

# *Organisations and Behaviour*



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**Lesson 5**



# *ORGANISATIONS AND BEHAVIOUR*

**LO I: Understand the relationship between organisational structure and culture**

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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:
- Compare the effectiveness of different leadership styles in different organisations.

# OVERVIEW



- Management is responsible for using the organisation's resources to meet its goals. It is accountable to the owners: shareholders in a business, or government in the public sector.

# Authority and power



- If an organisation is to function as a co-operative system of individuals, some people must have authority or power over others. Authority and power flow downwards through the formal organisation.
- (a) Authority is the right to do something; in an organisation it is the right of a manager to require a subordinate to do something in order to achieve the goals of the organisation.
- (b) Power is distinct from authority, but is often associated with it. Whereas authority is the right to do something, power is the ability to do it.
- Weber put the kind of authority we see in organisations into a wider context, proposing that there were three ways in which people could acquire legitimate power (or authority).
- (a) Charismatic authority arises from the personality of the leader and his or her ability to inspire devotion through, for example, sanctity, heroism or example.
- (b) Traditional authority rests on established belief in the importance of immemorial tradition and the status it confers.
- (c) Rational-legal authority arises from the working of accepted normative rules, such as are found in organisations and democratic governments.

# Authority and power



- 1.8 Power centres
- The degree of power people exercise, and the types of power they are able to exploit, differ depending in
- part on their position in the organisation hierarchy. The effects of personal power vary: the chief executive's
- use of personal power will be more far-reaching in the organisation as a whole than that of a junior manager.
- 1.8.1 Senior management
- Senior managers have coercive and reward powers, and most importantly take decisions relating to
- personnel.
- 1.8.2 Middle managers
- Middle managers have a number of power sources. They have some reward power over their own
- subordinates. They may have expert power and negative power to delay or subvert decisions taken by

# Authority and power



- Middle managers
- Middle managers have a number of power sources. They have some reward power over their own subordinates. They may have expert power and negative power to delay or subvert decisions taken by senior managers. They need legitimate power, hence the need for formal job descriptions, authorisation limits and so on.
- Interest groups
- There are also formal interest groups, that is, groups which are perceived to represent the interests of their members. Such groups tend to wield greater power in conflict situations than their members as individuals. Examples include trade unions and occupational and professional groups.

# Authority and power



- Departmental power
- The power exercised by individual departments will vary.
- Some departments in the technostructure exercise power by the use of functional authority, for instance, by specifying procedures. Other departments are important as they deal with key strategic contingencies.

# Responsibility



- According to Davis, "Responsibility is an obligation of individual to perform assigned duties to the best of his ability under the direction of his executive leader." In the words of Theo Haimann, "Responsibility is the obligation of a subordinate to perform the duty as required by his superior".
- McFarland defines responsibility as "the duties and activities assigned to a position or an executive".

# Responsibility



- Characteristics of Responsibility
- The essence of responsibility is the obligation of a subordinate to perform the duty assigned.
- It always originates from the superior-subordinate relationship.
- Normally, responsibility moves upwards, whereas authority flows downwards.
- Responsibility is in the form of a continuing obligation.
- Responsibility cannot be delegated.
- The person accepting responsibility is accountable for the performance of assigned duties.
- It is hard to conceive responsibility without authority.

# DELEGATION



- Delegation of control is when an organizational unit (OU) — an object or group in a computer directory — is given a certain amount of control over functions. The control is usually minimal compared to the task, so the user can only perform the specified task and nothing else. Administrators and people in high positions, such as managers and owners, are given the highest delegation of control, with few restrictions on actions. The control is usually split into departments, giving managers control of a single OU that allows the manager to add or delete users.

# DELEGATION



- An OU is a directory of users and serves several purposes. It allows redundant data, such as two people with the same name but in different departments. This also gives users a way to organize employees and other users in terms of department, employee level and overall delegation of control

# DELEGATION



- Assigning a delegation of control gives a user a certain amount of administrative power, but this power is the minimal amount needed for the user to complete a task. For example, if a user is assigned to write records, he or she would be given write access to add records. The user would not be given the ability to add new users to the OU or delete users, because these functions are beyond the user's line of work. Giving extra control can create security problems, which is why only minimal control is granted.

# CONFLICT



- Conflict exists when the interests, goals or values of parties interfere, or are presumed to interfere, with one another. Conflict will always exist whenever people get together in groups. Conflicts can result from poor communication, weak leadership, confused goals and a feeling of helplessness or not being consulted. Good managers are familiar with the basic concepts of conflict management and use these tools every day to resolve problems and anticipate future ones. The following steps can be used in resolving conflicts.

# CONFLICT



- The accommodating strategy essentially entails giving the opposing side what it wants. The use of accommodation often occurs when one of the parties wishes to keep the peace or perceives the issue as minor.

# CONFLICT



- The avoidance strategy seeks to put off conflict indefinitely. By delaying or ignoring the conflict, the avoider hopes the problem resolves itself without a confrontation. Those who actively avoid conflict frequently have low esteem or hold a position of low power. In some circumstances, avoiding can serve as a profitable conflict management strategy, such as after the dismissal of a popular but unproductive employee. The hiring of a more productive replacement for the position soothes much of the conflict.

# CONFLICT



- **Collaboration** works by integrating ideas set out by multiple people. The object is to find a creative solution acceptable to everyone. Collaboration, though useful, calls for a significant time commitment not appropriate to all conflicts. For example, a business owner should work collaboratively with the manager to establish policies, but collaborative decision-making regarding office supplies wastes time better spent on other activities.

# CONFLICT



- The compromising strategy typically calls for both sides of a conflict to give up elements of their position in order to establish an acceptable, if not agreeable, solution. This strategy prevails most often in conflicts where the parties hold approximately equivalent power. Business owners frequently employ compromise during contract negotiations with other businesses when each party stands to lose something valuable, such as a customer or necessary service.

# CONFLICT



- Competition operates as a zero-sum game, in which one side wins and other loses. Highly assertive personalities often fall back on competition as a conflict management strategy. The competitive strategy works best in a limited number of conflicts, such as emergency situations. In general, business owners benefit from holding the competitive strategy in reserve for crisis situations and decisions that generate ill-will, such as pay cuts or layoffs.

# FURTHER READING



- ACCA-BPP F1
- Effective Delegation in Leadership and Management - Susan M. Heathfield
- <http://kalyan-city.blogspot.com/>
- What Is Delegation of Control? - By: Alex Newth
- Techniques for Conflict Management
- By J. Lang Wood
- 5 Conflict Management Strategies
- by Eric Dontigney
- ACCA – Managing People