as managers are not necessarily good leaders, people are not always good followers. The most effective followers are capable of independent thinking and at the same time are actively committed to organizational goals. As a manager, you will be asked to play the roles of both leader and follower. As you lead the people who report to you, you will report to your boss. You will be a member of some teams and committees, and you may chair others. Effective followers are
- distinguished from ineffective ones by their enthusiasm and commitment to the organization and to a person or purpose other than themselves or their own interests. They master skills that are useful to their organizations, and they hold to performance standards that are higher than required. To be a good leader you must become a good follower first.

MANAGERS AND LEADERS



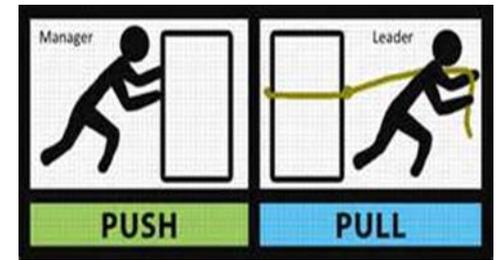
- **Managers have subordinates**
- By definition, managers have subordinates - unless their title is honorary and given as a mark of seniority, in which case the title is a misnomer and their power over others is other than formal authority.
- **Authoritarian, transactional style**
- Managers have a position of authority vested in them by the company, and their subordinates work for them and largely do as they are told. Management style is transactional, in that the manager tells the subordinate what to do, and the subordinate does this not because they are a blind robot, but because they have been promised a reward (at minimum their salary) for doing so.

MANAGERS AND LEADERS



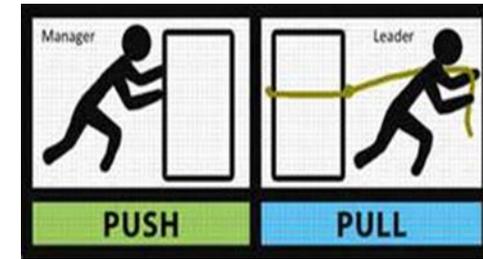
- **Work focus**
- Managers are paid to get things done (they are subordinates too), often within tight constraints of time and money. They thus naturally pass on this work focus to their subordinates.
- **Seek comfort**
- An interesting research finding about managers is that they tend to come from stable home backgrounds and led relatively normal and comfortable lives. This leads them to be relatively risk-averse and they will seek to avoid conflict where possible. In terms of people, they generally like to run a 'happy ship'.

MANAGERS AND LEADERS



- **Leaders have followers**
- Leaders do not have subordinates - at least not when they are leading. Many organizational leaders do have subordinates, but only because they are also managers. But when they want to lead, they have to give up formal authoritarian control, because to lead is to have followers, and following is always a voluntary activity.
- **Charismatic, transformational style**
- Telling people what to do does not inspire them to follow you. You have to appeal to them, showing how following them will lead to their hearts' desire. They must want to follow you enough to stop what they are doing and perhaps walk into danger and situations that they would not normally consider risking.
- Leaders with a stronger charisma find it easier to attract people to their cause. As a part of their persuasion they typically promise transformational benefits, such that their followers will not just receive extrinsic rewards but will somehow become better people.

MANAGERS AND LEADERS



- **People focus**
- Although many leaders have a charismatic style to some extent, this does not require a loud personality. They are always good with people, and quiet styles that give credit to others (and takes blame on themselves) are very effective at creating the loyalty that great leaders engender.
- Although leaders are good with people, this does not mean they are friendly with them. In order to keep the mystique of leadership, they often retain a degree of separation and aloofness.
- This does not mean that leaders do not pay attention to tasks - in fact they are often very achievement-focused. What they do realize, however, is the importance of enthusing others to work towards their vision.

LEADERSHIP TRAITS



- The five leadership traits/leadership qualities are:
- Honest
- Forward-Looking
- Competent
- Inspiring
- Intelligent

Honesty as a Leadership Quality



- When you start a leadership position, you need to assume that people will think you are a little dishonest. In order to be seen as an honest individual, you will have to go out of your way to display honesty. People will not assume you are honest simply because you have never been caught lying.
- One of the most frequent places where leaders miss an opportunity to display honesty is in handling mistakes. Much of a leader's job is to try new things and refine the ideas that don't work. However, many leaders want to avoid failure to the extent that they don't admit when something did not work.

Forward-Looking as a Leadership Trait



- The whole point of leadership is figuring out where to go from where you are now. While you may know where you want to go, people won't see that unless you actively communicate it with them. Remember, these traits aren't just things you need to have, they are things you need to actively display to those around you.
- When people do not consider their leader forward-looking, that leader is usually suffering from one of two possible problems:
 - The leader doesn't have a forward-looking vision.
 - The leader is unwilling or scared to share the vision with others.
- When a leader doesn't have a vision for the future, it usually because they are spending so much time on today, that they haven't really thought about tomorrow. On a very simplistic level this can be solved simply by setting aside some time for planning, strategizing and thinking about the future.

Competency as a Leadership Quality



- People want to follow someone who is competent. This doesn't mean a leader needs to be the foremost expert on every area of the entire organization, but they need to be able to demonstrate competency.
- For a leader to demonstrate that they are competent, it isn't enough to just avoid displaying incompetency. Some people will assume you are competent because of your leadership position, but most will have to see demonstrations before deciding that you are competent.
- When people under your leadership look at some action you have taken and think, "that just goes to show why he is the one in charge", you are demonstrating competency. If these moments are infrequent, it is likely that some demonstrations of competency will help boost your leadership influence.

Inspiration as a Leadership Trait



- People want to be inspired. In fact, there is a whole class of people who will follow an inspiring leader—even when the leader has no other qualities. If you have developed the other traits in this article, being inspiring is usually just a matter of communicating clearly and with passion. Being inspiring means telling people how your organization is going to change the world.
- A great example of inspiration is when Steve Jobs stole the CEO from Pepsi by asking him, “Do you want to sell sugar water for the rest of your life, or do you want to change the world?” Being inspiring means showing people the big picture and helping them see beyond a narrow focus and understand how their part fits into the big picture.
- One technique to develop your ability to inspire is telling stories. Stories can be examples from your customers, fictitious examples from your customers, or even historical fables and myths. Stories can help you vividly illustrate what you are trying to communicate. Stories that communicate on an emotional level help communicate deeper than words and leave an imprint much stronger than anything you can achieve through a simple stating of the facts.

Intelligence as a Leadership Trait



- Intelligence is something that can be difficult to develop. The road toward becoming more intelligent is difficult, long and can't be completed without investing considerable time. Developing intelligence is a lifestyle choice. Your college graduation was the beginning of your education, not the end. In fact, much of what is taught in college functions merely as a foundational language for lifelong educational experiences.
- To develop intelligence you need to commit to continual learning—both formally and informally. With modern advances in distance, education it is easy to take a class or two each year from well respected professors in the evening at your computer.
- Informally, you can develop a great deal of intelligence in any field simply by investing a reasonable amount of time to reading on a daily basis. The fact is that most people won't make a regular investment in their education. Spending 30 minutes of focused reading every day will give you 182 hours of study time each year.

MANAGEMENT STYLE



- Every leader has a unique style of handling the employees (Juniors/Team). The various ways of dealing with the subordinates at the workplace is called as management style.
- The superiors must decide on the future course of action as per the existing culture and conditions at the workplace. The nature of employees and their mindsets also affect the management style of working.

MANAGEMENT STYLE



- **Autocratic Style of Working**
- In such a style of working, the superiors do not take into consideration the ideas and suggestions of the subordinates.
- The managers, leaders and superiors have the sole responsibility of taking decisions without bothering much about the subordinates.
- The employees are totally dependent on their bosses and do not have the liberty to take decisions on their own.
- The subordinates in such a style of working simply adhere to the guidelines and policies formulated by their bosses. They do not have a say in management's decisions.
- Whatever the superiors feel is right for the organization eventually becomes the company's policies.
- Employees lack motivation in autocratic style of working.

MANAGEMENT STYLE



- **Paternalistic Style of Working**
- In paternalistic style of working, the leaders decide what is best for the employees as well as the organization.
- Policies are devised to benefit the employees and the organization.
- The suggestions and feedback of the subordinates are taken into consideration before deciding something.
- In such a style of working, employees feel attached and loyal towards their organization.
- Employees stay motivated and enjoy their work rather than treating it as a burden

MANAGEMENT STYLE



- **Democratic Style of Working**
- In such a style of working, superiors welcome the feedback of the subordinates.
- Employees are invited on an open forum to discuss the pros and cons of plans and ideas.
- Democratic style of working ensures effective and healthy communication between the management and the employees.
- The superiors listen to what the employees have to say before finalizing on something.
- **Laissez-Faire Style of Working**
- In such a style of working, managers are employed just for the sake of it and do not contribute much to the organization.
- The employees take decisions and manage work on their own.
- Individuals who have the dream of making it big in the organization and desire to do something innovative every time outshine others who attend office for fun.
- Employees are not dependent on the managers and know what is right or wrong for them.

MANAGEMENT STYLE



- **Management by Walking Around Style of Working**
- In the above style of working, managers treat themselves as an essential part of the team and are efficient listeners.
- The superiors interact with the employees more often to find out their concerns and suggestions.
- In such a style of working, the leader is more of a mentor to its employees and guides them whenever needed.
- The managers don't lock themselves in cabins; instead walk around to find out what is happening around them

CONTINGENCY APPROACH



- The contingency approach is a form of business management in which the manager does not follow any single school of thought. Instead, he or she allows the situation to dictate managerial choices. The contingency approach may combine elements from the three major traditional schools of management thought. These are the classical, behavioral, and management science schools of management.
- The contingency approach to management should not be misunderstood as a way of avoiding the use or knowledge of the traditional schools of management. Managers who use the contingency approach must study all three thought schools in order to effectively use elements of them to respond to situations as they arise. Other, more recent movements in management may also be integrated into the contingency approach.

CONTINGENCY APPROACH



- In the 19th and early 20th centuries, the classical school of management evolved. This school encompasses two areas of thought: scientific management, which should not be confused with the management science school that developed later, and administrative theory. Scientific management focused on the productivity of each worker. It stressed job specialization, worker selection, and training and standardized wages. Meanwhile administrative theory was concerned with the organization as a whole, stressing authority, discipline, and unity of thought and mission

LEADERSHIP AND ORGANISATION CULTURE



- Cultures basically spring from three sources : 1/ beliefs, values and assumptions of founders 2/learning experience of group members and 3/new beliefs brought in by new members/leaders. The first one is by far the most important. Leadership is highly sought by group members to reduce the group's anxiety.
- Again, if the way to do things allow to get task completed while keeping group anxiety at a low level, this will become organizational culture. But if the environment changes and those assumptions become dysfunctional, the organization must find a way to change its culture. This is the role of the leader as John Kotter reported in his book What Leaders Do.
- There are embedding mechanisms a leader defines that will define the culture. What leaders measures, how he reacts to critical incidents, how he allocates resources, how he allocates rewards and status, how he recruits, promotes and excommunicates. Then there are the structural mechanisms (organization structure, procedures, rituals, physical spaces, stories, statements. Through the way leaders handle these mechanisms (embedded and structural) they communicate both explicitly and implicitly on their assumptions. If they are conflicted, these conflicts become part of the culture

REVIEW QUESTIONS



- 1. Case study
- 2. Your manager has heard of Global Center Leadership and wishes to involve the department in this idea. You have been asked to explain the idea to your colleagues.
- Required:
 - (a) Briefly outline three skills a leader might possess.
 - (b) Briefly explain the term 'Global Center Leadership.'
 - © Describe the three major goals of action centered leadership.

REVIEW QUESTIONS



- 3. Suggest an appropriate style of leadership for each of the following situations. Think about your reasons for choosing each style in terms of the results you are trying to achieve, the need to secure commitment from others, and potential difficulties with both.
- (a) Due to outside factors, the personnel budget has been reduced for your department and 25% of your staff must be made redundant. Records of each employee's performance are available.
- (b) There is a recurring administrative problem which is minor, but irritating to every one in your department. Several solutions have been tried in the past, but without success. You think you have
- (c) a remedy which will work, but unknown problems may arise, depending on the decisions made.

FURTHER READING



- ACCA BPP –F1
- ACCA GLOBAL
- psychologytoday.com
- Leadership in Organization - Patricia Coleman
- <http://changingminds.org/>
- Five Most Important Leadership Traits
- BY MARK SHEAD
- <http://managementstudyguide.com/>

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- What Is the Contingency Approach? -
Written By: Emma G.
 - Edgar Schein : Organizational Culture
and Leadership