

Unit 4 Management and Operations

Unit 5 Leadership and Management for Service Industries

WEEK 6 CLASS TOPICS

- Contemporary and seminal theories of management. The functions of management related to different theories of management e.g. such as management by objectives, classical management, administrative (Fayol), scientific (Taylor), behavioral theory including chaos theory, and contingency theory.
- Management functions such as planning, organizing, controlling and directing.

CLASSICAL MANAGEMENT THEORY

Classical Theory of Management

There are different views of management and classical views of management and the classical management theory is also one of them. Management has always remained a challenge for people.

In the early 90's, when industrialization boomed, managers realized that there should be some scientific methods to increase productivity.

Different managers provided their views to describe the classical viewpoint, which are also known as classical management theory, such as scientific, bureaucratic and administrative, etc.

The classical management theory is based on the belief that workers only have physical and economic needs. It does not take into account social needs or job satisfaction, but instead advocates a specialization of labor, centralized leadership and decision-making, and profit maximization.

Designed solely to streamline operations, increase productivity and enhance the bottom line, this idea arose in the late 19th century and gained prominence through the first half of the 20th century. While not widely subscribed to in modern times, this theory offers some principles that remain valid, to an extent, in small business settings in regards to manufacturing.

CLASSICAL MANAGEMENT THEORY

CLASSICAL MANAGEMENT THEORY

Concepts of the Ideal Workplace

The theory outlines an ideal workplace as one that rests on three main concepts:

- ❑ **Hierarchical structure** - Under classical management theory, workplaces are divided under three distinct layers of management. At the very top are the owners, board of directors and executives that set the long-range objectives for a firm. Middle management takes on the responsibility of overseeing supervisors while setting goals at the department level to fit within the confines of the managers' budget. At the lowest level of the chain are supervisors, who manage day-to-day activities, address employee problems and provide training.
- ❑ **Specialization** - The classical management theory involves an assembly line view of the workplace in which large tasks are broken down into smaller ones that are easy to accomplish. Workers understand their roles and typically specialize in a single area. This helps increase productivity and efficiency while eliminating the need for employees to multi-task.
- ❑ **Incentives** - This theory believes that employees are motivated by financial rewards. It proposes that employees will work harder and be more productive if they are awarded incentives based on their work. Employers who can motivate their employees using this tactic may be able to achieve increased production, efficiency and profit.

The autocratic leadership model is the central part of classical management theory. In this system, there is no need to consult large groups of people for decisions to be made. A single leader makes a final decision and it is communicated downward for all to follow. This leadership approach can be beneficial when decisions need to be made quickly by one leader, rather than a group of company officials.

CLASSICAL MANAGEMENT THEORY

Strengths of the Theory

While not typically used in today's workplaces, the classical management theory does have some strong points. They include:

- ❑ A clear structure for management, its functions and operations.
- ❑ The division of labor that can make tasks easier and more efficient to accomplish, which can enhance productivity.
- ❑ Clear definition of employee roles and tasks with little left to guesswork.

Advantages and Benefits of the Classical Management Theory

✓ Clear Hierarchical Structure

One of the advantages of the classical management structure is a clear organizational hierarchy with three distinct management levels. Each management group has its own objectives and responsibilities. The top management is usually the board of directors or the chief executives who are responsible for the long-term goals of the organization. Middle management oversees the supervisors, setting department goals according to the approved budget.

At the lowest level are the supervisors who oversee day-to-day activities, address employee issues and provide employee training. The levels of leadership and responsibilities are clear and well defined. While the three-level structure may not be suitable for all small businesses, it can benefit those that are expanding.

✓ Clearly Defined Division of Labor

One of the advantages of classical management approach is the division of labor. Projects are broken down into smaller tasks that are easy to complete. Employees' responsibilities and expectations are clearly defined. This approach allows workers to narrow their field of expertise and to specialize in one area. The division of labor approach leads to increased productivity and higher efficiency, as workers are not expected to multitask. Small-businesses owners can benefit from taking this approach if they are looking to increase production with minimal expense.

✓ Motivated by Money

According to classical management theory, employees should be motivated by monetary rewards. In other words, they will work harder and become more productive if they have an incentive to look forward to. This gives management easier control over the workforce. Employees feel appreciated when being rewarded for hard work. A small-business owner can take this approach to motivate the employees to achieve production goals.

✓ Single Leader Makes Decisions

The autocratic leadership approach is the central part of classical management theory. It states that an organization should have a single leader to make decisions, to organize and direct the employees. All decisions are made at the top level and communicated down. The autocratic leadership approach is beneficial in instances when small-business decisions need to be made quickly by a leader, without having to consult with a large group of people, such a board of directors. Small businesses, especially sole proprietorships, can have an advantage in taking this approach, as they need a strong leader to grow.

CLASSICAL MANAGEMENT THEORY

Flaws in the Model

When the theory is put into action, companies can see their production numbers increase. There are, however, some flaws that make this particular management model less than attractive in workplaces. These pitfalls include:

- ❑ By attempting to predict and control human behavior, this theory overlooks the importance of human relations and creativity.
- ❑ In essence, this theory views workers almost as machines, but fails to take into account what job satisfaction, employee input and morale can bring to the workplace.
- ❑ The reliance on prior experience and the ability to apply it almost solely to manufacturing settings is another drawback of this theory.

The classical management theory can help streamline manufacturing operations where high productivity is a must. However, it fell out of favor after the rise of the human relations movement, which sought to gain a better understanding of the human motivation for productivity. Although some of its facets are viable for certain circumstances, this theory generally does not translate well to workplaces today.

CLASSICAL MANAGEMENT THEORY

The classical theory has the following characteristics:

1. It is built on an accounting model.
2. It lays emphasis on detecting errors and correcting them once they have been committed.
3. It is more concerned with the amount of output than the human beings.
4. The human beings are considered to be relatively homogeneous and unmodifiable. Thus, labor is not divided on the basis of different kinds of jobs to be performed in an organization.
5. It is assumed that employees are relatively stable in terms of the change, in an organization.
6. It is assumed that the authority and control should be vested with the central authority only, in order to have a centralized and integrated system.

Some writers of the classical theory emphasized on the technological aspects of the organization and how the individuals can be made more efficient, while others emphasized on the structural aspects of an organization so that individuals collectively can be made more efficient. Thus, this purview of different writers resulted in the formation of two distinct streams:

- Scientific Management Stream
- Administrative Management Stream

Thus, according to this theory the human beings are just considered as a means of production.

SCIENTIFIC MANAGEMENT THEORY (TAYLOR)

SCIENTIFIC MANAGEMENT THEORY (TAYLOR)

The Scientific Management Theory is well known for its application of engineering science at the production floor or the operating levels. The major contributor of this theory is Fredrick Winslow Taylor, and that's why the scientific management is often called as "Taylorism".

The scientific management theory focused on improving the efficiency of each individual in the organization. The major emphasis is on increasing the production through the use of intensive technology, and the human beings are just considered as adjuncts to machines in the performance of routine tasks.

The scientific management theory basically encompasses the work performed on the production floor as these tasks are quite different from the other tasks performed within the organization. Such as, these are repetitive in nature, and the individual workers performing their daily activities are divided into a large number of cyclical repetition of same or closely related activities. Also, these activities do not require the individual worker to exercise complex-problem solving activity. Therefore, more attention is required to be imposed on the standardization of working methods and hence the scientific management theory laid emphasis on this aspect.

SCIENTIFIC MANAGEMENT THEORY (TAYLOR)

The major principles of scientific management, given by Taylor, can be summarized as follows:

- ❑ Separate planning from doing.
- ❑ The Functional foremanship of supervision, i.e. Eight supervisors required to give directions and instructions in their respective fields.
- ❑ Time, motion and fatigue studies shall be used to determine the fair amount of work done by each individual worker.
- ❑ Improving the working conditions and standardizing the tools, period of work and cost of production.
- ❑ Proper scientific selection and training of workmen should be done.
- ❑ The financial incentives should be given to the workers to boost their productivity and motivate them to perform well.

Thus, the scientific management theory focused more on mechanization and automation, i.e., technical aspects of efficiency rather than the broader aspects of human behavior in the organization.

About Frederick Taylor

There may be various ways to process one task; considering all those ways and selecting one best way is the main purpose of scientific management. Various experiments were done by different scientists, including Frederick W. Taylor, who is also known as “father of scientific management”. F.W. Taylor (1856-1915) is widely recognized as first management thinker, who tried to find out scientific methods. Taylor did different experiments from which the event of Bethlehem Steel companies is well known. He focused to develop better understanding among employees and managers by improving efficiency of all. The experiment at Bethlehem was named as “pig iron”. Taylor described his principles in order to make people understand that how to choose the one best way to increase productivity. Scientific management is also known as “Taylorism.” It was Taylor who described managers’ functions to plan and control and workers’ functions to do as they are instructed. He improved the productivity and even achieved it up to 200 percent.

Taylor described the first ever solution to counter the problem of soldiering of workers in which they deliberately perform below full capacity. He defined how to cut unnecessary elements from the process in order to understand the time-and-motion study. It helps breaking a task into different motions and defining the expected delay between two motions that improves efficiency of productivity.

Taylor gave four principles of management that ensure the increase in productivity and those are:

1. Analyze the each portion of the task and select one best method to do it.
2. Workers should be selected carefully and given specific training as they could perform the task according to scientifically developed method.
3. The manager should be cooperating workers at each stage in order to make sure that workers are going on the right path.
4. Task and responsibilities should divided among the workers and management should develop scientific methods keeping workers in mind, in this way, everyone will be clear about his or her task and will be answerable for his or her part.

Functions of Scientific Management Theory

Though the scientific theory of management provided tools for workers to enhance their output and efficiency, employees did only menial work and hence the theory criticism of the classical theory of management faced critics for developing an assembly-line atmosphere. With this as a reason, the theory was fallen out of favor by various companies but is still considered as a valuable tool in many companies for its principles.

A good example where techniques of classical and scientific management theory can be applied is in factories where repetitive tasks are achieved. The importance of scientific management theory and principles are,

- Employees must be elected based on their skills and abilities related to job.
- Incentives and wages provided to employees should be based on encouraging them and enhancing their output.
- The leadership within the organization should be one that develops a standard method for doing certain job with the assistance of scientific management theory.
- There should be attention on eradicating interruptions while planning work.
- Rule of thumb work methods are replaced with other methods which are based on scientific study of tasks.

Advantages of Scientific Management Theory

1. **Enhanced production:** The scientific management theory is responsible for enhanced production as it concentrates on steady improvements in business operations. There is fruitful cooperation between managers and workers and hence enhanced team work is achieved. The harmonious relationship between the management and workers assists in production in the organization.
2. **Ability to control:** The best part of scientific management theorists is that the managers are able to have good control over production. Employees become specialists in their field as they do the same task repeatedly; this makes it easy for the manager to have control over employees.
3. **Decreases inaccuracy:** Inaccuracy is decreased as the theory is based on experiment and observation for context-specific solutions. With better planning and decision making, accuracy is achieved.
4. **Decreased autocracy:** The theory stimulates the management to adopt a positive relationship with leadership. Cooperation amongst employees and managers enhances democracy in workplace. Hence there is decreased autocracy by following scientific management theory.
5. **Cost of production is reduced:** The mechanization and latest use of technology in production of goods enhances productivity. Since there is enhanced large scale production, there is a decrease in per unit cost of production.
6. **Quick decision making:** Planning ahead of time and prompt decision making are few good aspects of scientific management theory.
7. **Benefit to customers:** With the help of scientific management theory there is triple benefits for the consumers. Consumers pay fewer prices and are able to get best quality products. They are also able to attain better living standards.
8. **Efficiency increased:** They follow early working method and control where a management methodology is developed for the purpose of training, selecting and supervising them in a close manner. Since scientific selection and training methods are followed, it leads to a workforce which is best and enhances efficiency.

Advantages of Scientific Management Theory

10. Best use of resources and development:

With the scientific techniques followed, there is better utilization of resources, this in turn leads to increased productivity. Wastage and inefficiency of all means are eradicated with the theory. Also with the help of scientific investigation it leads to technological development.

11. Beneficial to the nation:

With the help of scientific management theory there is enhanced beneficial aspects for the nation. Some of them are increased production and less cost of production, industrial harmony and peace, every phase of society meets high standard of living, the national income is enhanced, and there is also quick industrial development with this theory. The role of Scientific management theory plays a crucial part in developing the nation.

12. Less production time:

Work in lesser time is achieved with scientific management theory. The operations regarding productions are pre-established and lead to less production delays.

13. Worker instructions:

With the assistance of this theory, work is carried out in a systematic manner according to pre-determined plans. Complete guidance and instructions are provided to workers in order to carry on with work as planned in advance.

14. Good working conditions:

A proper atmosphere for working and conditions are developed with scientific management theory. Proper working schedules are followed with ventilation; adequate lighting, rest pauses, with proper safety, and other facilities are provided.

15. Owners and investors benefitted:

Large scale production and enhanced productivity moves forward for enhanced turn overs and more profit for investors. High profits can be reaped for self-financing so that the concern has a sound financial base.

16. Avoids labor and management disputes:

Since there is a healthy relationship and cooperation between management and labors, hence they have a cordial and harmonious relationship with one another. By this way, industrial disputes are reduced and peace in an industry is achieved.

Mental revolution is a concept evolved by Taylor for development of mutual trust, understanding, and confidence between management and labor.

Disadvantages of Scientific Management Theory

1. Requires huge capital:

The theory requires an investment of huge capital and is considered as a costly system. The establishment of work study, planning department, training of workers, and standardization requires more money.

2. Management takes control:

The management takes complete responsibility related to control and planning of work place activities. Since the managers take up control of the employees, they lack creativity, another reason of this is that since they repeat the same task, their work is meaningless, monotonous, and tedious which reduces employee motivation.

3. Planning reduces productivity:

Though the capability to plan ahead is an advantage, the downside of planning is that it makes work inflexible and rigid and may lead to carelessness and dissatisfaction.

4. Demotivating approach:

With the application of scientific approach of management, the employees are focused on how well they perform their job and their statistics and results are produced along with a time frame. With this result, the employees may feel underestimated and also feel alienated which may direct them to absenteeism.

5. Overly bureaucratic:

Over bureaucratic activity may be a major disadvantage in any organization. A bureaucratic and strict organization may make the employees feel dissatisfied and this may lead to high staff turnover rates and may affect productivity.

6. Mechanistic:

The theory follows a specific approach for organizations and the employers gain control over the workers. This activity makes work mechanistic and treats the workers like machines.

7. Not suitable for teams:

Scientific management theory doesn't work fruitful for teams and groups as they have the capability to abuse and exploit human beings which may lead to conflicts. There is no scope for individual preference with this theory.

Disadvantages of Scientific Management Theory

8. Unemployment:

With the application of this theory, men are replaced by machines which in turn lead to unemployment. By this way, fewer employees are required and many are chunked out from work.

9. Adverse effects:

The scientific management theory pushes workers to rush to complete their work and complete work within stipulated time. By this way there is adverse effect on the health of the workers.

10. Stress:

With managerial decisions, there is strictness and stress for managers as they need to take responsibility for having complete control over workplace. By this way, there is pressure influenced in the work place for the workers too. Productivity and profitability was given importance which lead to exploitation of employees and they associated in trade unions. This led to the mistrust amongst employees and management.

11. Time consuming:

The scientific management theory is considered time consuming as it requires complete reorganizing and mental revision of the organization. The theory when adopted needs more time for standardization, study and specialization, or else at time of overhauling, the workers suffer.

ADMINISTRATIVE MANAGEMENT THEORY (FAYOL)

ADMINISTRATIVE MANAGEMENT THEORY (FAYOL)

The Administrative Theory is based on the concept of departmentalization, which means the different activities to be performed for achieving the common purpose of the organization should be identified and be classified into different groups or departments, such that the task can be accomplished effectively.

The administrative theory is given by Henri Fayol, who believed that more emphasis should be laid on organizational management and the human and behavioral factors in the management. Thus, unlike the scientific management theory of Taylor where more emphasis was on improving the worker's efficiency and minimizing the task time, here the main focus is on how the management of the organization is structured and how well the individuals therein are organized to accomplish the tasks given to them.

The other difference between these two is, the administrative theory focuses on improving the efficiency of management first so that the processes can be standardized and then moves to the operational level where the individual workers are made to learn the changes and implement those in their routine jobs. While in the case of the scientific management theory, it emphasizes on improving the efficiency of the workers at the operating level first which in turn improves the efficiency of the management. Thus, the administrative theory follows the top-down approach while the scientific management theory follows the bottom-up approach.

Fayol has given 14 principles of management with the intent to improve the functioning of the managers.

Henry Fayol's 14 Principles of Management

Division of Work: The work should be divided among the individuals on the basis of their specializations, so as to ensure their full focus on the effective completion of the task assigned to them.

Authority and Responsibility: The authority and responsibility are related to each other. Authority means the right to give orders while the responsibility means being accountable. Thus, to whomsoever the authority is given to exact obedience must be held accountable for anything that goes wrong.

Discipline: The individuals working in the organization must be well-disciplined. The discipline refers to the obedience, behavior, respect shown by the employees towards others.

Unity of Command: According to this principle, an individual in the organization must receive orders from only one supervisor. In case an individual has the reporting relationship with more than one supervisor then there may be more conflicts with respect to whose instructions to be followed.

Unity of Direction: Unity of direction means, all the individual or groups performing different kinds of a task must be directed towards the common objective of the organization.

Subordination of Individual to General Interest: According to this principle, the individual and organizational interest must coincide to get the task accomplished. The individual must not place his personal interest over the common interest, in case there a conflict.

Remuneration of Personnel: The payment methods should be fair enough such that both the employees and the employers are satisfied.

Henry Fayol's 14 Principles of Management

Centralization: Fayol defines centralization as the means of reducing the importance of subordinate's role in the organization, and the extent to which the authority is centralized or decentralized depends on the organization type in which the manager is working.

Scalar Chain: This means there should be a proper hierarchy in the organization that facilitates the proper flow of authority and communication. It suggests that each individual must know from whom he shall get instructions and to whom he is accountable to. Also, the communication either going up or down must pass through each level of authority. In certain circumstances where the quick flow of communication is required, the rigidity of a scalar chain can pose problems. Thus, Henry Fayol has suggested "gang plank" which means anybody in the hierarchy can interact with each other irrespective of their authority levels.

Order: This principle is related to the systematic arrangement of things and people in the organization. This means every material should be in its place, and there should be a place for every material. Likewise, in the case of people, a right man should be in the right job.

Equity: All the employees in the organization must be treated equally with respect to the justice and kindness.

Stability of Tenure: The employees should be retained in the organization, as new appointments may incur huge selection and training cost.

Initiative: The manager must motivate his subordinates to think and take actions to execute the plan. They must be encouraged to take initiatives as this increases the zeal and energy among the individuals.

Esprit de Corps: This means "unity is strength". Thus, every individual must work together to gain synergy and establish cordial relations with each other.

Five Functions of Management (Fayol)

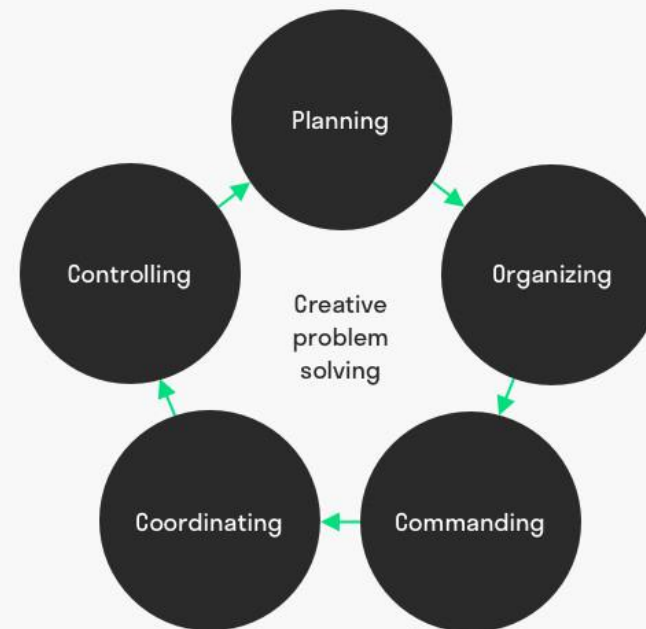
Henri Fayol gained world-wide fame for his 14 general principles of management.

He defined five functions of management for the management component and these are still seen as relevant to organizations today.

These five functions focus on the relationship between personnel and its management and they provide points of reference so that problems can be solved in a creative manner.

Five functions of management (Fayol)

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Five Functions of Management (Fayol)

1. Planning

Planning is looking ahead. According to Henri Fayol, drawing up a good plan of action is the hardest of the five functions of management. This requires an active participation of the entire organization. With respect to time and implementation, planning must be linked to and coordinated on different levels. Planning must take the organization's available resources and flexibility of personnel into consideration as this will guarantee continuity.

2. Organizing

An organization can only function well if it is well-organized. This means that there must be sufficient capital, staff and raw materials so that the organization can run smoothly and that it can build a good working structure. The organizational structure with a good division of functions and tasks is of crucial importance. When the number of functions increases, the organization will expand both horizontally and vertically. This requires a different type of leadership. Organizing is an important function of the five functions of management.

3. Commanding

When given orders and clear working instructions, employees will know exactly what is required of them. Return from all employees will be optimized if they are given concrete instructions with respect to the activities that must be carried out by them. Successful managers have integrity, communicate clearly and base their decisions on regular audits. They are capable of motivating a team and encouraging employees to take initiative.

4. Coordinating

When all activities are harmonized, the organization will function better. Positive influencing of employees behaviour is important in this. Coordination therefore aims at stimulating motivation and discipline within the group dynamics. This requires clear communication and good leadership. Only through positive employee behaviour management can the intended objectives be achieved.

5. Controlling

By verifying whether everything is going according to plan, the organization knows exactly whether the activities are carried out in conformity with the plan.

Control takes place in a four-step process:

1. Establish performance standards based on organizational objectives
2. Measure and report on actual performance
3. Compare results with performance and standards
4. Take corrective or preventive measures as needed

ABOUT HENRI FAYOL

Henri Fayol (1841-1925) is a prominent name in this field; he gave the perspective that planning, organizing, commanding, coordinating, and controlling are the main functions of the administration. This approach is still in practice in various organizations; however, the functions are modified slightly. Various books of management written today are based on these basic functions, which serve the same purpose as it served at the time of Fayol. He was a French industrialist; therefore, he wrote books in French. His written work was translated into English some decades after his death.

Fayol's theory provided a broad and analytical framework of the process of administration which overcomes the drawback of Taylor's management theory.

NeoClassical Management Theory

The NeoClassical Theory is the extended version of the classical theory wherein the behavioral sciences gets included into the management. According to this theory, the organization is the social system, and its performance does get affected by the human actions.

The classical theory laid emphasis on the physiological and mechanical variables and considered these as the prime factors in determining the efficiency of the organization. But, when the efficiency of the organization was actually checked, it was found out that, despite the positive aspect of these variables the positive response in work behavior was not evoked.

Thus, the researchers tried to identify the reasons for human behavior at work. This led to the formation of a NeoClassical theory which primarily focused on the human beings in the organization. This approach is often referred to as “behavioral theory of organization” or “human relations” approach in organizations.

The NeoClassical theory posits that an organization is the combination of both the formal and informal forms of organization, which is ignored by the classical organizational theory. The informal structure of the organization formed due to the social interactions between the workers affects and gets affected by the formal structure of the organization. Usually, the conflicts between the organizational and individual interest exist, thus the need to integrate these arises.

The NeoClassical theory asserts that an individual is diversely motivated and wants to fulfill certain needs. The communication is an important yardstick to measure the efficiency of the information being transmitted from and to different levels of the organization. The teamwork is the prerequisite for the sound functioning of the organization, and this can be achieved only through a behavioral approach, i.e. how individual interact and respond to each other.

NeoClassical Management Theory

Behavioral Theories of Management

Behavioral Theory

Behavioral theories focus on how leaders behave. For instance, do leaders dictate what needs to be done and expect cooperation? Or do they involve their teams in decision-making to encourage acceptance and support?

ASSUMPTIONS

Leaders can be made, rather than are born.

Successful leadership is based in definable, learnable behavior.

DESCRIPTION

Behavioral theories of leadership do not seek inborn traits or capabilities. Rather, they look at what leaders actually do.

If success can be defined in terms of describable actions, then it should be relatively easy for other people to act in the same way. This is easier to teach and learn than to adopt the more ephemeral 'traits' or 'capabilities'.

DISCUSSION

Behavioral is a big leap from Trait Theory, in that it assumes that leadership capability can be learned, rather than being inherent. This opens the floodgates to leadership development, as opposed to simple psychometric assessment that sorts those with leadership potential from those who will never have the chance.

A behavioral theory is relatively easy to develop, as you simply assess both leadership success and the actions of leaders. With a large enough study, you can then correlate statistically significant behaviors with success. You can also identify behaviors which contribute to failure, thus adding a second layer of understanding.

Behavioral Theory: ROLE THEORY

Role Theory is a perspective in sociology and social psychology. Role Theory proposed that human behavior is guided by expectations held both by the individual and by other people. The expectations correspond to different roles individuals perform or enact in their daily lives, such as secretary, father, or friend. The model is based on the observation that people behave in a predictable way, and that an individual's behavior is context specific, based on social position and other factors. Each social role is a set of rights, duties, expectations, norms and behaviors that a person has to face and fulfill. Roles are occupied by individuals, who are called "actors".

Role theory as it relates to organizational leadership is how the leaders and followers in an organizational context define their own roles, define the roles of others, how people act in their roles and how people expect people to act in their roles within the organization. The basic assumption is that the leaders often define their own roles within an organization based on how the employees see the leader's role. This theory is based on the assumptions from social role theory that people define roles for themselves and others based on social learning and reading and they form expectations about the roles that they and others will play. People also encourage others within their social circle to act within the role expectations they have for them and they themselves try to act within the roles they adopt.

Behavioral Theory: ROLE THEORY

Associated with every work environment is a set of activities or roles that are defined as potential behaviors to be performed in accordance with a specific job. Within organizations, there exist both formal and informal channels to convey these expectations about leader's role. Formal role theory reveals itself through policies and positions set by upper management. Examples of formal channels are leadership values training, explicit leadership behaviors at different levels/bands, organizational culture, training sessions, mentoring by senior managers, and so on.

Informal role theory reveals itself through the expectations of followers. Employees have internal representations about the role of leaders, based on what they read, discuss, hear, observe and so on. They consciously or unconsciously send these expectations to their leaders, acting as role senders, for example forwarding an important customer escalation mail to the manager for decision and guidance in spite of employee knowing the desired actions to resolve the same. This balancing of decisions employees take upon ourselves and the ones that they leave on their leaders pass these subtle expectations to the leader. Leaders get influenced by these signals, and will generally adapt and follow these, playing the leadership role that is put upon them by their followers.

Behavioral Theory: ROLE THEORY

ASSUMPTIONS

People define roles for themselves and others based on social learning and reading.

People form expectations about the roles that they and others will play.

People subtly encourage others to act within the role expectations they have for them.

People will act within the roles they adopt.

DESCRIPTION

We all have internal schemas about the role of leaders, based on what we read, discuss and so on. We subtly send these expectations to our leaders, acting as role senders, for example through the balance of decisions we take upon ourselves and the decisions we leave to the leader.

Leaders are influenced by these signals, particularly if they are sensitive to the people around them, and will generally conform to these, playing the leadership role that is put upon them by others.

Within organizations, there is much formal and informal information about what the leader's role should be, including 'leadership values', culture, training sessions, modeling by senior managers, and so on. These and more (including contextual factors) act to shape expectations and behaviors around leadership.

Role conflict can also occur when people have differing expectations of their leaders. It also happens when leaders have different ideas about what they should be doing vs. the expectations that are put upon them.

DISCUSSION

Role expectations of a leader can vary from very specific to a broad idea within which the leader can define their own style.

When role expectations are low or mixed, then this may also lead to role conflict.

Role Theory Terms

Role expectations of a leader can vary from very specific to a broad idea within which the leader can define their own style. Given below are definitions of some common terms used in context of Role Theory of Leadership.

Role Set refers to any feature of the organization that is able to send role expectations/requirements and role pressures to the manager.

Role expectations refer to the degree to which all members of the manager's role set develop beliefs and attitudes about what the manager should and should not do as part of his/her role.

Sent role refers to the fact that role expectations are sent to the focal person (e.g., manager).

Role pressures refer to the numerous influence attempts directed at the focal person that make up the process of role sending.

Role forces are regarded as psychological forces of some magnitude and direction that result from sent pressures by role senders and are the immediate source of the manager's motivation to behave.

Role behavior is a system relevant behavior that is performed by one who is an accepted member of the system, and whose behavior is reinforced by the formalities of the organization.

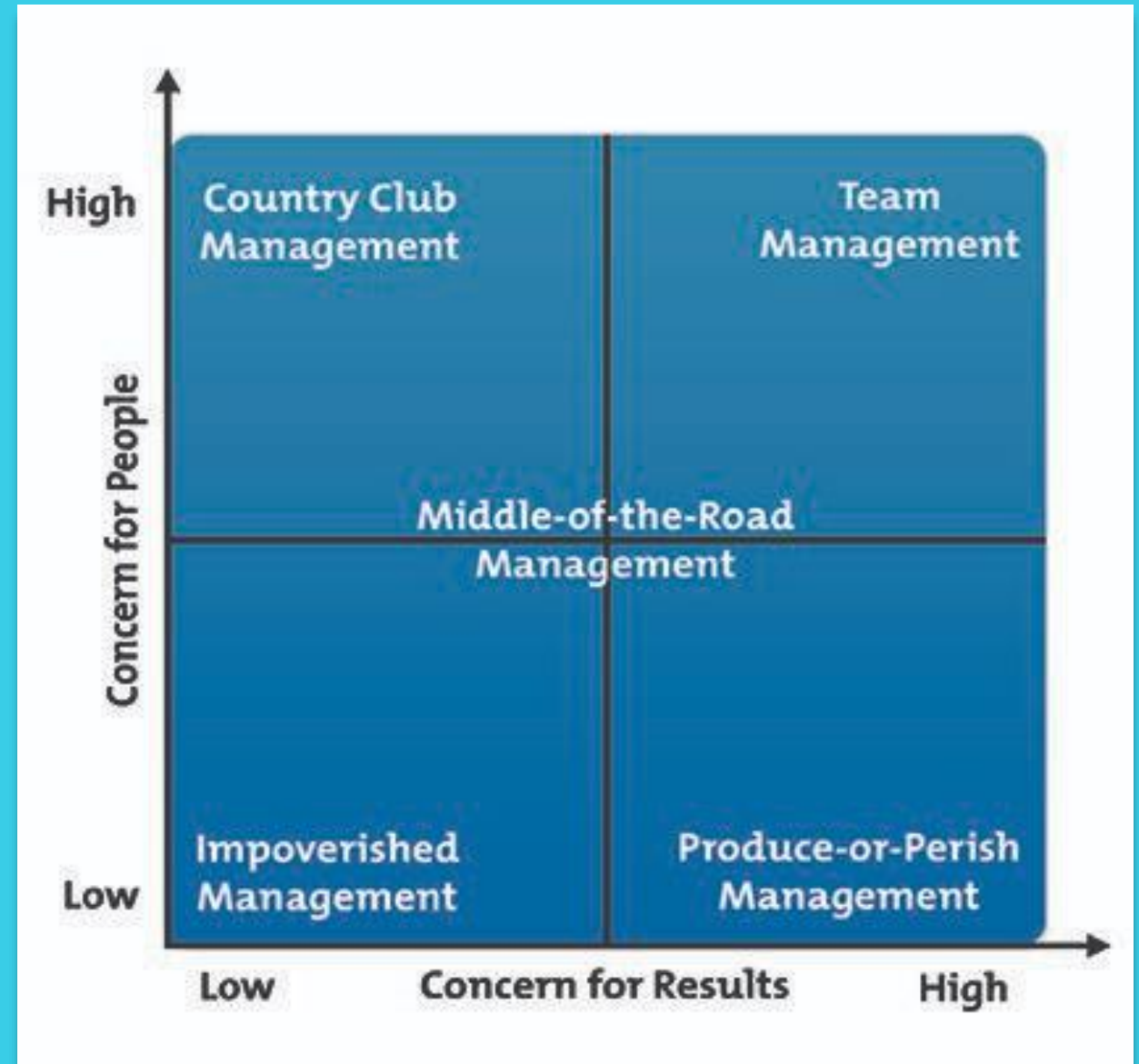
Role Conflicts: According to role theory, role conflict is a possible experience for leaders within a business or organization. When the employees in a business have a set of expectations on the role of the leaders that are different from what the leaders accept as their role, role conflict can occur. Role conflict can also occur when different people have differing expectations of their leaders. It also happens when leaders have different ideas about what they should be doing compared to the expectations of followers or management. Similarly role conflict can also occur when a leader feels they should be performing a certain role but employees expect the leader to fill a different role.

Behavioral Theory: The Managerial Grid

The Blake Mouton Managerial Grid is based on two behavioral dimensions:

- ❑ **Concern for People:** this is the degree to which a leader considers team members' needs, interests and areas of personal development when deciding how best to accomplish a task.
- ❑ **Concern for Results:** this is the degree to which a leader emphasizes concrete objectives, organizational efficiency and high productivity when deciding how best to accomplish a task.

Blake and Mouton defined five leadership styles based on these, as illustrated in the diagram below.



Behavioral Theory: The Managerial Grid

Impoverished Management - Low Results/Low People

The Impoverished or "indifferent" manager is mostly ineffective. With a low regard for creating systems that get the job done, and with little interest in creating a satisfying or motivating team environment, his results are inevitably disorganization, dissatisfaction and disharmony.

Produce-or-Perish Management - High Results/Low People

Also known as "authoritarian" or "authority-compliance" managers, people in this category believe that their team members are simply a means to an end. The team's needs are always secondary to its productivity.

This type of manager is autocratic, has strict work rules, policies and procedures, and can view punishment as an effective way of motivating team members. This approach can drive impressive production results at first, but low team morale and motivation will ultimately affect people's performance, and this type of leader will struggle to retain high performers.

Middle-of-the-Road Management - Medium Results/Medium People

A Middle-of-the-Road or "status quo" manager tries to balance results and people, but this strategy is not as effective as it may sound. Through continual compromise, he fails to inspire high performance and also fails to meet people's needs fully. The result is that his team will likely deliver only mediocre performance.

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Country Club Management - High People/Low Results

The Country Club or "accommodating" style of manager is most concerned about her team members' needs and feelings. She assumes that, as long as they are happy and secure, they will work hard. What tends to be the result is a work environment that is very relaxed and fun, but where productivity suffers because there is a lack of direction and control.

Team Management - High Production/High People

According to the Blake Mouton model, Team management is the most effective leadership style. It reflects a leader who is passionate about his work and who does the best he can for the people he works with.

Team or "sound" managers commit to their organization's goals and mission, motivate the people who report to them, and work hard to get people to stretch themselves to deliver great results. But, at the same time, they're inspiring figures who look after their teams. Someone led by a Team manager feels respected and empowered, and is committed to achieving her goals.

Team managers prioritize both the organization's production needs and their people's needs. They do this by making sure that their team members understand the organization's purpose, and by involving them in determining production needs.

When people are committed to, and have a stake in, the organization's success, their needs and production needs coincide. This creates an environment based on trust and respect, which leads to high satisfaction, motivation and excellent results.

Contingency Theory

Contingency Theory

ASSUMPTIONS

The leader's ability to lead is contingent upon various situational factors, including the leader's preferred style, the capabilities and behaviors of followers and also various other situational factors.

DESCRIPTION

Contingency theories are a class of behavioral theory that contend that there is no one best way of leading and that a leadership style that is effective in some situations may not be successful in others.

An effect of this is that leaders who are very effective at one place and time may become unsuccessful either when transplanted to another situation or when the factors around them change.

This helps to explain how some leaders who seem for a while to have the 'Midas touch' suddenly appear to go off the boil and make very unsuccessful decisions.

DISCUSSION

Contingency theory is similar to situational theory in that there is an assumption of no simple one right way. The main difference is that situational theory tends to focus more on the behaviors that the leader should adopt, given situational factors (often about follower behavior), whereas contingency theory takes a broader view that includes contingent factors about leader capability and other variables within the situation.

Q&A

1. Who are the main theorists behind the Scientific and Administrative Management Theories?
2. Briefly define the Scientific Management Theory.
3. Briefly define the Administrative Management Theory.
4. Briefly define the NeoClassical Management Theory.
5. Briefly define the Role Theory.
6. What are the 5 functions of management?