Human Relations in Management

... a guided study course
HUMAN RELATIONS IN MANAGEMENT

by

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How to Study This Course

The study of Human Relations in Management in the study-guide mode requires that you, the student, do the readings, activities, and exercises in the sequence assigned. The course is divided into eleven conceptual frameworks (modules) and within these frameworks several subcategories are addressed, particularly in dealing with the most significant human relations concepts. These modules are organized as follows:

Module 1--lays the groundwork for subsequent modules, chapters, and exercises by examining the nature of human relations. This module also introduces the concept of a positive work environment, and shows the relationship between a positive work environment and sound management.

Module 2--provides the rationale for the importance of understanding human needs and the relationship between and among needs, job satisfaction, and motivation. Also provided in this module is a study of job satisfaction of federal employees in Hawaii in which some of the main concepts dealt with in the study guide are tested.

Module 3--describes the various motivational approaches employed in management and explains the importance in choosing the appropriate motivational approach.

Module 4--describes the five sources of leadership influence and explains the qualities of effective leaders.

Module 5--describes the various forms of organizational communications and the obstacles to each form. The various methods of improving communication and overcoming the most common obstacles are explained in detail.
Module 6—describes the various purposes and types of organizations and explains how these differences impact on communication, productivity, managerial approach, and motivation.

Module 7—explains the importance of designing satisfying jobs and describes the key concepts such as job enlargement, job rotation, job enrichment, and management by objectives.

Module 8—describes the characteristics of a formal work group and explains the structure and impact of formal and informal work groups. Common factors that contribute to ineffective formal work groups are also described. Also explained is the team building process, and how it counteracts the causes of group ineffectiveness.

Module 9—describes the various methods of managing conflict and explains the probable outcome of each method. The importance of selecting the appropriate method for the desired outcome is also explained.

Module 10—describes the various methods of managing change and resistance to change in organizations.

Module 11—describes the various forms of effective decision-making and explains how such decisions contribute to sound human relations in management. Techniques for improving group decision making is also explained.

How to Approach Each Module

Each of the modules described above represents an individual study unit, with each unit including particular reading assignments, supplementary readings, cases, and exercises. In most cases appropriate audiovisual materials are also identified. It is important that you do the assigned readings and the additional suggested readings identified in the study guide supplement. As you do the assigned exercises and cases, it is important
Module 1

that you review "Terms That You Should Know" section of each module. Unless unavailable to you, the assigned videotapes and films should also be viewed before proceeding to the next module. Viewing these materials will enrich your understanding of the concepts dealt with in the modules.

Suggestions on how you should proceed are provided in the following list of steps.

1. After you have looked at the scheduled reading, begin your assignment by reading the brief narrative to each module. This narrative tells you something about the topic and provides information needed to enable you to place the concepts dealt with in the proper context. In some modules an outline may also be provided.

2. Next, read the cases. (Note: Not all modules will have cases.) The cases vary in length, but they all present the main features of the assigned work by discussing key themes, ideas, and ways of interpreting what you are reading.

3. Continue by looking at the questions at the end of the assigned chapter and cases. Review these questions before you begin the chapter assignment so you will have some points to look for while you read. When you come across a passage that provides information needed in answering a question, jot it down. Keeping such notes will prove valuable to you when we discuss these questions and answers in class.

4. Now review all the terms in the "Terms You Should Know" section. Or, if it suits your learning style, you may do this as the first step. The important thing is that you review these terms and definitions carefully, more than once if possible.

5. View the audiovisual material (TV tape, film or filmstrip) assigned for the module. While viewing these materials, try to perceive the
relationships between the narrative, the terms, and the audiovisual materials you are reviewing. Occasionally a question relating to the audiovisual material is included on an accompanying worksheet; answer it if possible. If an assigned film does not arrive on schedule or is otherwise unavailable, simply omit the assignment, noting the reason for the incomplete assignment. The films and filmstrips are included in the course as an additional way of enriching your experience and understanding the readings and terms that make up the course.

The Importance of Human Relations

Learning Objectives and Assignments

After you have completed this module, have read Chapter #1 in Human Relations in Management, by S. Deep, and have reviewed the questions and cases assigned, you should be able to:

1. Give an operational definition of human relations in management.
2. Discuss the advantages of practicing sound human relations.
3. Describe the three components of the human relations action model and explain the role played by each component.
4. Identify the characteristics of a positive work environment and show how such an environment contributes to the success of an organization.
5. Distinguish between what human relations in management is and what it is not.

Human Relations School in Historical Perspective

Management styles have been influenced by the economic and social conditions that have prevailed during various periods of history. In the United States during the past five decades, three distinct styles of management evolved. Prior to the 1920s and 1930s, a hard-nosed
authoritarian mode of management was prevalent.

Figure 1-1 shows an example of the authoritarian mode prior to 1900. The designated rules were posted in 1872 by a proprietor of a carriage and wagon works.

During the late 1920s, the Hawthorne Studies, conducted by Elton Mayo, spurred sociologists to investigate informal group structure, teamwork, and participative leadership methods as means of increasing productivity.

After the Hawthorne Studies and the end of World War II, a style called human relations rose to prominence. Because of the war effort during the 1940s, there was a labor shortage caused by the tremendous demand for the goods and services needed to sustain the war. To overcome problems caused by the shortage, employers began to offer increased benefits in an effort to attract workers and keep them productive. The advice of social scientists was sought and used to enhance management practices by the more enlightened employers. Essentially the philosophy that prevailed during this period was that if you kept workers happy, they would produce more. To achieve these ends, managers were taught how to practice human relations and to emphasize group harmony. By the early 1960s, the aura of human relations faded in the light of rising production costs, union demands for higher wages and benefits, the rise in foreign competition, and inflation that cut into profit margins. The result was a style of management that could best be described as management by pressure. Emphasis was placed on action-oriented managers who could make things happen. Along with the changed emphasis in management style came an increase in the use of industrial engineering, improvement in the application of systems and operational research, and the introduction of computers in decision making and planning.
1. Office employes will daily sweep the floors, dust the furniture, shelves and showcases.

2. Each clerk will bring in a bucket of water and a scuttle of coal for the day's business.

3. Clerk's will each day fill lamps, clean chimneys, trim wicks. Wash the windows once a week.

4. Make your pens carefully. You may whittle nibs to your individual taste.

5. This office will open at 7 a.m. and close at 8 p.m. daily, except on the Sabbath, on which day it will remain closed.

6. Men employes will be given an evening off each week for courting purposes, or two evenings a week, if they go regularly to church.

7. Every employe should lay aside from each pay a goodly sum of his earnings for his benefits during his declining years, so that he will not become a burden upon the charity of his betters.

8. Any employe who smokes Spanish cigars, uses liquor in any form, gets shaved at a barber shop, or frequents pool or public halls, will give me good reason to suspect his worth, intention, integrity, and honesty.

9. The employe who has performed his labors faithfully and without fault for a period of 5 years in my service, who has been thrify and attentive to his religious duties, and is looked upon by his fellowmen as a substantial and law-abiding citizen, will be given an increase of 5 cents per day in his pay, providing a just return in profits from the business permits it.

Figure 1-1

How to Begin the New Year Right!
Module 1

By the early 1960s, the stage was set for judging the effectiveness of managers and supervisors by what they achieved rather than by their leadership styles. The result was an increased use of predetermined outcomes as a means of assessing the performance of workers and managers. Thus, management by results and management by objectives came into vogue.

Currently, management thinking appears to be following two separate lines of thought. Theorists are increasing their attention to organizational behavior as a means of identifying the best way to solve problems and use human resources. At the same time, some managers seem to be more concerned with systems analysis and the utilization of computers and technology. Although both of these approaches are directed toward improving production and efficiency, they would appear to be based on divergent value systems. The organizational behaviorists seem to favor greater involvement of people in the decision-making process, whereas the proponents of greater use of computers and technology seem to operate on the premise that the less people have to do with the system, the better it can operate.

The primary emphasis of your text, Human Relations in Management, and the modules which follow, is on the behavioral aspects of the organization that will provide a positive work environment for sound human relations and managerial success.

Human Relations in Action

Human relations is a form of management action through a positive relationship between employee work environment and the attainment of organizational goals. The following "action model" which you will also find in Chapter #1 (page 6) of the textbook provides a visual aid as to how these concepts relate.
You will note that the work environment is made up of job, leader, and organization. The element of each of these "building blocks" in creating a positive work environment is shown in Figure 1-3 (see Deep, p. 11).

It is important to distinguish between the intent of a sound human relations approach and other forms of human relation approaches. Human relation as applied by management to the work force is not simply to make workers happy. Unproductive happy workers will eventually leave everyone without employment, for they would cause the enterprise to fail. Sound human relations, on the other hand, proposes that getting the job done in an efficient and effective way can be achieved without causing undue job dissatisfaction. In fact, low morale and widespread dissatisfaction will only cause greater incidence of inefficiency and ineffectiveness. Figure 1-4 below provides some distinguishing characteristics of what human relation in management is and is not (also see Deep, p. 13).

**Figure 1-4**

<table>
<thead>
<tr>
<th>Human Relations in Management IS</th>
<th>Human Relations in Management IS NOT</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ analytic and action-oriented</td>
<td>■ manipulative of workers</td>
</tr>
<tr>
<td>■ intended to make workers more productive</td>
<td>■ intended merely to pacify workers</td>
</tr>
<tr>
<td>■ performed by managers sensitive to the work environment</td>
<td>■ an erosion of leadership authority</td>
</tr>
<tr>
<td>■ worker centered</td>
<td>■ an infringement on the personal lives of workers</td>
</tr>
<tr>
<td>■ applicable in some way everywhere</td>
<td>■ applicable in the same way everywhere</td>
</tr>
</tbody>
</table>
Module 1

Terms You Should Know

- positive work environment
- organizational goal attainment
- organizational behaviorists
- sound human relations
- authoritarian mode of management
Learning Objectives and Assignments

After you have read Chapter Two in the text, Human Relations in Management, reviewed the questions at the end of the chapter, read the case in the text about Nick Farmer, and read the study concerning IRS employees in Hawaii (included with this module), you should be able to:

1. List three possible consequences of a failure to satisfy human needs.
2. Explain why it is important for managers to understand human needs.
3. Identify the five categories of human needs.
4. Explain why the intensity of human needs differs among individuals.
5. Give examples of how human needs can be satisfied through work.
7. Distinguish between hygiene factors and motivator factors.
8. Describe the conditions that lead to job satisfaction and job dissatisfaction.

Maslow's Hierarchy of Needs

Abraham H. Maslow, an eminent psychologist, published his now famous hierarchy of needs in 1954. His work was based on the interpretation of people's physiological and psychological needs. He placed human needs into the following five major categories:
1. **Physical needs**: These are the basic subsistence needs for food, water, shelter, and sex, depending on where you may fall in the male, female, or "other" continuum.

2. **Security needs**: These have two sub-categories: (a) physical and (b) economic. Hopefully, we all strive to be free of illness, and we seek financial security.

3. **Affiliation or social needs**: These needs center around our need for companionship and friends.

4. **Esteem needs**: These are our needs for status, recognition, achievement, prestige, independence and knowledge.

5. **Self Actualization**: This is the need to realize one's own potential.

Maslow also acknowledges that everyone differs with regard to needs; that is, different people ascribe varying degrees of importance to similar needs, and we all experience certain needs with differences in intensity. Maslow believes that the needs on the lower spectrum of the hierarchy must be satisfied before the higher-order needs emerge to demand satisfaction, and that the main reason that people differ in their needs is that they are in different places in the hierarchy.

Maslow's theory on needs is presented graphically in Figure 2.1 below (see also S. Deep. p. 25).

**Figure 2-1**
There are several important reasons why needs differ; these include:

1. **Culture**: The social/economic values impressed upon us as children.

2. **Past experiences**: These are our previous experiences that cause us to have some expectations about the future.

3. **Occupational field**: Sometimes the work that a person does may affect the individual outlook in a particular work situation.

4. **Physical characteristics**: Obviously things such as age and health affect our motivational factors.

5. **Personality**: Personality is a combination of all of the forementioned items, and, of course, personalities differ.

Maslow's theory and the other factors described above help us to understand why human needs differ. Understanding, however, is only the first step. We must, if we are to be effective managers, be able to satisfy some of these human needs at the work place and through work in order to create a positive work environment and maximize organizational goal attainment.

The relationship between Maslow's need hierarchy and the work environment for need satisfaction at work is shown in Figure 2.2 (also see S. Deep. p. 30).

**Job Satisfaction**

As pointed out in your text, job satisfaction is the gratification of needs that occurs through the performance of the job, as opposed to need gratification attained either around the job or off the job. Having human needs fulfilled through performance of one's work is the meaning of job satisfaction and job satisfaction is tied to productivity.
### Figure 2-2

Need Satisfaction at Work

<table>
<thead>
<tr>
<th>Work Environment</th>
<th>NEED HIERARCHY</th>
<th>Self-Actualization</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Job</strong></td>
<td>Physical</td>
<td>Security</td>
</tr>
<tr>
<td></td>
<td>Pleasant, clean place to work</td>
<td>Safe place to work</td>
</tr>
<tr>
<td><strong>Organization</strong></td>
<td>Sufficient pay</td>
<td>Pension plan</td>
</tr>
<tr>
<td><strong>Leader</strong></td>
<td>Allows necessary breaks</td>
<td>Willing to go to bat for workers</td>
</tr>
</tbody>
</table>
Ideally, needs can be satisfied through the job, because this form of satisfaction is best for the employee, the leader, and the organization and it results in the highest productivity. As the author of the text points out, around-the-job satisfaction may not increase productivity but its absence will decrease job satisfaction. Around-the-job satisfaction includes pay, job security, and interaction with peers, and numerous other factors. Figure 2.3 below shows graphically the means of achieving job satisfaction (also see Deep, p. 32).

As your author S. Deep has pointed out, industrial psychologist, Frederick Herzberg, has documented the distinction between results of through and around the job satisfaction. Herzberg found two main types of need satisfactions among workers: hygiene and motivators factors. Hygiene-related factors of the job environment included such things as company policies and administration, supervision, interpersonal relationships, working conditions, salary, status and security. Motivational factors, on the other hand, were related to job content, including such things as
Module 2

achievement, recognition for that achievement, the work itself, responsibility, and growth.

It should be noted that Herzberg contended that hygiene factors, if not satisfied, would lead to dissatisfaction with the job. He did not claim, however, that if all hygiene factors were satisfied, workers would be motivated. He concluded that motivated workers were those whose "motivators" were satisfied. Thus, the two factors, hygiene and motivators, could exist independently.

The similarities between Herzberg's model and Maslow's hierarchy of needs can be seen in Hunt and Hill's 1969 adaptation of Davis' (1967) comparative model shown in Figure 2.4 below.

Following this discussion on theory, it seems appropriate to relate in a practical way the concept of job satisfaction in Hawaii with actual employees. In the following study, questions related to the job, the
leaders, and the organization were asked of employees of the Internal Revenue Service (IRS). In reading over the results of this survey, you should reflect on some of the concepts discussed in Module 2.

Terms You Should Know

- esteem needs
- self-actualization
- hierarchy of needs
- job satisfaction
- through-the-job satisfaction
- around-the-job satisfaction
- off-the-job satisfaction
- hygiene factors
- motivator factors

Additional Articles in Study Guide Supplement


3. "Job Satisfaction In The Public Employ: A Focus on the IRS in Hawaii" by Ross Prizzia Special Consultant Report, January 1980, 24 pages. (This study follows and is not in your study guide supplement.)
Job Satisfaction

Job satisfaction has been defined in a number of ways and has been variously linked to a worker's mental well-being, productivity, and experience. A major study conducted for the federal government in 1972 found that American workers are generally "dissatisfied with their working lives." Moreover, the study concluded that "dull, repetitive, seemingly meaningless tasks, offering little challenge or autonomy are causing discontent among workers at all occupational levels."

In 1974, the U.S. Department of Labor, in an attempt to reduce some of the confusion over job satisfaction, completed a study which involved the comparison of the results of seven national surveys of workers conducted by three survey firms between 1968 and 1978. The Department of Labor study concluded that "There has been no substantial change in overall levels of job satisfaction over the last decade." Overall, the surveys did reveal that about 10% of the respondents are dissatisfied with their jobs and that workers in lesser skilled jobs are least satisfied.

Job Satisfaction in the Public Sector

Studies have shown that public employees tend to have less job satisfaction than their counterparts in the private sector, particularly with regard to their attitudes toward supervision and co-workers. The findings of the author of one such study involving the Federal government (i.e., Kilpatrick) suggested that this difference in job satisfaction between public and private sector employees is due to the fact that federal employees put more emphasis on supervision.
Other researchers claim that public sector employees are generally less satisfied than their private sector counterparts because of the lack of incentives and the imposition of "an excessive procedural rigidity."¹¹ In the recent study by Hal Ramsey it was concluded that "government managers, as compared to business managers, tend to perceive a weaker relationship between their performances and such incentives as pay, promotion, job security, and recognition from the organization."¹² In view of these findings, it is interesting to note that the IRS employees also perceive IRS management in a similar fashion with regard to criteria for promotions. For example, respondents to the IRS survey perceived "things unrelated to the work situation" and "influence with higher management" as the most important criteria for promotion, and "years of service," "technical knowledge," and "quality of work" to be among the least important criteria.

In fact, the overall survey results of IRS employee perceptions of management performance with regard to policy and other decisions seem to support Ramsey's charge that "complaints by public administrators about their inability to reward excellence with promotion or with higher pay are merely manifestations of a myth or excuses which ineffective managers cherish as justifications for their own shortcomings."¹³

It would seem from the results of the survey of IRS employees in Honolulu that even other forms of recognition apart from pay (e.g., better treatment and communication) might enhance what is generally perceived to be relatively low morale among the workers.

General Findings of the IRS Survey

Overall, the results seem to reveal a serious problem in morale due to what respondents perceive to be among other things, mistreatment,
lack of trustworthiness, questionable policy decisions, and poor communication on the part of management. This perception is most pronounced in the respondents' reasons for wanting to leave the IRS employ. Of the more than half who indicated that they were "seeking employment outside the IRS" only 8% were doing so for reasons related to "better pay" while over 60% were seeking employment elsewhere because they were either "dissatisfied with IRS management" or for "more job satisfaction."

Policy changes during the past two years by IRS management were perceived to have "had little impact on the effectiveness one way or another" or to "have lessened the effectiveness of the organization." Only 14% of the respondents felt that policy changes were "well thought out and meaningful." Other types of management decisions such as selection of first line supervisors and criteria for promotions were perceived to be arbitrary. Questionable decision-making may have been the reason why the respondents generally perceived the job performance of the District Director to be "fair" to "poor." The perception of the job performance of the Branch Chief was only slightly better (e.g., "fair") while the Regional Commissioner and the Division Chief were judged to be "fair" to "good."

Communication between management and the working level was perceived to need "some" or "a lot" of improvement by nearly 60% of the respondents while only 28% felt communication to be adequate at the working level.

The Survey Format

The survey instrument, a questionnaire, was developed by drawing on items from an "in-house" survey of the IRS employees conducted by the NTEU (National Treasury Employees Union) in the Atlanta District in 1978
and the Job Descriptive Index (J.D.I.) designed by Smith, Kendall and Hudin. Rather than use simple yes and no responses, as has been the case in previous use of this index, a Likert-type scale was developed which ranged from Very Satisfying (coded 1) to Very Dissatisfying (coded 5) on most items and a range from "almost always" (coded 1) to "almost never" (coded 5) on other items where appropriate.

The pre-test of the questionnaire was conducted in June 1979 and involved approximately 6% of the total IRS employee force in Honolulu. The questionnaire terminology was further refined and several items eliminated based on the results of the pre-test and suggestions from several employee representatives. Sampling was not a problem in the distribution of the final draft of the questionnaire in August 1979. Since all employees were provided a questionnaire through normal office distribution routing, all had an equal chance to respond.

A total of 197 questionnaires were distributed to the IRS employees of various branches of service. One hundred forty-seven (75%) of the employees responded to and returned the completed questionnaire to the author's address by mail. This is generally considered an extremely high percentage of return for mail-return surveys. The respondents comprise an excellent representative sample of the branches of service, the G.S. levels, and the years in service. For example, 51% of the respondents were from the Examinations branch and 17% were from the Collections branch, 10% from Taxpayer Services, 15% from Criminal Investigation, and 5.4% from Resource Management. These percentages compare favorably, and in some cases, precisely with the actual percentage of employees in the respective branches.
Method of Analysis

The analysis of the data included the use of the descriptive techniques such as simple frequency distribution and cross-tabulations. The cross-tabulations enabled comparison of what is generally the more salient group breakdowns within the IRS by branch of service, G.S. levels, and years in service.

Actually, the results revealed little variance among the respondents as to G.S. levels and years of services. The greatest variance among the respondents on almost all items was most pronounced as to the branch of services the IRS employee worked in.

Findings by Specific Groupings and Items

1. Length of Service

Most of the respondents (58%) were with the IRS ten years or less. More specifically, 31% for 1-5 years, 27% for 6-10 years, 10% for 11-15 years, 10% for 16-20 years, and 18% for 20 years or more.

Length of service was not very significant in explaining differences among the respondents. Interestingly enough, there were only slight differences in respondents' perceptions of overall morale and working conditions in regard to length of service.

There was no discernible trend in job satisfaction as might be expected of those respondents who had a shorter length of service (e.g., 1-5 years) as opposed to those who had worked considerably longer. However, the results did show that those respondents in the 11-15 years length of service category seemed to be less satisfied with their working conditions and the way they were treated by management than any of the others.
2. G.S. Ranking

Almost all the respondents fell within the G.S. 4 to G.S. 15 rank. More specifically, 37% were in the G.S. 4-7; 27% G.S. 8-11; 29% G.S. 12-15; with only 3% in the G.S. 1-3 rank. Overall, those respondents in the G.S. 8-11 rank indicated slightly less satisfaction with their working conditions and the way they were being treated by management than the others. Those in the G.S. 4-7 rank were also "somewhat dissatisfied" with their working conditions and treatment by management.

3. Branch of Service

Respondents in the Taxpayer Services and Collection branches were generally the most dissatisfied with the treatment by management, and overall management decision-making and job performance, in regard to all of the findings discussed above. A brief analysis of those specific items which revealed significant differences by branch of service follows. In reporting the specific findings, related items are grouped according to job satisfaction pertaining to (1) work and working conditions, (2) management, (3) promotions, (4) communications, and (5) other relevant areas of worker satisfaction and morale.

(1) Satisfaction with Work and Working Conditions

Overall, most of the employees of all branches found their work to be somewhat satisfying. Only a small percentage, primarily in the Taxpayer Services (13%), Collections (8%), and Examinations (5%) found their work to be "somewhat or very dissatisfying."

While the employees in general seem to be somewhat satisfied with their work, they are much less satisfied with
the working conditions. For example, 67% of the respondents in the Taxpayer Services branch found their working conditions to be "somewhat dissatisfying" to "very dissatisfying," while 44% of the respondents in Collections expressed the same opinions. On the other hand, 68% of the respondents in Criminal Investigation found the working conditions to be "very satisfying," while 44% of the Examinations branch found conditions to be at least "somewhat satisfying." The small percentage of respondents in the Resource Management branch were equally split, 50% finding conditions to be satisfying and an equal percentage expressing the opposite opinion.

a. Salary Level

Overall, most of the respondents were at least "somewhat satisfied" with their salary levels. The major exceptions was Collections where 60% of the respondents expressed dissatisfaction with their salary level. Thirty-five percent of the respondents in the Taxpayer Services branch were also dissatisfied while 38% of Resource Management respondents were "very dissatisfied."

b. Trust

Less than half (42%) of the respondents indicated that they "mostly" or "very much" trusted the IRS management while 31% expressed "slightly" or no trust "at all." Clearly, 40% of the respondents of the Collections and Taxpayer Services branches expressed little or no trust in management while 28% of those in Examinations held the same opinion.
c. Mutual Trust and Respect Between Management and Employees

Overall, nearly 60% of the respondents felt that there was "not enough," "very little," or "almost no" mutual trust and respect between management and employees. This opinion was particularly pronounced in the Collections (80%), Taxpayer Services (80%), and Examinations (56%) branches. However, most of the respondents in the Criminal Investigation branch were of the opinion that "quite a bit" (46%) or "a great deal" (33%) of mutual trust and respect existed.

d. Privacy

Nearly 40% of the respondents felt that there was "not enough" privacy when talking to taxpayers or others who come into their offices. Only 15% expressed that there was "quite a bit" of privacy while 38% felt there was a reasonable amount of privacy. Fifty-three percent of the respondents in the Taxpayer Services branch, 50% in Resource Management, and 36% in Collections expressed the most concern about privacy, indicating that there was "very little" or "almost none."

e. Morale of Work Group

Overall, only 37% of the respondents viewed the morale of the work group to be "good," while 25% viewed the morale as "poor" and 37% "fair." Only 4% of those respondents in Collections viewed morale as "good," while 48% viewed morale as "poor" and an equal number (48%) as "fair." Sixty percent of the respondents in the Taxpayer
Services branch viewed morale as "poor," 13% as "good," and 27% as "fair." About half of the respondents in Criminal Investigation (50%) and Examinations (52%) viewed morale as "good."

f. Morale Compared with Two Years Ago

Overall, 43% of the respondents felt that morale is "about the same" as it was two years ago, while 24% felt that it was "higher" and 21%, "lower." However, 18% of those respondents in the Collections and 20% in Taxpayer Services branches felt that morale was "much lower" than two years ago.

g. Control Over Employees

Overall, 53% of the respondents felt that the degree of control and direction exercised by IRS management over its professional employees to be "about right." Twenty-nine percent of the respondents felt it to be "too much" and only 11% felt that it was "too little." Respondents in Collections (48%) were most concerned with too much control and direction, while those in Resource Management (37%) expressed the most concern about "too little" control and direction.

h. Effect of Management Control Exercised Over Professional Employees

Thirty-six percent of the respondents felt that the effect of the degree of control management exercises over its professional employees is negative in that it "stifles productivity to some extent." Thirty-four percent felt
that the effect was positive and "helps them to be more productive" and 21% felt that it "had no effect one way or the other." Sixty-seven percent of the respondents in the Taxpayer Services branch and 56% in Collections found the effect of management control "stifled productivity" while 59% of the respondents in Criminal Investigation and 40% in Examinations felt that it "helped them to be more productive."

i. Feelings About Current Requirements for Accounting for Worktime

Overall, 42% of the respondents expressed that they "did not particularly like" the current requirements for accounting for their worktime but "felt that it was necessary." Thirty-one percent felt the requirements were "reasonable and appropriate" and 23% found the requirements to be "unreasonable and demanding." Those respondents most concerned about the current requirements for accounting for time were in Collections where 36% found them to be "unreasonable and demanding" while those respondents in Criminal Investigation seemed the least concerned with 41% indicating that the requirements to be "reasonable and appropriate."

(2) Job Satisfaction and Management

Overall, only 53% of the respondents expressed at least "some" satisfaction in the way they are treated by management. However, 50% of the respondents from Collections and 47% from Taxpayer Services expressed dissatisfaction with their treatment by management.
a. Manager's Performance

Fifty-five percent of the respondents expressed that they were either "very" or "somewhat" satisfied with their manager's (i.e., immediate supervisor) performance, while 31% were "very dissatisfied" or "somewhat dissatisfied." Fifteen percent expressed "neither satisfaction nor dissatisfaction" with their management's performance. Respondents in Criminal Investigation expressed the most satisfaction with their manager's performance (86%) while respondents from the Collections (56%) and Taxpayer Services (53%) branches expressed the most dissatisfaction. Sixty percent of those in Examinations expressed at least some satisfaction while 21% were dissatisfied with their manager's performance. Respondents from Resource Management were split with 50% expressing "neutrality" and 50% expressing "some" dissatisfaction.

b. Manager's Technical Expertise and Experience

Overall, the respondents felt that their managers show evidence of technical expertise and experience necessary to understand their problems. Twenty-nine percent felt this to be the case "almost always," 31% "most of the time," and 28% "about half of the time." However, 40% of the respondents from the Taxpayer Services branch expressed strong views to the contrary feeling that their managers "rarely" (13%) or "almost never" (27%) show evidence of the technical expertise and experience necessary to understand their problems. Similarly, 32% of the respondents in Collections felt their managers
showed such evidence "rarely" or "never" while 40% felt their managers showed evidence of technical expertise "about half the time." Only 4% of those respondents in Collections felt managers showed such evidence "almost always."

c. Manager's Ability to Handle Job

Overall, 61% of the respondents felt that their present group manager's ability to handle his/her job to be "good." This was especially true among those respondents in Criminal Investigation (100%) and Examinations (75%). However, 80% of the respondents in the Taxpayer Services branch and 76% in the Collections felt that their manager's ability was either "fair" to "poor."

d. Mid and Upper Management Knowledge in Policy Decisions

About half of the respondents expressed that mid and upper management show that they are sufficiently knowledgeable to make policy decisions that affect those at the working level. "Most of the time" (31%) or "almost always" (20%). However, 40% of the respondents in the Taxpayer Services branch expressed the above to be the case "rarely" or "almost never."

e. Manager's Principal Concern

About half (55%) of the respondents described their group manager's principal concern as trying "to do what he/she feels is best for the Service and his/her subordinates." Twenty-four percent of the respondents felt that their manager's main concern was trying "to do what makes him/her look good in the eyes of upper
management," while 15% felt that their manager "just tries to keep things running along smoothly." Respondents in Criminal Investigation (95%) and Examinations (67%) felt that their manager tries to do what is best for the Service, while respondents in the Taxpayer Services branch (53%) and Collections (35%) felt that their manager's main concern was looking good to upper management.

f. Mid and Upper Management Attitudes

Slightly more than half (52%) of the respondents expressed the opinion that mid and upper management attitudes was one of "primary concern with doing that which will lead to further advancement of their own careers." Only 20% of the respondents perceived mid and upper management as "interested in the well-being and careers of all employees under them." Similarly, only 29% of the respondents perceived mid and upper management as being "equally concerned with the goals of the Service and employees." In particular, 80% of those in the Taxpayer Services branch and 76% in Collections felt that mid and upper management were primarily concerned with doing what would advance their own careers.

) Job Satisfaction and Promotions

Less than half of the respondents felt that they were adequately considered for promotions for which they were qualified. Respondents in the Taxpayer Services (40%), Collections (32%), and Examinations (28%) branches were the most disappointed in this regard and stated the frequency of their being considered for promotion was "rare" or "almost"
never." However, respondents in Criminal Investigation expressed that they were considered for promotion "almost always" (36%) or "most of the time" (36%).

a. Quality of Work as a Consideration for Promotion

Overall, only 37% of the respondents felt that "quality of work" was a major ("great deal") consideration when it comes to making promotions of employees in their kind of work. Forty-three percent felt that it counted "some" and 18% felt that it was considered "very little." In particular, respondents from the Taxpayer Services branch (40%) felt that the quality of work was considered "very little" in promotion. While on the other hand, respondents in Criminal Investigation (72%) felt it was considered "a great deal."

b. Quantity of Work as a Consideration for Promotion

Overall, only 39% of the respondents felt that quantity of work was actually considered "a great deal" when it comes to making promotions of employees in their kind of work. Forty-six percent felt that it was considered "some" and 13% "very little."

c. Technical Knowledge as a Consideration for Promotion

Overall, only 28% of the respondents felt that technical knowledge was actually considered "a great deal" when it comes to making promotions of employees in their kind of work. Fifty-four percent felt that it was considered "some" and 16% "very little." In particular, 40% of the respondents in the Taxpayer Services branch felt that technical knowledge was considered "very little" in
promotions.

d. Years of Service with the IRS as a Consideration for Promotion

Curiously enough, only 9% of the respondents felt that years in service was actually considered "a great deal" when it comes to making promotions of employees in their kind of work. On the other hand, 41% expressed that it was considered "very little" and 46% felt it was considered "some." In particular, 60% of the respondents in Collections and the Taxpayer Services branches felt that years in service was considered "very little."

e. Race, Religion, or National Origin as a Consideration for Promotion

Over half (52%) of the respondents felt race, religion, or national origin was considered "very little" in promotions. Twenty-six percent felt that it was considered "some" and 18% felt that it was considered "a great deal." In particular, respondents in the Taxpayer Services branch (33%) and Criminal Investigation (32%) felt that race, religion, or national origin was considered "a great deal" in promotions.

f. Things Unrelated to Work Situation as Consideration for Promotion

Forty-eight percent of the respondents felt that things unrelated to the work situation were considered "some" in promotions and 16% felt such unrelated things to be considered "a great deal." Thirty-one percent felt such things were considered "very little." In particular,
73% of those respondents in the Taxpayer Services branch felt things unrelated to the work situation to play "some" role in promotion, while 24% of those in Collections felt it to be considered "a great deal."

g. Influence with Higher Management as a Consideration for Promotion

Curiously enough, 40% of the respondents felt that influence with higher management was considered "a great deal" in promotions. Thirty-seven percent felt it was considered "some" and only 20% felt it was considered "very little." In particular, respondents in the Taxpayer Services branch (47%) and Collections (56%) felt that influence with higher management was a major (i.e., "a great deal") consideration in making promotions of employees in their kind of work.

h. Sex Preference as a Consideration for Promotion

Only 17% of the respondents felt that the arbitrary preference for one sex over the other was a major (i.e., "a great deal") consideration for promotions. Forty-four percent felt that it plays "some" role in promotions while 35% felt that it was considered "very little." However, 46% of the respondents in Criminal Investigation felt that the arbitrary preference for one sex over another was considered "a great deal" in promotions. On the other hand, 53% of the respondents in the Taxpayer Services branch felt sex preference was considered "very little."

i. Youth Preference as a Consideration for Promotion

Overall, 43% of the respondents felt that youth
preference to be considered "very little" when it comes to making promotions. Thirty-eight percent felt it was considered "some" and 14% felt it was considered "a great deal."

(4) Job Satisfaction and Communication

Overall, only 28% of the respondents felt that communication between management and the working level was "adequate." Thirty-one percent felt that it "needs some improvement" and 27% felt that it "needed a lot of improvement." Thirteen percent indicated that communication "is a one-way street." In particular, only 7% of the respondents in the Taxpayer Services branch felt that communication was "adequate" while 40% felt that it was "a one-way street" and 33% felt that it "needed a lot of improvement." Also, respondents in Collections (44%) and Resource Management (50%) felt that communication between management and the working level "needed a lot of improvement." However, 59% of the respondents in the Criminal Investigation felt that communication was "adequate."

a. Contact with Management

Slightly less than half (48%) of the respondents expressed satisfaction with their contact with management. Most dissatisfied were the respondents from the Collections branch (56%) and the Taxpayer Services branch (47%).

b. Receptiveness of Management to Ideas and Constructive Criticism

Nearly 30% of the respondents felt that management was "rarely" or "almost never" receptive to ideas and constructive criticism. Twenty-eight percent felt that management
was receptive "most of the time" and 37% "half of the time." Only 15% of the respondents found management receptive "almost always." Slightly more than 40% of the respondents in the Taxpayer Services branch and 32% in Collections perceived management to being "rarely" or "almost never" receptive to ideas and constructive criticism.

c. Feelings After Discussing Problems with Managers

In regard to discussing problems, 65% of the respondents described their managers as leaving themselves "glad to have discussed the matter and felt the manager's suggestions were helpful." Eighteen percent felt that their managers left them with a feeling of "not having received much help" while 12% "wished they had not brought the matter up." However, 67% of the respondents in the Taxpayer Services branch and 62% in Collections expressed that they were left with the feeling that they "did not get much help" or "wished they had not brought the matter up." On the other hand, 100% in Criminal Investigation and 77% in Examinations were left feeling "glad" that they had discussed the problem with their manager.

(5) Other Related Factors

Employee perceptions of time pressure on the employee's effectiveness, IRS training, IRS policy changes, selection of first line supervisors also indicate general dissatisfaction. Perhaps the most revealing indicator of dissatisfaction may be the reason cited by the respondents as to why they are considering leaving the IRS employ.
a. Time Pressure Effect on Effectiveness

Forty-eight percent of the respondents felt that time pressure did have "some" effect on their effectiveness. Thirty-four percent felt time pressure had "a great deal" of effect on their effectiveness while only 14% felt it had "very little" effect. Time pressure seemed to have the greatest impact ("a great deal") on the effectiveness of respondents in Collections (44%) and Examinations (36%). Also, 59% of the respondents in Criminal Investigation felt that time pressure had some effect on their effectiveness.

b. IRS Training

Slightly more than half (52%) of the respondents felt that the IRS training was either "sufficient" or "adequate" for them to do their present jobs. About 28% of the respondents felt the IRS training was "about average," while nearly 20% expressed that the training was either "not very sufficient" or "not sufficient at all." Respondents in the Taxpayer Services (50%) and Collections (14%) branches found the IRS training to be below average and "not sufficient at all."

c. Policy Changes During the Past Two Years

Overall, only 14% of the respondents felt that policy changes over the past two years were "well thought out and meaningful." Thirty-four percent felt that the changes have had "little impact on effectiveness one way or another and 40% felt that the changes "have lessened the effectiveness of the organization." Respondents from all branches of service indicated that policy had either little impact
on effectiveness or even lessened effectiveness of the IRS. However, this feeling was most pronounced among respondents in the Collections (76%), Examinations (73%), Taxpayer Services (73%) branches. Even 77% of the respondents in Criminal Investigation were of this opinion.

d. Selection of First Line Managers

Less than half (44%) of the respondents felt that "proper selection" of first line managers is made "most of the time," while 32% felt this to be the case "less than half of the time," and 15% "almost none of the time." It is interesting to note that 72% of those respondents in Collections, 67% in Taxpayer Services, and 44% in Examinations felt that proper selection of the first line manager "took place less than half the time" or "almost none of the time." On the other hand, 73% of those respondents in Criminal Investigation felt that proper selection took place "most of the time."

e. IRS Management Compared with Management Outside IRS

When asked to compare IRS management with management outside the IRS, 37% of the respondents indicated that they "don't know" about outside management. Of those who felt that they did know, 31% indicated that management was "somewhat" or "much better" outside the IRS while 30% indicated that management was "somewhat" or "much better" inside the IRS. However, 52% of those respondents in Collections felt management to be better outside the IRS while 8% in Collections felt IRS management was better. Conversely, 50% of those respondents in Criminal
Investigation felt that IRS management was better compared to 18% who felt that management outside the IRS was better.

f. Reasons if Seeking Employment Outside IRS

Overall, 49% of the respondents either failed to respond or indicated "none of the above" in responding to this question. This would lead one to assume that the other 51% who did respond and gave reasons for seeking employment outside the IRS are considering that alternative. Of those respondents (51%) who are seeking employment outside the IRS, 17% are doing so for "more job satisfaction," 15% because they are "dissatisfied with IRS management," 11% for "better career possibilities," and 8% for "better pay."
The fact that over half of the respondents (51%) are seeking employment elsewhere is significant in itself. However, more significant is the fact that only 8% of the 51% are doing it for better pay, while almost two-thirds are seeking outside employment for reasons directly related to the working environment and morale (e.g., "dissatisfied with IRS management" and "more job satisfaction").

Virtually none (0%) of the respondents in the Taxpayer Services branch gave "better pay" as a reason for seeking employment outside the IRS. Of the 60% in the Taxpayer Services branch who indicated that they were looking for other employment one-half (33%) expressed the primary reason to be "dissatisfaction with IRS management" and 13% for reasons related to "more job satisfaction."

Similarly, 44% of the 60% in Collections who indicated that they were seeking employment elsewhere gave the same
primary reasons. Even in Examinations, nearly two-thirds of 47% who were seeking employment elsewhere were doing so for reasons related to "more job satisfaction" and "dissatisfaction" with IRS management.

Concluding Remarks

Whatever the reality, it is clear that the IRS employees in Hawaii perceive Management to be among other things, insensitive and untrustworthy, arbitrary with regard to decisions on promotions and generally ineffective with regard to decisions on policy and procedures of communications. These perceptions apparently impact on the overall job satisfaction and morale of the IRS workforce, particularly in the Tax Payers Services and Collection Branches.

It is interesting to note that these findings are similar to the results of the survey of the IRS employees in Atlanta which was conducted by representatives of the employees. It should also be noted that three months after the survey results were turned over to the IRS Central Office in Washington, D.C., one manager was transferred and the training programs were improved. Moreover, the various aspects of job dissatisfaction raised by the survey results became issues in the next round of contract negotiations between IRS management and the National Treasury Employees' Union (NTEU).

However, it remains to be seen if these initial responses to the perceived problems of job satisfaction, which seem to be most pronounced among employees in the Tax Payers Services and the Collection Branches of the IRS are part of a general trend to remedy the situation.


6. Ibid., p. XV.


8. Ibid., pp. 1-2.

Kilpatrick, et.al., p. 177.
Ibid., p. 443.
Ibid., p. 446.
For an example of the simple yes, no, not sure application of the JDI see Lynn, N. B. and Vaden, R. E., "Public Administrators: Some Determinants of Job Satisfaction," The Bureaucrat (Summer, 1979).
See Daneke, G. A. and Klobus-Edwards, P., "Survey Research for Public Administrators," Public Administration Review No. 5 September/October 1979), p. 425 who claim that "a 50% return rate is the best one can expect" in a mailbag survey. Other methodologists have set a 30% return rate as a minimum standard for mailed out surveys, providing the obtained results from the sample is reasonably representative.
MODULE 3
SELECTING A MOTIVATION APPROACH

Learning Objectives and Assignments

After you have read Chapter 3 and reviewed the questions and the case in the text, Human Relations in Management, read the articles cited in the supplement, and viewed the films "Human Nature and Organizational Realities" (HSL) and "Management by Participation" F-1705, you should be able to:

1. Describe the nature of each motivational approach—directiveness, paternalism, competition, compromise, and participation.
2. Explain why a manager would choose one motivational approach over another.
3. Predict the probable effects of applying each motivational approach to a specific work environment.
4. Explain the significance of path-need motivation, and demonstrate how it helps in predicting the results of various attempts to motivate workers.

Selecting a Motivational Approach

The motivational approach selected by a manager is the means used to encourage employees to contribute to organizational goals. This involves the manner in which a supervisor relates to subordinates and the way in which he or she attempts to influence subordinates to accomplish the work. This approach also determines how the manager will arrange the conditions of work. These conditions in turn determine the degree to which employee effort will be transformed into positive organizational results.

The manager's control over the conditions of work—the job, leadership behavior, and organization—is significant. He or she determines
the amount of challenge, interest, autonomy, and creativity in the design of jobs. The manager's leadership behavior—the day-to-day treatment of employees—is instrumental in determining whether workers' needs will be satisfied. Finally, the manager influences the policies and procedures of the organization through the way in which he or she interprets them in dealing with subordinates.

In the selection of motivational approaches, four factors are of major concern: 1) The personality of the leader—people tend to act on the job in ways that are not dissimilar from the ways they behave in other aspects of their lives. Thus, if a manager is dictatorial with subordinates, it is likely that his or her manner with family or friends is similarly authoritarian. 2) Confidence in workers—managers who see their subordinates as ambitious and competent will certainly choose to arrange a different set of working conditions from those selected by managers who see their employees as basically lazy and inept. This concept is emphasized by Douglas McGregor in that most managers tend to pigeonhole employees in two categories, which he labels Theory X and Theory Y. Theory X employees being the "turned off" or "not interested in job satisfaction." Theory Y employees have been referred to as "turned on" or "employees to whom job satisfaction is important." 3) Nature of the job—some jobs by their very nature restrict personal contact among workers and between the supervisor and subordinates; some jobs are extremely complex in the demands and interpersonal contacts they require; some are highly sensitive to human error; and some present a continual series of deadlines and emergency situations. When any of the aforementioned characteristics are present, managers need to consider carefully the motivational approach that they will utilize. 4) Organizational Pressures—managers often feel the need to succumb to organizational demands, in selecting a
motivational approach. When norms, or standards, concerning the nature of authority are dictated, when profits are too low, etc., behavior is often altered to fit the factors of the immediate situation in the need for survival. Often the motivational approaches selected under these conditions tend to make the least sense, but the fact remains that such pressures do exist.

For management to be successful in selecting a motivational approach all four factors mentioned above must be considered and weighed equally.

There are many motivational approaches management may choose from: six of the more common are presented here.

1. **Directiveness.** In this type of approach management dictates responsibility, and espouses a fear incentive to get employees to do what they want them to do. In this approach employees are looked upon as the Theory X type, and they gain their satisfaction off the job. (See Figure 3-1, Assumptions of Theory X and Theory Y.)

2. **Paternalism.** This approach uses fringe benefits (higher wages, vacations, discounts on company products, etc.) as its motivating factor. The goal of this approach is to improve productivity by increasing employee morale. In this approach employees are looked upon as the Theory X type, and they gain their satisfaction from around the job.

3. **Compromise.** This approach allows management and employees to meet half way on decisions and conditions important to the company to increase productivity. It gives management and employees equal footing, but difficulty and dissatisfaction may arise due to the fact that no one gets what he fully wants. This approach suggests that employees are the Theory X type.

4. **Competition.** This approach puts employees in competition with each other to increase productivity. Difficulty may arise from this
Figure 3-1
Theory X and Theory Y

<table>
<thead>
<tr>
<th>Assumptions of Theory X:</th>
<th>Assumptions of Theory Y:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The average human being has an inherent dislike of work and will avoid it if possible.</td>
<td>1. The expenditure of physical and mental effort in work is as natural as play or rest.</td>
</tr>
<tr>
<td>2. Because of this human characteristic of dislike of work, most people must be coerced, controlled, directed, or threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives.</td>
<td>2. External control and the threat of punishment are not the only means of bringing about effort toward organizational objectives. People will exercise self-direction and self-control in the service of objectives to which they are committed.</td>
</tr>
<tr>
<td>3. The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all else.</td>
<td>3. Commitment to objectives is a function of the rewards associated with their achievement.</td>
</tr>
<tr>
<td>4. The average human being learns, under proper conditions, not only to accept but to seek responsibility.</td>
<td>4. The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population.</td>
</tr>
</tbody>
</table>

(Note: also see Deep, p. 44)

approach if one employee is dependent on another to get his work accomplished, and also if the output cannot be measured objectively. This approach also espouses a Theory X type of employee.

5. Participation. In this approach employees are encouraged to be part of the decision making. They are made to feel important and needed in the company. With this approach an employee is looked upon as a Theory Y type and satisfaction occurs through the job.
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6. **Path-Need.** This approach is a combination of the other five approaches, and is a successful motivational factor only if employees see that doing a good job is seen as a path leading to the satisfaction of a need important to them. The first step towards this path is employee effort. The next step is the achievement of objectives important to the organization. The third and final step is that employees see their efforts as directly resulting in rewards that satisfy important needs.

Management may choose from any one of these approaches to increase productivity, employee morale, employee satisfaction, and to enhance higher goal attainment, but management must also keep in mind the four factors (personality of the leader, confidence in workers, nature of the job, and organizational pressures) which are important in choosing a motivational approach.

In summary, there are pros and cons associated with each motivational approach. A manager may utilize some combination of these in practice, or may switch from one to another as the situation demands. Basically, directiveness and paternalism seem to do more harm than good. Depending upon the situation, the compromise and competition approach can serve organizations exceptionally well in certain situations. Although the participative approach appears most likely to achieve positive human relations in the work place, one must realize that such an approach cannot universally be applied to every work environment. Finally, the Path-Need motivation concept gives the manager an additional tool to predict how well a particular motivational approach is likely to work in a given situation.
Terms You Should Know

- directiveness
- paternalism
- compromise
- competition
- participation
- Path-Need motivation
- Theory X
- Theory Y

Additional Reading Available in Study Guide Supplement

1. "Thirty Ways to Motivate Employees to Perform Better" by Dean R. Spitzer, from Training/HRD, March 10, 1980.
4. "How Japan Does It" from Time, pp. 54-63.
Learning Objectives and Assignments

After you have read Chapter 4 in Human Relations in Management, reviewed the questions and the case, read the articles in the study guide supplement, and viewed the film, "Up the Organization" (HSL); you should be able to:

1. Explain the need for leadership development.
2. Describe the seven major functions of managers.
3. Identify the three major responsibilities of leadership and how they relate to the function of managers.
4. Define the five sources of leadership influence, explain how they operate in organizations, and identify the two sources most consistent with the practice of sound human relations.
5. List the nine qualities of effective leaders and explain why each is important.
6. Contrast the values held by leaders with the values held by those whom they lead.

Leadership and Management

The success or failure of any business can be directly attributed to the competence of its management. Moreover, it is not just the expertise of the senior managers that determines the result, but the expertise of all the levels of management from first line supervisors all the way to the chairman of the board. Indeed, one of the major responsibilities of top management is to make sure that subordinate managers are properly trained to understand and apply the techniques of good management to their jobs.
In managing people, supervisors should learn that managerial duties are similar even where functional responsibilities differ. They learn to set objectives; plan for short-term activities, organize their departments; coordinate and control their staffs.

The ranks of middle management are staffed by persons coming from a variety of backgrounds. Some come from the ranks of factory workers, some are clerks or office employees; some are "cadets" recruited from schools or colleges for management positions. Whether these persons are promoted from the ranks or employed as part of the management staff, they are required to have some training in the methods and techniques of management.

Since it is people who make a business succeed—or fail—it is the manager's chief responsibility to motivate his or her people so that they will assure success. Almost everyone works with or for someone else. To a large extent, the success of an organization is determined by how effectively the employees of an organization work together.

**Definitions of Leadership**

According to your textbook author, Samuel Deep, "leadership is the personal guidance of subordinates toward the achievement of organizational goals." In the same text, you will find an interesting statement attributed to former President Eisenhower. Eisenhower said that, "leadership is the ability to decide what has to be done and then to get others to want to do it."

In conversations with the chiefs in Pearl Harbor, one of my students was told, "leadership is a person's ability to get the job done efficiently, on time, making the best use of personnel available. A good leader will get things done and still maintain the respect of his personnel."
The chief also added, "treat your subordinates as human beings rather than just "coolies" or "slaves." Don't use the old Navy approach--do as I say, not as I do. This is a sick approach, but, unfortunately, lots of chiefs and even commissioned officers are still practicing it.

Management and Leadership

Most people are confused by the operational differences in the two terms: management and leadership. Actually management is a broader field and is used when referring to people who have been given the responsibility for operating various portions of the organization. Leadership, on the other hand, is usually one of the seven key functions of management, which also includes: organizing, planning, controlling, decision making, staffing, and communicating.

Major Responsibilities of a Leader:

Leadership can be defined as the personal guidance of subordinates intended to direct their performance toward organizational goals while simultaneously providing for the satisfaction of their human needs. To achieve this, the leader should fulfill three major responsibilities:

1. **Prescribing.** When directiveness is the motivational approach, prescribing includes establishing regulations and dictating the way in which the job is to be performed. In a participative approach, prescribing involves defining the limits of employees' discretion and clarifying objectives.

2. **Responding.** Assisting subordinates in the performance of their jobs by providing resources, personal assistance, and rewards. Leaders must see that workers have the resources and facilities to do their jobs.

3. **Representing.** Leader "goes to bat" for subordinates, for his peers and superiors. He must be willing to support and stand up for them.
with higher management whenever their rights and benefits are on the line. At the same time, he must have a sensible perspective on the possible conflict which may exist between employees' needs and management priorities.

**Sources of Leadership Influence**

Management scientists have determined that there are five possible sources of influence that can cause a person to respond as desired to the leadership attempts of another.

1. **Coercive power.** Results from the subordinates' belief that failure to comply with directions will bring about dismissal, reassignment, or failure to receive expected benefits. Subordinates follow orders out of fear of being punished.

2. **Legitimate power.** The subordinates believe that the leaders have the right, based on their positions in the organization to exert influence. Subordinates obey orders because they feel they ought to, and that order-giving is an expected and appropriate behavior on the part of supervisors.

3. **Reward power.** Worker is under reward power when the decision to obey is in response to the leader's ability to increase pay, recommend a promotion, assign more satisfying work, or generally recognize accomplishments in some rewarding fashion.

4. **Expert power.** Emerges from the subordinate's opinion that the leader has superior knowledge and ability. For example, the boss suggests that the problem is to be solved by using a specific approach; if the workers adopt the suggestion, it is not because the workers recognize it as the best approach but because they have faith that the more experienced boss understands the problem better.

5. **Referent power.** Results when the subordinate identifies with the leader and uses the leader as a positive frame of reference. The
leader exerts this power when the worker admires the boss's leadership qualities and wants to act in ways that will gain the appreciation and respect of the boss.

Qualities of Effective Leaders

(1) Ability to communicate. There are many ways to communicate: written, verbal, and non-verbal. A leader should be able to give subordinates feedback on how well they are doing. If an employee is doing well, he should be told that he is doing well. If he is doing poorly, he should also be told in a tactful way. A leader should not only be able to give directions, orders, and feedback downward, but he should also be willing to listen to his subordinates. He must be able to function as a counselor to help employees resolve on-the-job problems.

(2) Empathy. Is the ability to put yourself in another person's shoes and to see a situation from that person's point of view. Perhaps the most obvious requirement is the ability to understand the needs (likes, dislikes, opinions) of employees. Empathy is important for maintaining effective flow of communication.

(3) Flexibility. The leader should be able to adjust to change. In a company or organization there are different kinds of personalities among subordinates, peers, and superiors, and as a leader one must be able to adjust to those differences with tact and understanding.

(4) Objectivity. The lack of objectivity is a common problem in almost every organization, including military organizations or private businesses and organizations. Employees often react quickly and bitterly when they believe that favoritism is shown.

(5) Self-confidence. Employees do not want a leader who seems not to know what he is doing or who is not sure of himself. Self-assuredness is a pre-requisite of effective decision making. Leaders who are sure
of themselves are more likely to be sources of expert and referent powers, the two most beneficial types of leader influence.

(6) Openness. Subordinates should believe that they are being dealt with honestly and that their best interests are considered whenever a decision is made without their involvement.

(7) Satisficing. A leader should look beyond the immediate situation and consider the best long-run results of a given decision for the organization. A leader is "optimizing" when he picks the best solution for the situation on hand. A leader is "satisficing" when a subordinate presents a solution to the problem, and the leader selects it even though he believes that it is not the best solution. He is giving self-confidence, enhancing the subordinate's commitment to the organization. The judgment of the "satisficer" would be that the potential gain from these other benefits might more than compensate for the loss created by not implementing the very best plan. Leaders should be able to "satisfice" when a special situation merits this quality.

(8) Self-awareness. Know yourself. You should know what kind of leader you are. Do your subordinates perceive you the way you perceive yourself?

(9) Rationality. Refers to the actions that are taken as the result of reasoning rather than as the result of emotional consideration in the use of intuition. The leader must base all decisions on the desire to achieve organizational goals rather than his personal goals.

Approaches to Leadership

It should now be apparent that there are various approaches to leadership, with each approach depending on many of the qualities, sources of power, etc., mentioned above. Figure 4.1 provides a visual representation
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of some of the approaches and the degrees of freedom for subordinate participation associated with each.

Figure 4-1 Approaches to Leadership

1. **Tell.** Authoritarian approach. The leader gives little or no freedom at all. The leader decides and the group follows.

2. **Sell.** The leader makes the decision and sells it to the group by persuading them that the decision is technically the best, and the best for the group. The leader also emphasizes the benefit to the group in carrying out the decision.

3. **Test.** The leader tests, reacts, and decides. He identifies the problem and selects a tentative solution. He allows the group to react and then he may accept suggestions, but it is the leader who makes the final decision and informs the group.

4. **Consult.** The leader consults the group. The group makes recommendations and the leader decides. As a leader, you present the problems and solicit ideas from the group members. The leader selects the decision and informs the group of his other decision.
5. Join. The group decides and the leader follows. The supervisor participates as "just another member" of the group. You agree in advance to carry out whatever decision the group makes within the constraints placed on you by your supervisors.

Are Managers Always Good Leaders, or Can Leaders Become Good Managers?

This question has been asked so many times in management training sessions in many organizations. You may observe that the answer to this question is that all managers are not good leaders. You may have experienced managers who cannot lead or who have others do what they want to be done. There are also some managers who think that they are on a very high pedestal and who are not willing to come down and be "one of the group" even for a brief time. If present, this attitude can be an obstacle to becoming a good leader. However, good leaders can become good managers. Leaders already possess the capability to have subordinates do the tasks at hand; therefore, with a little training on managerial procedures, they can become excellent managers.

How about you? Do you think that a good leader is de facto a good manager?

Related Approaches to Leadership and Management in Organizations

Renis Likert, a famous management theorist, who incidentally is now retired and living in Kailua, Hawaii, synthesized extensive research on organizational systems and categorized various operating characteristics.

Among the key company operational characteristics examined by Likert were leadership processes, motivational forces used by the firm, communications, and decision-making processes. These and other company characteristics were rated on a four-point scale of organizational systems:
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System 1. **Exploitive-authoritative** describes an organizational system in which strong forces are exerted by the top-level decision-makers on lower-level employees. Orders are issued by top management because that is where the bulk of the decisions are made.

System 2. **Benevolent-authoritative** describes an organizational system in which fairly strong forces are exercised by top management to get employees to go along with decisions made at the top. Orders are issued and opportunity to comment on or question these orders may be limited.

System 3. **Consultative** describes an organizational system in which decisions are made after some discussion with subordinates. Broad policy and general decisions are made by top management, and more specific decisions may be made at lower levels.

System 4. **Participative group** describes an organizational system characterized by group participation in goal setting and decision making throughout the organization at all levels.

An often used technique in determining leadership styles is the "Leadership Grid" (see Figure 4.2).

A 1/9 leadership style (country club) is typical of the manager who has a high concern for people but a low concern for production. This manager is employee-oriented, emphasizing consideration and group maintenance but at the expense of any organizational concerns for productivity and efficiency. The 1/9 manager was probably in the minds of those who criticized the human relations movement as "the happiness boys." He abdicates decision-making and smooths over conflict in an attempt to build a happy climate where he motivates his employees by flowery praise. A good example of the 1/9 style is one of the owners of the major league baseball team in the 1950s and 1960s who was only concerned with smoothing over conflict and agitation on his team; instead of resolving conflict
among his players, he would simply raise their salaries. Despite his generous treatment, the team seldom won the pennant; in fact, they finished in the second division during most of the two decades.

**Terms You Should Know**

- organizing
- planning
- controlling
- decision making
- staffing
- communicating
- prescribing
- responding
- representing
- coercive power
- legitimate power
- reward power
- expert power
- referent power
- empathy
- satisfying
Module 4

Additional Reading in Study Guide Supplement

MODULE 5
ORGANIZATIONAL COMMUNICATIONS

Learning Objectives and Assignments

After you have read Chapter 5 in Human Relations in Management, reviewed the questions and case, read the articles in the study-guide supplement, and viewed the films "The Process of Communication" (F-0834) and "Communication" (F-0459), you should be able to:

1. Explain the need for effective downward, upward, and lateral communication.
2. Describe the components of the person-to-person communication process.
3. Identify the obstacles that prevent understanding of communications.
4. Explain the methods managers can use to improve communication.
5. Within a given communication situation:
   - Predict the consequences of communication failure.
   - Identify specific obstacles to successful communication.
   - Prescribe actions to overcome the obstacles to communication.

Communication Directions

Communication, the most important ingredient in sound, effective management, is defined in your text as: "the process of passing information from one person to another in the organization." (Deep, p. 69)

Three directions of communications that are especially important to managers are: 1) **Downward Communication**, the means by which goals are transmitted and influence is exerted on employees; 2) **Upward Communication** is the means by which managers collect from employees the data needed to
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make sound decisions; 3) **Lateral Communication** is the coordination that occurs between people at the same level in the organization, and is necessary for productive teamwork.

**Communication is Transactional:**

No two communication events are identical. No communication event is isolated from its environment. Communication was thought to be essentially a linear act in which information was transmitted from one person to another person in a sequence of steps. As Figure 5-1 below shows, communication in the classical style follows a formal pathway. This type of communication, which involves going up and down the various links of communication, or each department in an organization, is popularly known as the "yo-yo" effect. As you can see in Figure 5-1, such communications result in "H's" message to "I" being transmitted through a number of intervening individuals, offices or departments, shown as F, D, B, A, C, etc. Figure 5-2 shows Fayol's bridge, a communications model using lateral or horizontal communication, which enables the communicator to avoid this "yo-yo" effect.
Communication is Personal

No two people are alike. People perceive information differently because they function in different environments. Perception is the process by which we receive and organize data from the environment.

If you are a supervisor of a number of employees, you may have noticed that you haven't had time to do everything you'd like to do. You may make yourself available to subordinates, but still you hear comments like "I know it will work, if we could only get his support." One cannot assume that you, in your supervisory role, are doing the best job possible for yourself, your people, or your department. If you are not creating an environment for new and better ways to do things, you are failing as a supervisor. What can you do to improve the situation?

You can make use of effective communication in solving problems by providing employees with an outline showing how you would like to receive their ideas. For example, you might ask them to state their ideas in one sentence and to give weight to the idea by including supporting concepts. Then, have them include available facts and research to support the concepts that have been set forth. Next, ask the employees to stress their most important points.

Newspapers use a similar approach in their articles by putting the headline at the top of a story to catch your attention. Continuing, then, ask for data that has been analyzed by the employees, for unorganized data are very difficult to understand; and statistical data are even more difficult for the reader to interpret. You might want to point out that the chances of success are improved if they can lead you through the same maze of data they went through to reach their conclusions.

You also might suggest that the first draft of the presentation be done as quickly as possible, for then the employee can relax and take his
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time in editing the draft. Also, have them determine if they have empha­sized positive and negative thoughts. Is their work balanced? When this has been done, the employee should rewrite, reorganize, and polish the final draft.

They should read their material aloud and dry-run it with friends or co-workers to see how it sounds. All data should be brief and to the point. The use of long sentences and verbalizing only leads to impatience on the part of the reader or, in communication language, the receptor. What you are trying to do is obtain usable ideas from your employees--ideas that are valuable to the organization. To accomplish this you will need tact and diplomacy.

To get more and better ideas from your employees, you must also make it worth their time. Whether they like you or not, they will generate new ideas if you can show them how the adoption of their ideas will help them, too. So, organize your approach systematically. Discuss it with your employees, and take the time to listen to their suggestions.

To help your employees get ideas, have them ask "what if" questions. What if we do it this way? What if we do it that way? Have them relate the past to what they hear, to their future plans, and to their areas of expertise. Often their ideas may come as stimulating questions. Ask yourself, "Why should an employee think about improved methods?"

Let your employees know you want their ideas and suggestions. Tell them the kinds of ideas you are likely to accept. Be sincere and try to convince them by putting yourself in their shoes. Would you believe it if you were the employee? To be believed, you must reward ideas and follow up on all suggestions.

You should clearly specify the form the presentation of new ideas should take; that is, the form that is best for you, whether oral or
written. Your employees are not mind readers, so tell them what you want--before you waste your time and theirs.

**Face-to-Face Communications**

Many believe that face-to-face communication is the most effective type of communication that can be used by all personnel whether the communication be upward, downward, or lateral.

With face-to-face communication there is less chance of being misunderstood. Communicating by memorandum is very impersonal and memorandum can be misunderstood. With the memo, the meaning of the message can be interpreted differently by different people; and because a person cannot question any portion of the message for immediate clarification, misunderstanding can occur.

With face-to-face communication a person is able to question misunderstood portions or all that is said. People are also able to read facial or body signs by how that person speaks or the way certain phrases are used. With face-to-face communications, the chance of misunderstanding a message is just about eliminated.

In face-to-face communication the receiver is made to feel that he or she is a vital part of the organization; the impersonal nature of a memorandum, on the other hand, might make that person feel like he or she is not a part of the organization. Using face-to-face communication is a way in which people are able to know and understand their subordinates, or their superiors, or the people on their same level.

**Non-Verbal Communication**

Nonverbal messages are primarily those messages that are not spoken. People can communicate very effectively by using their bodies and certain physical behaviors.
Through nonverbal messages people discover such things as whether they are to communicate or not, what's appropriate to say, who speaks first, and what they are trying to say. Nonverbal behaviors can repeat, and regulate verbal signals. For example, a professor may show slides during a lecture which repeat a point made verbally during the lecture; a warm hand placed on the shoulder of an anxious employee may substitute for the words "that's okay, I'm still on your side." Students who nod their heads in apparent agreement with a professor may encourage the professor to assume that they understand the lecture and such a behavior may regulate the length of the lecture.

Problems of Upward Communication

Upward flow of information (from subordinates to superiors) in most companies tends to be much less adequate than the downward flow. Higher management frequently is not aware of the true state of affairs in the organization at the lower levels.

Management tends to have adequate data on anything manufactured, but they are commonly in the dark regarding employee dissatisfaction, criticisms and ideas. However, it is not unusual for top managers to fail to provide new employees with the opportunity to initiate some of the successful ideas he has brought with him from his last place of employ.

Problems to Lateral Communication

Jargon is one of the most critical obstacles to lateral communication. Some particular groups like lawyers, doctors, and other skilled workers, use their own terminology in communicating with others: this may lead into misinterpretation of the message that have been sent.

Message overload, another problem in lateral communication, is communication in which too many messages flow in many directions without being
screened. As a result of such overload, the system may slow down and even cease to function because the burden of too many conflicting messages can immobilize the employee.

**Message Overload**

Many employees tend to tire of receiving numerous messages day in and day out. If such messages are received over a long period of time, employees will likely begin to simply throw them into the wastebasket, without even reading them. In some organizations, employees are overburdened with bulletins, memos, letters, announcements, magazines and policy statements. A wise manager should be careful to send only those messages which directly affect the employees involved.

**Problems to Downward Communication**

Many organizations rely too heavily upon written and other mechanical methods for the diffusion of messages that are directed downward. Such organizations may spend so much money on expensive manuals, films, newsletters, and booklets that personal contact and face-to-face communication are overlooked.

**Empathetic Listening**

Empathetic listening can help the manager become more aware of the situation in the work environment and the feelings of employees about their work. By gathering information this way, the manager is in a better position to evaluate the needs of the employees and to determine if such needs are being met. And, if employee needs are not being met, the manager can correct the situation. Empathetic listening is not an easy task to accomplish, for two important conditions must be satisfied: (1) an atmosphere of trust must be established and (2) certain guides to effective listening must be followed.
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There must exist a climate of trust between the manager and subordinate for information to be passed. The manager may not receive the information he or she needs if there is mistrust. For example, if an employee's production is down because of personal problems and you as the manager do not know this, you may take a wrong course of action. If there is trust and openness between the manager and subordinate, the proper action can be implemented and, in some cases, the manager may be able to help the employee. Trust helps in better understanding of the employee and the working conditions which exist. If problems arise in the work environment, mutual trust creates a bond between the manager and the employee. Such trust makes information related to the problem more easily accessible.

The manager should also be candid and open towards subordinates. He should also keep sensitive topics confidential and use the information he has discreetly. The effective manager will assure the subordinate that information provided by the subordinate will not be used against him. The effective manager does not invalidate the feelings of others, or violate the trust of his employees.

Certain guides can be used by managers to be more effective in empathetic listening. The manager should contact shy and introverted employees and should "break the ice" by approaching those too shy to initiate a discussion. Do not judge the words of employees; rather listen to his message. Indicate understanding of the conversation by nodding of the head or by utterance of short phrases like, "I understand." Probe for deeper answers by repeating words or sentences in a neutral tone. Let the employee come to his own conclusions. You should avoid giving advice unless it is solicited. If the manager does give advice, he should make certain that all of the available facts have been determined. The
effective manager-communicator does not lead the conversation but lets
the employee do the talking.

Now that we have established that empathetic listening is important,
it should be pointed out that putting it into practice is more difficult
than reading about it. Important leadership qualities usually attempt
empathetic listening, such as empathy, objectivity, self awareness, and
self confidence. The leader should play a more passive role in most
manager-employee communications, permitting the employee to do most of the
talking (with the manager listening).

Although empathetic listening is one of the least studied areas of
communication, it is very important for effective management.

Feedback: Spoken and Written

You can get important information from oral feedback that you will not
get on paper by watching for body gestures and voice inflections. For
example, if an employee says, "Sure, I understand," but is shaking his head
back and forth and has a frown on his face, the verbal communication may
be overridden.

On the other hand, written feedback allows the writer a freedom that
they may not feel they have in person communication. Some employees feel
insecure in the presence of management, so a written response may contain
items that will not be mentioned in a one-to-one, or group experience. And
the more complete information flow may be beneficial to the organization.
If the writer of the message has the option of remaining anonymous, he may
feel even greater freedom in expressing his thoughts, for he can include
points concerning the topic that he would not be willing to express as the
known source of the message. For example, if the real reason a particular
job is not finished on time is that the department that is responsible for
picking up the completed job has a driver who is always late, the worker may be reluctant reveal the true reason for the late completion of the task, but it is one that a person may not feel free to mention in a group or in a one-to-one, face-to-face conversation, perhaps because of loyalty to the driver.

The Grape Vine

Often the informal "grape vine," and not the formal channels of communications, is the major pathway for important information. The "grape vine" tends to be used more often when forms of lateral communication are prohibited (as in organizations which stick to a strict chain of command in the downward and upward flow of information). The classical school of thought saw the "grape vine" as a nuisance from which only gossip, rumor, and unreliable information abounded. However, recent studies have shown that while some of the misgivings about the "grape vine" are often warranted--especially in authoritarian organizations--the "grape vine" is often more reliable than the more formal channels of communication.

The flow of information through the "grape vine" channel has been the subject of research by many scholars. The most notable research on the topic was conducted by David in 1953. David devised the "cluster" to describe the communication flow of a "grape vine." He contended that there is a misconception regarding the notion that the "grape vine" traveled in a chain-like sequence from A to B to C, and so forth. Instead, David explains the typical grape vine message as moving from one cluster of individuals to another (see Figure 5-3).

David explains it this way:

A tells three or four others....Only one or two of these receivers will then pass on the information, and they will usually tell more than one person. Then as the information
becomes older and the proportion of those knowing it gets larger, it gradually dies out because those who receive it do not repeat it. This network is a "cluster chain" because each link in the chain tends to inform a cluster of other people instead of only one person.

**Figure 5-3 The "Grape Vine" Cluster**

While there are many obstacles to communication, there are also many remedies to improved communication. Knowing the problems and how to improve them will only make us all better communicators and better managers.

**Terms You Should Know**
- lateral communication
- upward communication
- downward communication
- feedback
- encode
- decode
- transmit
- jargon
- stereotyping
- nonverbal communication
- "grape vine"
- redundancy
- empathetic listening

**Additional Reading and Exercises in Study Guide Supplement**
2. "An Experiment in Communication," 1970, by NTL Institute. (This is not in your text and requires that you receive it directly from instructor during class for experiment to work.)
Learning Objectives

After you have read Chapter 6 in your text and reviewed the questions and cases and the outline in this module, you should be able to:

1. Identify both the humanistic and economic motivations for forming organizations.
2. Distinguish between formal and informal organizations.
3. Distinguish functional and scalar division of labor.
4. Distinguish between line-and-staff, functional, and project organization structures.
5. Distinguish between centralized and decentralized organizations.
6. Explain the several ways in which organizations can be a source of human relations problems.
7. Explain the relationship between the shape of an organization and communication.

Viewing Organizations

The formation of organizations play an important role in the work environment and in human relations. As you recall, organization was one of the three "building blocks" of a positive work environment described in Module 1.

There are several schools of thought regarding organizations, each with a different emphasis and specific consensus. Each of these schools of thought have numerous contributors and supporters, such as Samuel Deep and myself, who are supporters of the "Human Relations Approach." However, you should also be familiar with other ways of viewing organizations such as the "classical" and "social systems" schools of thought.
From Figure 6-1 below you should take note of the factors which distinguish each of the schools of thought.

### Figure 6-1 Viewing Organizations Chart

<table>
<thead>
<tr>
<th>Theory</th>
<th>Emphasis on the:</th>
<th>Contributors, Supporters</th>
<th>Concerned With:</th>
</tr>
</thead>
</table>
| "Classical" Traditional approach | Structure and job functions of the organization | Fayol (1949)  
(See pp. 27 & 28)  
Weber (1947)  
Mooney & Reiley (1931)  
Barnard (1938)  
Davis (1972)  
Scott (1967) | -levels of hierarchy  
-chain of command  
-job duty or role  
-division of labor  
-centralization  
-number of employees at each level  
-line vs. staff relations  
-size and shape of organization |
| "Human relations approach" | People and how they are organized in the organization | Elton Mayo/ "Hawthorne Studies"  
Roethlitsberger & Dickson (1939)  
Coch & Freach (1948)  
Whyte (1948)  
Dalton (1950)  
Fleishman, Harris & Burtt (1955) | -status  
-role  
-informal groups  
-social relations  
-morale  
-attitude  
-personality |
| "Social systems" school | Relationships and how the parts of the organization relate to the whole organization. (A systems approach assumes interdependence—that is, whatever affects one part of the organization affects all parts of the organization) | Boulding (1956)  
March & Simon (1958)  
Haire (1959)  
Weiner (1950)  
Deutsch (1952)  
Katz & Kahn (1966)  
Scott (1967)  
Sayles & Chandler (1971)  
Lawrence & Lorsch (1967) | -input  
-transformation  
-output  
-feedback  
-balance  
-interdependence |
Organizations and Bureaucracy

Most organizations take on the shape of a pyramid and are bureaucratic in nature. Characteristics of a traditionally formed bureaucracy were best described by Max Weber, a socialist who conducted considerable research in government and military bureaucracies in Germany in the latter part of the 19th century. According to Weber the "classical school" of thought on bureaucracies was characterized as follows:

A bureaucracy is:

1. An organization with continuity which operates according to rules;
2. An area, or domain, of competence in which the persons involved share the work toward specified goals under predetermined leaders;
3. An organization with scalar (hierarchical principals;
4. An organization with rules which are either norms or technical rules;
5. An organization in which administrative staff is separated from ownership of production devices of administration, and private belongings and the organization's equipment are separated;
6. An organization whose resources are free from outside control, and in which no administrator can monopolize personnel positions;
7. An organization in which any administrative acts, rules, policies, etc., must be stated in writing.

Division of Labor

Division of labor refers to how a given amount of required work is divided among the available human resources. This division can be accomplished according to the nature of the various jobs or according to the amount of responsibility and authority each person assumes. The
former is a functional division of labor; the latter is scalar. Figure 6-2 illustrates division of labor according to both functional and scalar processes.

Scalar and Functional Processes

Scalar and Functional Processes refer to both the vertical and horizontal growth and structure of the organization. Scalar refers to the levels of the hierarchy (the chain of command) in the organization. Functional processes denote the specific job duty of each employee in the organization. An example of the scalar process at a university (shown in Figure 6-3 and 6-4) would be the division of authority allocated to the Board of Regents, the university president, the vice-presidents, the deans, the department chairmen, the faculty members, the students. The functional process is illustrated at the university by the division of job responsibility assigned to faculty, clerical, janitorial, and administrative personnel. Figures 6-3 and 6-4 further illustrate these two concepts.
Figure 6-3  Scalar Processes at a University

Figure 6-4  Functional Processes at a University
Structure of Organizations

Structure refers to the network of relationships and roles existing throughout the organization. Structure enables the organization to meet its objectives effectively and in an orderly manner. Classical theory usually deals with two structures: line and staff. The line organization includes the chain of command and the primary functions of the formal organization. It can be readily identified by examining the organization chart, especially those connected by vertical lines.

Three types of structures--functional, line-staff, and project--are shown in Figures 6-5, 6-6 and 6-7 (see also S. Deep. pp. 131, 132, and 134).

Figure 6-5 Functional Organization
Figure 6-6  Line-and-Staff Organization
Figure 6-7 Project Organization

(Note: See Viewing Organizations Outline for distinguishing characteristics of each of the above structures.)
Span of Control

Span-of-control refers to the number of employees a manager can effectively supervise. Many factors (e.g., management skill, managerial style, employee skill, morale and attitude, type of organization, etc.) influence the desirable span of control for an individual manager.

Span-of-control influences the shape of an organization. If most managers have a small span throughout the organization, then the overall shape of the organization will be "tall." If the typical span is great, then the overall shape of the organization will be "flat." Figure 6-8 illustrates the shape of "tall" and "flat" organizations.

![Figure 6-8 Tall Vs. Flat Organization](image)

The implications for communication of a "tall" vs. "flat" organization is easy to see, for a "tall" organization, with its multiple levels, increases the number of channels of communication (and the possibility for distortion) while a "flat" organization reduces the number of levels
through which messages must travel, but such an organizational structure also reduces the number of face-to-face contacts and have the possibility of creating a communication overload at the manager's office. Sometimes it may not be possible to control the growth of the span-of-control. Parkinson's Law (1957) predicts that the number of people in an organization will increase at an annual rate (regardless of the work to be done). Even though Parkinson's view of organizational growth was somewhat cynical, there is some evidence to support his "law."

Another implication of span-of-control relates to how centralized or decentralized an organization will be structured. Centralized organizations have power and decision points located at few points. Decentralized organizations spread authority and decision-making throughout the organization, generally delegating authority to the smallest practical units. Centralization is more likely in a "tall" structure, decentralization in a "flat." Centralization of authority can usually expedite decision-making (since fewer people are involved). Decentralization will involve more people and take more time in decision making but may improve organizational morale (by giving all employees the opportunity to be involved in decision-making). Further implications of decentralization and centralization are discussed in previous modules as a function of the climate of the organization and the style of management prevalent. The "Case of the College Dean," which follows, illustrates the strengths and weaknesses of centralization and decentralization.

The Case of the College Dean

One college within a university was managed by a dean who adhered to the classical principles of chain of command, strict functionalization to job duties, unity of command, and a strong line organization (with a
printed organization chart identifying lines of authority and "appropriate" channels of communication). The dean was aware (through an elaborate informal "spy" system and a "kitchen cabinet" composed of senior department chairmen) of most of the activities of the faculty within the college. As a result of his management style and attitude, he assembled a relatively "tall" structure with a highly centralized decision center (his office). The impact of this approach on the college was that while decisions were made quickly, with authority and responsibility, very few people were involved or informed until after the decisions had been made. The ultimate result was an efficient operation with highly specific goals and directions but low morale and even apathy among those not fortunate enough to be in the "kitchen cabinet."

Shortly after this dean's promotion to the vice-presidency, a new dean arrived whose style was radically different from that of his predecessor. He believed in spreading authority and decision-making to as many faculty and students as possible. He believed that goals and directions for the college should be generated from within the college (by a faculty and students). In short, he rigidly followed the principles of a decentralized organization. He assembled several college-wide committees whose responsibility was advisory and decision-making, in the form of recommendations to the faculty at large. He rarely made any decisions himself. He assembled a relatively large staff of assistants who further advised and serviced the committees and departments. The result of the new dean's decentralized style was a high sense of morale and good spirits among the great majority of the faculty, a large involvement of many students and faculty in decision-making, a slow, methodical (and at time sluggish) approach to decision-making and action. At the same time, however, departments (and some committees) became more autonomous and powerful;
some were freely labeled "empires." Horizontal communication among the departments was almost nonexistent. College goals appeared (to many) to be vague, and the general direction of the college appeared to be inconsistent. Ultimately, a group of senior faculty members developed into a clique that successfully sought the resignation of the new dean.

The "System" Schools Approach

As mentioned previously (see Module 4 on Leadership), Liekert is one of the foremost supporters of the systems approach and particularly of the "Systems 4" approach to management. Liekert distinguished characteristics in categories other than just leadership in comparing System 4, organization with Systems 1, 2 and 3. Figure 6-9 provides an illustration of the entire Liekert model with the various organizational variables.

Viewing Organization Outline

The following outline is a summary of Chapter 6 in the text--and provides most of the essential points for each of the sections discussed above.

I. Reasons Why Organizations Exist
   A. Objectives met more effectively by collections of people working together than by individuals working alone
   B. Organizations make it possible for society to accumulate knowledge and maintain stability
   C. People join organizations to satisfy human needs
      1. physical
      2. security
      3. social
      4. esteem
      5. self-actualization
   D. Economic Purposes of organizations
### Figure 6-9 Organizational and Performance Characteristics of Different Management Systems

<table>
<thead>
<tr>
<th>Organizational variable</th>
<th>System 1</th>
<th>System 2</th>
<th>System 3</th>
<th>System 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1) Leadership processes used:</strong></td>
<td>Have no confidence and trust in subordinates.</td>
<td>Have condescending confidence and trust, such as master has to servant.</td>
<td>Substantial but not complete confidence and trust; still wishes to keep control of decisions.</td>
<td>Complete confidence and trust in all matters.</td>
</tr>
<tr>
<td>Extent to which superiors have confidence and trust in subordinates.</td>
<td>Subordinates do not feel at all free to discuss things about the job with their superior.</td>
<td>Subordinates do not feel very free to discuss things about the job with their superior.</td>
<td>Subordinates feel rather free to discuss things about the job with their superior.</td>
<td>Subordinates feel completely free to discuss things about the job with their superior.</td>
</tr>
<tr>
<td>Extent to which superiors behave so that subordinates feel free to discuss important things about their jobs with their immediate superior.</td>
<td>Seldom gets ideas and opinions of subordinates in solving job problems.</td>
<td>Sometimes gets ideas and opinions of subordinates in solving job problems.</td>
<td>Usually get ideas and opinions and usually tries to make constructive use of them.</td>
<td>Always get ideas and opinions and always tries to make constructive use of them.</td>
</tr>
<tr>
<td>Extent to which immediate superior in solving job problems generally tries to get subordinates’ ideas and opinions and make constructive use of them.</td>
<td>Fear, threats, punishment, and occasional rewards.</td>
<td>Rewards and some actual or potential punishment.</td>
<td>Rewards, occasional punishment, and some involvement.</td>
<td>Economic rewards, based on compensation system developed through participation, group participation and involvement in setting goals, improving progress toward goals, etc.</td>
</tr>
<tr>
<td>Amount of responsibility felt by each member of organization for achieving organization’s goals.</td>
<td>High levels of management feel responsibility; lower levels feel lesser; rank and file usually feel little and often welcome opportunity to behave in ways to defeat organization’s goals.</td>
<td>Managerial personnel usually feel responsibility; rank and file usually feel relatively little responsibility for achieving organization’s goals.</td>
<td>Substantial proportion of personnel especially at high levels, feel responsibility and generally behave in ways to achieve the organization’s goals.</td>
<td>Personnel at all levels feel real responsibility for organization’s goals and behave in ways to implement them.</td>
</tr>
<tr>
<td><strong>2) Character of motivational forces:</strong></td>
<td>Very little.</td>
<td>Little.</td>
<td>Quite a bit.</td>
<td>Much with both individuals and groups.</td>
</tr>
<tr>
<td>Manner in which motives are used.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational variable</td>
<td>System 1</td>
<td>System 2</td>
<td>System 3</td>
<td>System 4</td>
</tr>
<tr>
<td>--------------------------------------------------------------</td>
<td>---------------------------</td>
<td>-----------------------------------</td>
<td>-----------------------------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>Direction of information flow</td>
<td>Downward</td>
<td>Mostly downward</td>
<td>Down and up</td>
<td>Down and up with peers</td>
</tr>
<tr>
<td>Extent to which downward communications are accepted by subordinates</td>
<td>Viewed with great suspicion</td>
<td>May or may not be viewed with suspicion</td>
<td>Often accepted but at times viewed with suspicion, may or may not be openly questioned.</td>
<td>Generally accepted but if not openly and candidly questioned.</td>
</tr>
<tr>
<td>Accuracy of upward communication via line</td>
<td>Tends to be in accurate</td>
<td>Information that boss wants to hear flows; other information is restricted and filtered.</td>
<td>Information that boss wants to hear flows; other information may be limited or cautiously given.</td>
<td>Accurate.</td>
</tr>
<tr>
<td>Psychological closeness of superiors to subordinates (i.e., how well does superior know and understand problems faced by subordinates?)</td>
<td>Has no knowledge or understanding of problems of subordinates.</td>
<td>Has some knowledge and understanding of problems of subordinates.</td>
<td>Knows and understands problems of subordinates quite well.</td>
<td>Knows and understands problems of subordinates very well.</td>
</tr>
<tr>
<td>(4) Character of interaction influence process: Amount and character of interaction.</td>
<td>Little interaction and always with fear and distrust.</td>
<td>Little interaction and usually with some condescension by superiors; fear and caution by subordinates.</td>
<td>Moderate interaction: often with fair amount of confidence and trust.</td>
<td>Extensive, friendly interaction with high degree of confidence and trust.</td>
</tr>
<tr>
<td>Organizational variable</td>
<td>System 1</td>
<td>System 2</td>
<td>System 3</td>
<td>System 4</td>
</tr>
<tr>
<td>Amount of cooperative teamwork present.</td>
<td>None.</td>
<td>Relatively little.</td>
<td>A moderate amount.</td>
<td>Very substantial amount throughout the organization.</td>
</tr>
<tr>
<td>(5) Character of decision making process: At what level in organization are decisions formally made?</td>
<td>Bulk of decisions at top of organization.</td>
<td>Policy at top, many decisions within prescribed framework made at lower levels.</td>
<td>Broad policy and general decisions at top, more specific decisions at lower.</td>
<td>Decision making widely done throughout organization, although well integrated through linking process provided overlapping group.</td>
</tr>
<tr>
<td>To what extent are decision makers aware of problems, particularly those at lower levels in the organization?</td>
<td>Often are unaware or only partially aware.</td>
<td>Aware of some, unaware of others.</td>
<td>Moderately aware of problems.</td>
<td>Generally quite well aware of problems.</td>
</tr>
<tr>
<td>Extent to which technical and professional knowledge is used in decision making.</td>
<td>Used only if processed at higher levels.</td>
<td>Much of what is available in higher and middle levels is used.</td>
<td>Much of what is available in higher, middle, and lower levels is used.</td>
<td>Most of what is available anywhere within the organization is used.</td>
</tr>
<tr>
<td>Organizational variable</td>
<td>System 1</td>
<td>System 2</td>
<td>System 3</td>
<td>System 4</td>
</tr>
<tr>
<td>-------------------------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td>To what extent are subordinates involved in decisions related to their work?</td>
<td>Not at all.</td>
<td>Never involved in decisions; occasionally consulted.</td>
<td>Usually are consulted but ordinarily not involved in the decision making.</td>
<td>Are involved fully in all decisions related to their work.</td>
</tr>
<tr>
<td>Are decisions made at the best level in the organization so far as the motivational consequences (i.e., does the decision-making process help to create the necessary motivations in those persons who have to carry out the decisions?)</td>
<td>Decision making contributes little or nothing to the motivation to implement the decision, usually yields adverse motivation.</td>
<td>Decision making contributes relatively little motivation.</td>
<td>Some contribution by decision making to motivation to implement.</td>
<td>Substantial contribution by decision making processes to motivation to implement.</td>
</tr>
<tr>
<td>Character of goal-setting or ordering: Manner in which usually done.</td>
<td>Orders issued.</td>
<td>Orders issued, opportunity to comment may or may not exist.</td>
<td>Goals are set or orders issued after discussion with subordinates of problems and planned action.</td>
<td>Except in emergencies goals are usually established by means of group participation.</td>
</tr>
<tr>
<td>Are there forces to accept or resist goals?</td>
<td>Goals are overtly accepted but are covertly resisted strongly.</td>
<td>Goals are overtly accepted but often covertly resisted to at least a moderate degree.</td>
<td>Goals are overtly accepted but at times with some covert resistance.</td>
<td>Goals are fully accepted both overtly and covertly.</td>
</tr>
<tr>
<td>Organizational variable</td>
<td>System 1</td>
<td>System 2</td>
<td>System 3</td>
<td>System 4</td>
</tr>
<tr>
<td>--------------------------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td>7. Character of control processes: Extent to which the review and control functions are concentrated.</td>
<td>Highly concentrated into management.</td>
<td>Relatively highly concentrated, with some delegated control to middle and lower levels.</td>
<td>Moderate downward delegation of review and control of processes; lower as well as higher levels feel responsible.</td>
<td>Quite widespread responsibility for review and control, with lower units sometimes imposing more rigorous reviews and tighter controls than top management.</td>
</tr>
<tr>
<td>Extent to which there is an informal organization present and supporting or opposing goals of formal organization.</td>
<td>Informal organization present and opposing goals of formal organization.</td>
<td>Informal organization usually present and partially resisting goals.</td>
<td>Informal organization may be present and may either support or partially resist goals of formal organization.</td>
<td>Informal and formal organizations are one and the same, hence all social forces support efforts to achieve organization’s goals.</td>
</tr>
<tr>
<td>Extent to which control data (e.g., accounting, productivity, cost, etc.) are used for self guidance or group problem solving by managers and non-supervisory employees; or used by superiors in a punitive, policing manner.</td>
<td>Used for policing and punitive manner.</td>
<td>Used for policing coupled with reward and punishment, sometimes punitively; used somewhat for guidance but in accord with orders.</td>
<td>Largely used for policing with emphasis usually on reward but with some punishment; used for guidance in accord with orders; some use also for self-guidance.</td>
<td>Used for self-guidance and for coordinated problem solving and guidance; not used punitively.</td>
</tr>
</tbody>
</table>
1. Profit realized by meeting human needs through the collection and combination of resources

2. Advantages of forming organizations
   a) Specialization—individuals who have expertise in a particular area
   b) Speed—cut down time for producing or performing a service
   c) Accumulation—retention of knowledge and building on past experiences
   d) Permanance—allows continuity of enterprise
   e) Synergism—coordination of individual units working together to achieve ultimate objective of enterprise

II. Classification of Organizations
   A. Formal—well-defined structure
      1. Authority given to work towards clearly stated objectives
      2. Division of tasks required for achieving objectives
      3. Individuals assigned responsibilities in performance of tasks
      4. Existence of consistent interactions for planning, leading, collaborating, controlling, and socializing
      5. Environment where tasks are performed is specified according to place, time, and resources available
      6. Provision is made for rewarding those who work toward achievement of the objectives
   B. Informal organization
      1. Loosely organized
      2. Ill-defined responsibilities
      3. Bound by common interest
      4. Reasons for formation of information groupings within formal organizations
         a) Dissemination of information about individual's work that organization does not provide
         b) Social contact
c) Coordination and collaboration necessary in different tasks that the organization structure does not provide

C. Line & Staff
1. Chain of command passes from one level to another through "line officers"
2. Staff created to provide information and assistance
3. Line managers have direct responsibility
4. Staff specialists have no responsibility for creation of the ultimate output of the organization
5. Highperson—executive officer or President or director

D. Functional
1. Product responsibility divided among a number of managers
   a) Each heads a functional specialty
   b) Controls distinct segment of total operation
2. Disadvantage—diffuses responsibilities

E. Project Organization
1. Structure used when organization has special projects
2. Benefits
   a) Projects receive well-coordinated and focused attention they require
   b) Retains specialized expertise and capabilities that only functional departments can provide
3. Disadvantage—confusion and misunderstanding that could occur from overlapping responsibilities

F. Centralized Organization
1. Management retains as much direct control over all operations
2. Most decisions made by higher level of management and communicated downward
3. Motivational approaches prevalent in centralized organization
   a) directive
   b) paternal
   c) competition
G. Decentralized Organization

1. Authority delegated to department heads and subordinated throughout organization

2. Decisions made by those affected by decision

3. Motivational approaches prevalent in decentralized organization
   a) participative
   b) compromise

III. Classifying Organizations According to Objectives

A. Organizations with primarily economic reasons for formation

   1. Profit organizations
   2. Government organizations
   3. Protective organizations
   4. Service organizations
   5. Political organizations

B. Organizations which exist primarily for humanistic purposes

   1. Spiritual organizations
   2. Social organizations

IV. Organization as a Source of Human Relation Problems

A. Characteristics that make simultaneous satisfaction of human needs and achievement of organizational objectives difficult

   1. Job Simplification--breaking down jobs into small parts
      a) Advantages
         1) Reduces training costs
         2) Allows employee to fully develop skills for a particular job
         3) Makes duplication of equipment unnecessary
         4) Enables purchase of more specialized equipment
         5) Simplifies problem of developing job control
         6) Reduces wage costs by making it possible to hire less skilled workers
      b) Disadvantages
         1) Boredom
         2) Stifled creativity
         3) No recognition for special skills
         4) Identification and attainment of full potential rarely occur through training
         5) Cannot avoid being controlled
         6) Decisions left up to higher level of management
7) Personal interaction limited
8) Little chance of seeing final product

2. Loss of individual freedom and identity

3. Resistance to growth and change
   a) Loss of jobs
   b) Increased workload
   c) Increased direction
   d) Uncertainty
   e) New personal relations

4. Inadequate rewards

5. Unclear objectives

6. Lack of communication

7. Vested interests
   a) Suboptimization--result when one group strives to obtain goals which conflict with another group or the overall objective of the organization
   b) Professional insulation--occurs because people feel comfortable relating to fellow professionals

8. Conflict
   a) Competition for scarce resources
   b) Line/Staff disagreements
   c) Differences in personal values
   d) Lack of clearly defined responsibilities

B. Nature of formal organizations tend to create human relations problems.
Terms You Should Know

- humanistic motivations
- economic motivations
- formal organizations
- informal organizations
- functional division of labor
- scalar division of labor
- functional organizations
- line-staff organization
- project organizations
- centralized
- decentralized
- "tall" organizations
- "flat" organizations
- organizational chart
- bureaucracy
- classical school
- human relations approach
- systems approach
- system 1
- system 4
- span of control
- chain of command
- hierarchy
- interdependence
Learning Objectives and Assignments

After you read Chapter 7 in *Human Relations in Management*, review the questions and case, read the articles in Study Guide Supplement, and view the films "Making Human Resources Work" (F-1704) and "Management by Objectives" (HSL). When these tasks have been completed, you should be able to:

1. Define what is meant by alienation from job satisfaction in terms of its causes, symptoms, and effects.
2. Distinguish between the views held by union leaders and by management scientists about how to deal with worker dissatisfaction.
3. Explain the concept of job enlargement and discuss its effects on job satisfaction.
4. Explain the concept of job rotation and discuss its effects on job satisfaction.
5. Explain the concept of job enrichment and:
   - Show how it relates to previous course concepts;
   - Explain why it should be implemented;
   - Describe why it should be implemented;
   - Identify the best conditions for implementation.
6. Explain the concept of management by objectives and:
   - Describe how it can be implemented;
   - Explain how it relates to job enrichment.
Designing Satisfying Jobs

As you may recall from Modules 1, 2 and 3 and the text, "a positive work environment is needed for sound human relations to occur. Such an environment exists when the nature of the leader, the job, and the organization is such that workers can satisfy their own needs while simultaneously helping the organization to achieve its objectives." In order for such an environment to exist, a manager must be able to design satisfying jobs.

There are four concepts that can be helpful in designing satisfying jobs: (1) job enlargement, (2) job rotation, (3) job enrichment, and (4) MBO. Each concept provides a means of attaining the gratification that employees seek on the job.

Job Enrichment and Enlargement

Job enlargement differs from job enrichment in that enlargement in an organizational setting increases the number of components of the job (horizontal dimension); whereas job enrichment increases the employee's discretion on how to perform the job (vertical dimension) (see Figure 7-1).

Job enlargement is actually a reverse of job simplification because it increases rather than decreases the number of job components. The intention, then, is to make the job more complex, more challenging and more satisfying. If enlargement is taken to include the complete job cycle, the employee would see more of the completed product and hopefully take more pride in the quality of the finished product.

Job enrichment, while also intended to result in a higher quality product, is accomplished through allowing the employee to become a manager over his or her own job by having more say on how it should be
done, evaluated, altered, or otherwise changed. Therefore, the employee accepts more managerial responsibility over the decision-making process regarding his or her own job.

There are various characteristics of "enriched" jobs. First, there is less direct supervision from managers and, in turn, there is greater employee responsibility for determining the method, pace, and evaluation of the work. Second, the manager can give more specific feedback. Third, the employee sees his or her job as a part of the entire process—a vital link in a chain of activities. Fourth, the work becomes more challenging and complex. Fifth, workers are given adequate rewards for their efforts. Lastly, workers are given all information and resources needed to perform their jobs.
Management by Objectives in Theory and Practice

As the title implies, the management-by-objectives approach stresses the importance of having well-formulated objectives and plans for the organization as a whole and for its individual component parts. Also stressed is the use of control or evaluation reports that measure achievement against the objectives. The use of human relations techniques is tied to productivity through the necessary participation required by subordinate levels in the establishment of objectives, plans and controls or two-way communication up and down the line, in their formulation. Managers at each level would have an opportunity to participate in the formulation of objectives for their own units—objectives that would be consistent with those of the company or organization as a whole. Participation is a key in the designing of controls; that is, in deciding by what criteria progress toward objectives would be measured. Such results-oriented criteria would provide a new basis for performance reviews.

The MBO format calls for two-way, give-and-take discussions on objectives and plans. The intention is that such discussions will produce an integrated set of objectives that all managers understand and accept as being of their own making. The lower level of supervision and the rank and file workers may not have a chance to do much about the overall company or organization objectives; however, under MBO they would know how their work fits into the total effort and to discuss with their bosses the objectives of their own group. In reality, this type of communication is difficult because it takes time. Moreover, some managers are natural hoarders of information, and still others are poor communicators even though they want to have two-way communications with their subordinates.
In theory, MBO is almost a perfect application of control and participative leadership theory. In practice, however, the application of MBO presents many difficulties.

When a manager and a subordinate using MBO jointly work out that subordinate's objectives and plans for some future period, they have an opportunity at the same time to set up control points. If the objectives and plans are reasonably specific, they will also represent a good statement of the results to be achieved and provide a definition of the units in which those results are to be measured. These are positive controls—controls that focus on what is to be accomplished. Hopefully, these are also controls that the subordinate understands. If this is true, it provides an objective basis on which the superior can base subsequent performance reviews of the subordinate.

However, this ideal application is rarely achieved because the communications task involved is simply too difficult. In addition, there is the problem of keeping job conditions and assignments stable for six months or a year. Too often it is necessary to change a person's assignment temporarily or to alter the amount of help that is assigned in order to take care of some emergency or some unforeseen opportunity. Such actions disturb the idea of holding a person responsible for results defined at the start of the period. Another great control problem arises from the fact that many programs require the participation of various units within a large organization; in such cases it is difficult to hold persons at lower organizational levels responsible for results.

Another factor making the control side of MBO difficult is that organizations require multiple objectives and, therefore, multiple controls. It is difficult to integrate multiple controls, for some have more impact that others.
(Note: For a completed review of the origins, theory, implementation and problems associated with MBO, read the articles assigned in the Study-Guide Supplement.)

Ideally, MBO seeks to achieve a high level of integration of the goals and objectives of management, the organization, and subordinates to obtain the maximum results and productivity (see Figure 7-2). Job enrichment and job enlargement seek to create the ideal managerial climate within which high levels of trust in employees create high levels of performance (see Figures 7-3 and 7-4). In 1973, one scholar (Redding) proposed that such an ideal managerial could exist if he had the following five characteristics: (1) Supportiveness; (2) participative decision-making; (3) trust, confidence, and credibility; (4) openness and candor; and (5) emphasis upon higher performance goals.

Figure 7-2  An Integration of the Goals of Management, Subordinates, and the Organization—High Organizational Accomplishment

Figure 7-3  Relationship Between Trust and Performance
Module 7

Module 7-4 Breaking the Destructive Cycle

Terms You Should Know

- job enrichment
- job enlargement
- job simplification
- job rotation
- management by objectives
- goal attainment
- productivity
- job satisfaction
- participative decision-making
- performance rating

Additional Reading from Study-Guide Supplement

1. "Management by Objectives" by Clarence Lui, Senior Project, WOC, April 1979.
2. "Management by Objectives" by Lawrence Uyeda, Senior Project, WOC, Spring 1980.
4. "Two Models of Participative Leadership: Human Resources and Human Relations."
5. "Interpersonal Rating Scale" and "How Americans Judge Basic Institutions"
MODULE 8
MAKING GROUPS FUNCTION AND TEAM BUILDING

Learning Objectives and Assignments

After you have Read Chapter 8 in Human Relations in Management, reviewed the questions and case, read the article in the Study Guide Supplement, and viewed the film "Team Building," you should be able to:

1. Describe the characteristics of a formal work group.

2. Explain why informal work groups become established, describe their characteristics, and list their advantages and disadvantages.

3. Contrast the structures of formal and informal work groups.

4. Explain the phenomenon of suboptimization and describe ways to combat it.

5. Explain the phenomenon of "groupthink," and list the steps that should be taken to overcome it.

6. Describe the five most common factors that contribute to the ineffectiveness of formal work groups.

7. Describe the team building process and explain how it counteracts the causes of team ineffectiveness.

Groups in Organizations

Most organizations have formal and informal groups and group behavior because work is performed at various levels and is interdependent. This influence of the informal groups in contrast to the formal groups depend on many factors, which include the organizational structure, the management style, and the nature of work performed. Often the informal work groups undermine the formal work groups, which were designed to achieve specific organizational objectives. The formation of informal work groups
impacts greatly on the management of conflict and change, and decision-making. (These topics will be covered in the modules that follow.) Moreover, as Deep contends, "Groups that form within organizations play a major role in determining the quality of human relations." (p. 177)

Figure 8-1 which follows provides some of the similarities and differences in characteristics of groups. (See also p. 183 in Deep)

**Figure 8-1 Characteristics of Groups**

<table>
<thead>
<tr>
<th>All Groups</th>
<th>Formal Work Groups</th>
<th>Informal Work Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have leaders</td>
<td>Have a designated leader who is responsible to a higher authority</td>
<td>Select their own leader according to the needs of the situation</td>
</tr>
<tr>
<td>Have followers</td>
<td>Have stable and consistent personal interactions</td>
<td>Allow members to enter and leave the group freely</td>
</tr>
<tr>
<td>Strive toward a goal or goals</td>
<td>Have their goals sanctioned by some outside authority</td>
<td>Have goals that are determined by needs of the members</td>
</tr>
<tr>
<td>Have goals about what it takes to achieve the goals</td>
<td>Prescribe a division of labor</td>
<td>Assume whatever roles are necessary or appropriate</td>
</tr>
<tr>
<td>Communicate expectations to members</td>
<td>Assign specific responsibilities, have written rules and regulations</td>
<td>Have group norms which, though unwritten, are understood by all</td>
</tr>
<tr>
<td>Meet member needs</td>
<td>Make specific provisions for rewarding the membership</td>
<td>Meet needs that formal groups fail to meet</td>
</tr>
</tbody>
</table>
Dynamics of a Small Group

Sensitivity to the processes and dynamics of a group can help a manager understand group problems and thus be able to make the changes that will facilitate more cooperative or productive interaction. Following are some key observations that can help a group member, group leader or manager become more aware of the group process:

1. Which members participate the most in the group? Are some members ignored? Do a few individuals dominate the discussion?

2. Who influences the group the most? Is there an open or subtle struggle for a leadership position?

3. Is anyone attempting to impose ideas on the group? Do any members block the progress of the group if it is not going the way they would like?

4. Do some members attempt to keep things moving along in a positive manner? Is the primary discussion on issues that relate to the group's purpose? Does the group keep wandering from the topic?

5. If feelings and emotions run high, is there anyone who attempts to keep the group from straying too far from the issue?

6. Are there some members who seem to be negative about the proceedings? Do some members exhibit impatience with others who do not understand or agree with them?

7. Does anyone attempt to be sure that all viewpoints are heard? Does someone try to get any of the members who have been silent to express their viewpoints, or are silent members ignored?

8. Are facts asked for by the group? Does the group attempt to identify solutions, or does the discussion seem to miss central issues or problems?
9. Do some members form cliques? Do some members seem not to be involved with the group process?

10. Are the feelings of the members openly expressed? Do members attempt to disguise their feelings of anger, happiness, defensiveness, affection, or excitement?

These questions are not inclusive, but they help form a framework for observing the dynamics of a small group. Not only are these social aspects of the group important to an understanding of group behavior, but one should also be cognizant of the technical environment in which the group must operate. Other important questions involve the framework within which the group members must play their roles. For example, how much time does the group have to achieve its purpose? Is the group an ongoing group or one that has a short-term purpose? Are group members all from the same level in the organization, or are some from higher levels of the management hierarchy? What are the backgrounds of the members? What areas of expertise do they bring to the group (e.g., accounting, planning, managerial skills, communication, etc.)?

Problems of Group Cohesion

Working toward a common purpose and high group cohesion is normally a desirable trait of work groups. This is especially true when a group is expected to compete with other groups, such as in team sports. Cohesiveness is also important when the group is given little direction from management and must develop its own structure. (Deep, p. 88)

However, as Deep points out, while cohesiveness can make groups more effective, it also presents certain potential disadvantages. Highly cohesive groups, for example, may find it difficult to adapt to change because of the degree to which members are happy with the status quo.
It is also difficult for new employees to enter and be accepted by a cohesive group. However, the most troublesome aspect of a highly cohesive group is what happens when such a group is called upon as a body to make decisions in the face of widely divergent or conflicting points of view. Members tend to be unwilling to disturb the good feelings everyone has about everyone else by openly confronting disagreements.

The term "groupthink" is used to describe the situation in which the desire to agree becomes so dominant in a cohesive group that it tends to override realistic appraisal of alternative courses of action. As Deep points out, symptoms of groupthink become apparent when the members of decision-making groups begin to avoid being too harsh in their judgments of one another's ideas and instead adopt a soft line of criticism, even in their own thinking. During groupthink meetings, members act as friends and seek complete agreement on every important issue. Disagreements are usually minimized or smoothed over.

**Team Building**

Team building, when systematically planned, can help improve the effectiveness of formal work groups. The various phases of team building include diagnosis of the team's problems, training to help members understand the problems, planning how to deal with the problems, addressing the problems, and follow up to insure the process is working.

A systematic model for team building is presented in Figure 8-2. Also see p. 193 in Deep.

Developing an effective team approach requires specific and already understood team-building objectives, with some sense of priority for each objective. Each objective should relate to a previously identified problem area. It would be useful, as Deep contends, to start with a "Team Development Inventory" (see Figure 8-3).
Module 8

Figure 8-2 Systematic Model for Team Building

Figure 8-3 Team Development Inventory

1. ROLES
   A. How clear is your role on the team?
   B. How clear do you think your role is to others?
   C. How clear is your role to others?
   D. How satisfied are you with your role?
   E. How well does the team make use of its member resources?

2. COMMUNICATIONS
   A. How adequate is the information you receive from other team members?
   B. To what degree are you able to pass necessary information to others?
   C. How adequate is the feedback you receive on the results of your efforts?
   D. Do team members come to each other how they really feel about matters?
   E. How well do people listen to each other in the team?
   F. What communication obstacles do you see existing in the team?

3. GOALS
   A. To what degree are team members working toward the same goals?
   B. Are the goals of the team relate to your specific job?
   C. What influence do you have with regard to team goals and direction?
   D. How well do the team goals reflect your own personal values?

4. REWARDS
   A. How adequately do the rewards you receive reflect the contributions you make to the group?
   B. Do incentives exist for you to improve your performance?
   C. In what ways could your job be more responsive to your professional needs and interests?
   D. Is it personally satisfying to be a member of this team?

5. PROCESS
   A. How do you feel about the way decisions are made in the team?
   B. How is conflict resolved?
   C. How does the team react to dissenting opinions of members?
   D. How well do you agree with the way things are done in the group?
An example of a specific objective in an action plan for a team approach is shown in Figure 8-4 (also see Deep, p. 196).

Figure 8-4 Model Action Plan

<table>
<thead>
<tr>
<th>Objective</th>
<th>Action Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>To make the team leaders' expectations clearer to everyone.</td>
<td>Initiate management by objectives</td>
</tr>
</tbody>
</table>

The objective above is to make team leaders' expectations clearer, while the action plan tells what is to take place and when and who will do it. Hence, action plans require implementation as part of the planning process.

Terms You Should Know

- formal work groups
- team leader
- informal work groups
- groupthink
- role ambiguity
- devil's advocate
- critical evaluator
- hidden agenda
- roles
- suboptimization
- team building
- diagnosis
- second-chance meeting
- impartial stance

Additional Readings from Study-Guide Supplement

1. "Differences and Similarities Between MD and OD" (MD - Management Development and OD - Organization Development) chart.
MODULE 9
MANAGING CONFLICT AND CONFLICT RESOLUTION

Learning Objectives and Assignments

After you have read Chapter 9 in the text and reviewed the questions and cases in the text and those at the end of Module 9, you should be able to:

1. Explain why it is important to manage conflict in organization.
2. Distinguish between constructive and destructive conflict.
3. Describe the organizational benefits of constructive conflict.
4. Describe the problems created by destructive conflict for individuals, groups, and organizations.
6. List the three basic methods of managing conflict.
7. Name six ways to stimulate constructive conflict.
8. Describe four ways to prevent destructive conflict and comment on the disadvantages of preventing conflict in advance.
9. Describe the five basic approaches to resolving destructive conflict and distinguish between their relative merit.
10. Distinguish between mediation and arbitration as conflict resolution techniques.

Conflict

The Winston Dictionary (20th edition) defines conflict as: "to come together in collision."

Conflict slows down the deliberating process in the problem solving process but it does keep people abreast of the problem and the progress in solving it. Also, the time taken to think through the entire problem may
be worthwhile if all dimensions of the problem emerge and some of the difficulties affecting problem solving are worked out.

There are various ways to resolve conflict. They include avoidance, which is to refrain from the whole problem altogether; smoothing, where management emphasizes common interests and minimizes differences; forcing where the stronger side dominates and makes the ruling (this could also be called pulling rank); bargaining, give and take through compromising and; lastly confrontation, where a resolution of disagreements through face-to-face or indirect "owning up" to the conflict.

There are vast differences between the issuing of direct orders and in offering requests and suggestions, and in getting cooperation from the employees. Direct orders command people to do things even against their will, while requests and suggestions make the employee feel more important because they feel their self dignity is recognized.

In a conflict, if an employee is still not satisfied with the outcome of a certain problem, he should be allowed to appeal, thereby being able to keep his dignity and self-respect intact.

Often people only hear what they want to hear unless they are motivated differently by their manager. Conflict, although a problem to organizations, sometimes helps to change the people in an organization by relieving the feeling of helplessness and hopelessness. Ideally, "constructive conflict" is possible when it is in support of the goals and objectives of the organization. Figure 9-1 provides the different conditions and characteristics of constructive vs. destructive conflict. (see also Deep, p. 212).

Other forms of conflict resolution include "win-lose" and "win-win." Win-lose conflict resolution occurs when one side's gain depends on the other side's loss. "Win-win" conflict resolution occurs when both sides
Conflict is constructive when... | Conflict is destructive when...
---|---
problems are brought out, identified, and clarified | too much stress is created for individuals
groupthink is prevented | group decisions take too long to emerge
organizational lethargy is dissolved | cooperation is discouraged, fighting is encouraged
creativity is encouraged | too much attention is devoted to the immediate problem at the cost of long-range goals
more thought goes into ideas | resolution is seen as win-lose rather than win-win
individual effort is stimulated | group cohesion is increased
group cohesiveness is increased | " builtin" conflict succeeds
"win-lose" conflict succeeds | "win-win" conflict succeeds

"Win-lose" conflict resolution can easily become "destructive" conflict as opposed to "win-win" which can often be constructive. Win-lose and win-win forms of conflict resolution are closely related to the techniques which evolved in contract negotiations and "bargaining" in labor-management relations. Arbitration, which is a form of "forcing" in the resolution of conflict, is a typical means of resolving labor management disputes. Mediation, which is like arbitration, involves the use of an "outsider" in resolving labor disputes and contract negotiations. However, unlike arbitration, it is not final and binding. Following is a discussion of the characteristics and role of mediation and arbitration in dispute resolution.

Mediation—a Voluntary Process

It should be emphasized that mediation is a voluntary process. Although the Taft-Hartley law includes the right for mediators to intervene in negotiations on their own volition, in most cases, the mediator will intervene only at the invitation of the union or the company or both.
When a mediator does enter a case, it is usually before a stalemate has developed. He can perform one or more of many functions even if he cannot render a decision or force decisions on either of the parties. To review, the mediator can go in at the invitation of the union, the invitation of the company, or both or on his own motion. Although mediation is a voluntary process on the part of the disputing parties, a mediator can perform without legal authority certain inducements that could force either side back to the table. For instance, the simple mechanics of scheduling meetings and keeping discussions alive when the parties might not otherwise meet is one technique used by the mediator. One might wonder how the mediator can accomplish this but it can occur quite easily in cases where the two parties meet at the bargaining table in such a bad atmosphere that the meeting deteriorates to open conflict between the two parties.

The selection of a mediator is an important factor in the process. While he has no decision-making powers, both parties must have respect for him. A mediator should be extensively trained as a communicator for in his role he must serve as a channel of communication in a strained atmosphere. He must be accepted by both parties and must maintain his reputation for fairness.

When an impasse is declared, it must be assumed that the relationship between the parties already is strained. The parties may not necessarily be far apart in their contract terms, but because of the adversarial relationship which exists, neither party is willing to initiate a willingness to relent for this may be construed "weakness," or a loss of power.

Mediation, as a facilitating mechanism in reaching contract agreements, can be applied prior to a deadline or strike in an attempt to prevent a work stoppage. It can also be applied during a job action to shorten the duration of a strike.
During non-crisis periods mediators work to help labor and management improve their working relationships. Nine out of ten contracts are agreed upon without third party intervention. However, when a mediator is called in to assist parties in dispute, he usually is there to perform one or more of the following functions:

1. To offer mediation service prior to an attempted deadline in an attempt to prevent a work stoppage.
2. To offer similar and continued services in an attempt to shorten the duration of strikes which have already occurred.
3. To encourage both parties, labor and management, to improve their working relationship so that crisis aspects of contract bargaining will be diminished.

Arbitration

Arbitration is a private, mutually agreed upon method of settling disputes out of court through a mutually selected, competent party, whose impartial decision will be final and binding. The primary purpose of arbitration is to settle disputes in an atmosphere less formal and less combative than a court by arbitrators who are familiar with the problem. The arbitration process is more expeditious and less expensive than strikes or other less orderly methods of dispute resolution.

Arbitrations in the labor-management field are generally divided into two categories: "interests" and "rights" arbitration.

"Interests" arbitration generally refers to the interests of the parties--employer and union--in formulating the terms and conditions of the labor contract.

"Rights" or grievance arbitration deals with the resolution of a contractual right or alleged violation of a right or privilege provided for
in the contract. The emphasis is on the contract. The contract defines what is grievable and not grievable and in this sense arbitration is usually the final step in the grievance procedure. Unless the grievance points to some terms and conditions of the contract that have been violated, there is no valid grievance. Grievances are restricted, thus, to the specific terms of the contract.

**Variants of Arbitration**

*Compulsory arbitration* is a condition set forth in the contract between the employer and the union where the arbitration process as a dispute resolution mechanism is clearly stated.

*Issue by issue, final offer arbitration* is a procedure in which the parties present the final offer with respect to all issues involved in the dispute. If the issues involve wages, overtime pay and holiday pay, each party, the employer and the union, presents its final demand or offer on each issue. The arbitrator then makes his decision on each demand or offer separately by accepting one or the other without compromise.

*Whole package arbitration* is the procedure whereby the employer and the union are required to submit in one total package their final and best offers with regard to all three issues—wages, overtime pay and holiday pay. The arbitrator then makes a decision to choose one of the two packages. This type of arbitration places a severe restriction on the arbitrator.

The major point in final offer arbitration is that the parties are forced to come to as close to an agreement as possible, short of a strike.

There are supporters and critics of both procedures. To date there is no single, perfect form of grievance arbitration. In the absence of an ideal procedure it is hoped that a flexible plan appropriate to the
situation can be skillfully applied and that an agreement will be reached that will be satisfactory to all parties.

In summary, mediation and arbitration should be used when other forms of dispute resolution between labor and management have failed. In many office situations where unions do not exist, managers should rely on the following three basic strategies when dealing with conflict: 1) to encourage constructive conflict; 2) to prevent destructive conflict, when possible; and 3) to resolve destructive conflict if it does occur.

As S. Deep points out, "Some of the ways managers can support constructive conflict are to: encourage divergent points of view, reward original thinking, and establish competitive situations. The best way to prevent the occurrence of destructive conflict is to create explicit objectives, guides to decision making, and clearly stated policies within the organization. The resolution of destructive conflict is possible through one of five specific approaches: avoidance, smoothing, forcing, bargaining, and confrontation. While the use of any one of these techniques might be appropriate in a given situation, the confrontation approach, when applicable, is most likely to result in a permanent resolution of conflict." (p. 220)

Cases

Two cases, "Surprise Confrontation" and "Where Lies the Loyalty" are presented for your review and resolution. What would you do? Which one(s) of the options would you choose to resolve these typical conflict in organizations? The two cases will be discussed in class, so please read the cases carefully.
Case No. 9-1

Where Lies the Loyalty?

The Case

Roberta has worked with Nancy in the same company for the past three years. They quickly discovered that they had a great deal in common and could tell each other almost everything. Roberta has heard from another friend, in strictest confidence, that Nancy is going to be laid off shortly. Roberta does not know the reason for the company's decision but does know that Nancy has absolutely no idea that anything of this nature is going to occur. As Nancy's friend, Roberta is in a dilemma. She feels obligated to keep the confidence of the person who told her that Nancy is to lose her job. At the same time, she is one of Nancy's best friends and feels that she should tell her the rumor or at least prepare her for the situation in some way. What should Roberta do? Should she:

Options

1. Tell Nancy?
2. Ask the other friend to tell Nancy?
3. Validate the rumor through other sources?
4. Tell Nancy that she is too good for this job and should find another?
5. Ignore the situation?
6. Avoid discussing the situation with Nancy until the rumor proves true?
7. Act sympathetically around Nancy?
8. Constantly build up Nancy's good qualities in front of the rest of the staff?
9. Tell the person who told her the rumor that she feels obligated to tell Nancy?
10. Share the rumor with everyone else in the office except Nancy?
11. Leave in Nancy's mailbox an anonymous note that explains the situation?
12. Call Nancy, disguise her voice, and tell her that she is going to be fired?
Case No. 9-2

Surprise Confrontation

The Case

At a recent team meeting, Sharon, the department supervisor, was presenting her recommendations for new accountability procedures during the coming year. Larry, a head administrator of one of the departments being affected by the proposed change, was invited to attend the meeting and accepted the offer. The entire group listened attentively to Sharon's 30-minute presentation and appeared to give their nonverbal support to the plan. At the end of her talk, Sharon asked if there were any questions or comments. Larry immediately responded by saying that he thought the meeting was a waste of his time and that her proposal was unrealistic and destructive. He went on to say that he felt Sharon was on a power trip and was attempting to force change when it was unnecessary and disruptive. Sharon was stunned. Top-level management had asked her to design the procedures, and Larry had previously been informed of the intent of the directive. The other group members stared in silence. What would you do if you were Sharon? Would you:

Options

1. Tell Larry that his comments were irresponsible?
2. Ignore him?
3. Ask the other members what they thought about Larry's comments?
4. Tell Larry that you prefer not to discuss the matter any further?
5. Try to repeat your explanation of why the changes were important?
6. Inform Larry that your proposal was sanctioned by top-level management and that if he did not like it he should speak to them?
7. Tell Larry that you would rather discuss his feelings in private?
8. Tell Larry that you understand that he must be frustrated about the changes?
9. Acknowledge Larry's comments and ask for any additional thoughts?
10. Tell Larry that you are angry about his blatant insensitivity?
11. Ask Larry for specific ways to improve your proposal?
12. Immediately dismiss the meeting?
13. Report the incident to your supervisor after the meeting ends?
Terms You Should Know

- constructive conflict
- destructive conflict
- win-lose resolution
- win-win resolution
- avoidance
- forcing
- smoothing
- confrontation

- mediation
- "interests" arbitration
- "rights" arbitration
- "whole package" arbitration
- "issue by issue" arbitration
- impasse
- bargaining
Learning Objectives and Assignments

After you read Chapter 10 in Human Relations in Management, review the questions and case and read the article in the Study Guide Supplement; you should be able to:

1. Explain the importance of managing change.
2. Distinguish between facilitating and enforcing change.
3. Give an example of how each "quality of effective leadership" relates to successful facilitation of change.
4. List the six strategies for facilitating change and explain how each achieves its desired effect.
5. Explain the role of training in the facilitation of change.
6. Describe the purposes of training.
7. Explain how training needs are assessed.
8. List the nine principal training methods.
9. Explain the two major considerations in implementing training programs.
10. Describe how the results of training should be assessed.

Change and Resistance to Change

"Change" is defined by Winston's Dictionary (20th edition) as "to substitute for something else."

Adapting to change is very difficult if someone isn't prepared for it. The manager must ease the situation involving change by making change clearly a job in transition. Usually, employees will accept change if they understand the new mode fully and know how they fit in it. New modes may
bring more benefits or rewards. It is better for the organization if employees can see changes coming and have time to adapt them without disrupting their duties and activities. Those who don't understand the change feel apprehensive and actually try to fight it. They would rather stick to something they know something about rather than to change to something they don't know.

Sometimes there is a feeling of being "controlled" when the change occurs. This is due mostly to negative connotations regarding the change in the minds of most people. Often employees may feel that they are being treated like machines without any thought being given to their position in the company.

Proper management of change is important because change is an inescapable fact of life. Organizations need to accept change rather than resist it. Because of societal changes, marketing changes and technological changes are inevitable. But organizations tend to resist change because of their inability to effectively communicate the need for a particular change to their members.

It is also a fact of life that people resist change mainly because they fear they will be replaced or demoted. Sometimes these fears are justified; but in most cases they are not.

Facilitating Change

Managers need to facilitate employee understanding and acceptance of change rather than simply enforce change decisions. When change is viewed as an enforcement, employees are pressured into accepting the change. They may seemingly go along with it but passive resistance to change can increase tension on both sides and causes added frustration.
On the positive side, when management facilitates change, it is more widely accepted by the employees. The assumption is that the workers will accept the change if they understand the reasons for the change, if they understand how the change will work and if they feel they have an influence in the planning and implementation and control of the change. Our text states that employees will more readily accept change if they trust management and they see that the top management supports the change. I can see the positive aspects of this approach, but I feel that in many instances the employees are given only enough information to enable management to make management-initiated changes. In reality, in this kind of situation the employees are not really having an influence or a voice in the change.

There are several strategies for facilitating change. It is important to communicate change to everyone involved. If the employees are told why the changes are being made and what the changes are to be, the employees may feel less threatened. It is most important to include those most affected by the change in the decision making if at all possible. Employees working in a specific area generally know what changes will and will not work and they can be a greater asset to an organization.

As a manager of change, the most important strategy is to counter the fears that arise by providing factual information. People associate change with the loss of jobs, more work or less money. In general they think that they will have to give something up in their jobs.

Sometimes the change-induced fears held by employees are justified and will indeed result in a reduction of the work force or more work for the same pay. Efforts should be made by management to retrain the employee or substitute the job for another. It is most beneficial to a company to
retrain rather than replace an employee that has been a loyal and a good worker.

Upward communication, particularly with regard to those most affected by the changes, is essential. The inclusion of those most affected by the decision-making process will usually decrease the potential and actual resistance to the changes. Moreover, input from the lower levels of the organization will almost always make the final decisions regarding organization—more effective and better decisions. To manage effective upward communication requires certain leadership qualities among supervisors that will enhance effective change behaviors. As Figure 10-1 shows, particular leader qualities are related to specific change behaviors (see also Deep, p. 231).

Figure 10-1 Relationships Between Leader Qualities and Effective Change Behaviors

<table>
<thead>
<tr>
<th>Leader Qualities</th>
<th>Change Behaviors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to Communicate</td>
<td>Inform workers about all aspects of the change</td>
</tr>
<tr>
<td>Empathy</td>
<td>Find out what bothers people about the change</td>
</tr>
<tr>
<td>Flexibility</td>
<td>Make change tentative and responsive to the success or failure of a trial period</td>
</tr>
<tr>
<td>Objectivity</td>
<td>Try to find the true cause of worker resistance</td>
</tr>
<tr>
<td>Openness</td>
<td>Tell subordinates how you feel about the change</td>
</tr>
<tr>
<td>Satisficing</td>
<td>Be willing to select a change strategy that is less than &quot;optimal,&quot; if appropriate</td>
</tr>
<tr>
<td>Self-Awareness</td>
<td>Be aware of the role you are playing in people's reaction to the change</td>
</tr>
<tr>
<td>Self-Confidence</td>
<td>Show you are confident that positive outcomes will result from the change strategy chosen</td>
</tr>
<tr>
<td>Rationality</td>
<td>Base the need for change on the best overall interests of the organization</td>
</tr>
</tbody>
</table>
Making change as acceptable as possible is a good point. Fast change catches people off guard and unaware, the result is that they resist. Slow change can cause uncertainty and people can lose sight of where the change is headed. If communication is good and the employees understand what is happening, the speed of rate of change will not influence the rate of acceptance.

Management can make a tentative change and utilize a trial period for the change. This is okay because the employees can see that their fears are unjustified. But again the management can misuse this trial period and the employees know nothing of the fact that the change has in fact already taken place.

Commitment of the superiors to the change can be a very important factor. According to the book, if the management is confident about the change, the employees will more likely go along with the change. This is, in my opinion, dependent on how good the overall relationship between the employees and employers is maintained.

Training to Facilitate Change

Training is an important factor in maintaining any type of organization. This is because it can provide the displaced employee with more knowledge and skills required by the many changes and at the same time allow the organization to keep a valuable employee. There are many types of training mentioned in our text. Each has its own place in an organization and each is as valuable as the next if used properly.

Training is an ongoing process—it is essential when people enter an organization, as they grow with it, and when they must change with it.

An essential first step is to identify the specific goals of the training course.
There are a number of training methods: 1) On-the-job Training, 2) Lecture, 3) Film, Videotape and Television, 4) Discussion Group, 5) Case Study, 6) Simulation, 7) Role Playing, 8) Programmed Instruction, and 9) Laboratory Methods.

This is important in organizations because it provides the worker the opportunity to get familiar with what is to be expected after he/she has entered the organization and throughout their stay with the organization. Training is also important because it helps the person to get adjusted to his/her job requirements and to help in attaining the skills necessary to maintain that position.

There are three broad aims of training in work organizations. They are: 1) to give the individuals the skills needed to perform their jobs, 2) to insure that employees will continue to grow both as human beings and as workers while they are with the organization, and 3) to help people adjust to organizational change.

Within these three broad aims, the specific purposes of training and development are to: 1) give people the technical knowledge and skill they need to perform their jobs; 2) help people see how their jobs relate to the goals of the organization and how it relates to the jobs of others with which they must collaborate; and 3) help people develop the interpersonal skills they need to work effectively with other people (see Deep, p. 236).

The skill level of the new employee hired into a business organization will vary from virtually none at all to a high degree of occupational competence. Individuals in the first category obviously must be taught some rudimentary skill, otherwise they would have no productive value to the organization. Individuals at the opposite extreme of initial capability, and at all graduations of skills between, should have opportunities to
upgrade their capacities in order to satisfy their personal needs for growth, to keep abreast of new information and changing technology.

**Evaluation of Training**

The most important step in evaluating training is to analyze the results of training and compare them with the objectives of that training. As Deep points out, training can be measured in many ways which include (also see Deep, p. 242):

1. reduction in costs;
2. decrease in scrap (waste) rates;
3. decrease in the number of equipment breakdowns;
4. increase in quality and quantity of production;
5. reduction in turnover, absenteeism, and grievances;
6. improved employee morale; and
7. improved relations with customers, suppliers, the government, and the community.

**Terms You Should Know**

- facilitating change
- enforcing change
- resistance to change
- empathy
- tentative change
- organizational change
- training
- job analysis
- on-the-job training
- case study
- simulation
- role playing
- programmed instruction
- laboratory methods
- organizational alterations
- organizational analysis
- manpower analysis
Additional Reading in Study Guide Supplement

MODULE 11
DECISION MAKING

Learning Objectives and Assignments

After you have read Chapter 11 in the text, reviewed the questions and the case and viewed the film "Effective Decisions" (HSL) you should be able to:

1. Explain how effective decision making contributes to sound human relations in management.

2. Describe how each of the eight stages of the cycle of decision making is carried out.

3. Show how the stages of decision making relate to each other and to the human relations concepts presented earlier in this book.

4. For the concept of group decision making:
   . Explain the circumstances under which group decision making is either indicated or contra indicated;
   . Identify the types of decisions that are best made by groups rather than by individuals;
   . Describe the most productive role for the leader of a decision making group.

5. Describe the Delphi and Nominal Group Techniques and explain how each technique improves group decision making.

Decision Making

Decision making pervades all other management functions and plays a key role in the creation of positive human relations. The performance of all management tasks, from organizing to controlling, requires that decisions be made. How these decisions are made will either benefit the
organization or hurt it, depending upon whether they are effective or ineffective decisions. The effectiveness of decision making in an organization will help determine whether the human relations situation is favorable or unfavorable. This is because the decisions that managers make will determine the nature of the three building blocks of the work environment: job, leader, and organization. The ideal is to obtain effective decision making so as to create a positive work environment whereby workers are satisfying their own needs while simultaneously satisfying the organization's goals.

The cycle of decision making is the process by which managers sort through information to find the most viable alternative and then to put that choice into practice in a way that best meets the objectives of that choice. Effective decisions are more likely to result when the decision-making process is systematic; hence, the cycle of decision making. The first step is to collect data, basically this is to assess the current state of affairs. The second step is to diagnose the need for a decision; that is, to find the gap between what you want to occur and what actually is occurring to determine the cause for the gap and to view the problem created by the gap in terms of higher order goals. The next step is to generate alternatives which will eliminate the obstacles which would keep you from choosing the "actual" versus desired results. After all the alternatives are generated the next step is to evaluate each objective as to how well it may be expected to achieve your desired results. Following this, the next step is to select an alternative. This selection should be based on which alternative is most certain to achieve the desired result. Once this is done, preparations for the implementation of the plan should be done. This involves detecting possible problems which may arise followed by taking actions which must be done for implementation.
The seventh step is to actually implement the plan. This is the "doing" part of the decision-making cycle. And finally the plan implemented must be controlled. The controlling stage considers comparing implementation with plans and making necessary corrections when the actual experience deviates from that which has been planned:

Through adherence to a systematic decision-making process (such as that shown in Figure 11-1) managers can be assured of the adoption of sound choices. When workers can be confident that decisions will be made in such a manner they will be more encouraged to work together productively (see also Deep, p. 252).

Figure 11-1 The Cycle of Decision making
Group Decision Making

Another important aspect of decision making is concerned with whether a decision should be made by a group. Group decision making may be indicated when a) a number of people show the knowledge needed for a decision, b) a problem requires finding new approaches, c) the group will challenge distorted views, d) acceptance of a decision by a group is needed or e) group members need to understand the decision. Group decisions may not be indicated when a) social pressure will lead to conformity (groupthink), b) conflict is likely to become destructive, c) one or two members are likely to dominate, or d) time is limited. Although consideration of the above items is important, the final decision should depend upon both the characteristics of the group and the nature of the task at hand.

The group leader plays a central role in determining how successful the group deliberation will be. (The most crucial thing for the leader to remember is to ensure that he concentrates on the process of decision making and avoids the content.)

Ways of Improving Group Decision Making

When properly utilized, some techniques have been found to be extremely useful in increasing the creative capability of a group. Such techniques result in generating of new ideas and understanding of the problem, plus resulting in better group decisions. Application of these techniques is necessary when individuals from diverse groups in the organization must pool their judgments in order to create a satisfactory course of action for the organization. Two techniques alluded to above are the Delphi Technique and the Nominal Group Technique. These techniques are described in some detail in the sections that follow.
The Delphi Technique

This technique involves the solicitation and comparison of anonymous judgments on the topic of interest through a set of sequential questionnaires interspersed with summarized information and feedback of opinions from earlier responses.

The Delphi process retains the advantage of several judges while removing the biasing effects which might occur during face-to-face interaction. The basic approach has been to collect anonymous judgments by mail questionnaire. For example, the members independently generate their ideas to answer the first questionnaire and return it. The staff members summarize the responses as the group consensus, and feed this summary back along with a second questionnaire for reassessment. Based on this feedback, the respondents independently evaluate their earlier responses. The underlying belief is that the consensus estimate will result in a better decision after several rounds of anonymous group judgment. While it is possible to continue the procedure for several rounds, studies have shown essentially no significant change after the second round of estimation.

The Nominal Group Technique (NGT)

NGT has gained increasing recognition in health, social service, education, industry, and government organizations. The term "nominal" was adopted by earlier researchers to refer to processes which bring people together but do not allow them to communicate verbally. Thus, the collection of people is a group "nominally" or "in name only." We shall see, however, that NGT in its present form actually combines both verbal and nonverbal stages.
Basically, NGT is a structured group meeting that proceeds as follows: A group of individuals (seven to ten) sit around a table but do not speak to each other. Rather, each person writes ideas on a pad of paper. After five minutes, a structured sharing of ideas takes place. Each person around the table presents one idea. A person designated as recorder writes the ideas on a flip chart in full view of the entire group. This continues until all participants indicate they have no further ideas to share. There is still no discussion.

The output of this phase is a list of ideas (usually between 18 and 25). The next phase involves structured discussion in which each idea receives attention before voting. This is achieved by asking for clarification, or stating the degree of support for each idea listed on the flip chart. The next stage involves independent voting in which each participant, in private, selects priorities by ranking or voting. The group decision is the mathematically pooled outcome of the individual votes.

Both the Delphi Technique and NGT are relatively new, but each has had an excellent record of successes. The basic differences between them are:

1. Delphi participants are typically anonymous to each other, while NGT participants become acquainted.

2. NGT participants meet face to face around a table, while Delphi participants are physically distant and never meet face to face.

3. In the Delphi process, all communications between participants is by way of written questionnaires and feedback from the monitoring staff. In NGT, communication is direct between participants.

Practical considerations often influence which group problem solving technique is used, such as the number of working hours available, costs, the physical proximity of participants, and factors that will influence the technique selected.
The two techniques discussed above are practical devices that were created for the purpose of improving the effectiveness of group decisions.

Decision making is a common responsibility shared by all executives, regardless of functional area or management level. Managers are required, every day, to make decisions that shape the future of their organization as well as their own futures. The quality of the sum of all of these decisions is the yardstick or measure of the managers' effectiveness. Some decisions may have a strong impact on the organization's success; while other decisions, although important, may be less crucial to the organization's future. The important point, however, is that all decisions will have some effect (positive or negative, large or small) on the organization.

(Note: The above is based on more detailed accounts of each technique from The Management Decision-Making Process by Harrison; The Delphi Method: An Experimental Study of Group Opinion by N. Dalkey; Group Techniques for Program Planning by Delbecq, Vande Ven, and Gustafson; and Experiments in Group Prediction also by N. Dalkey.)

Some Major Issues About Decision Making for the Practicing Manager to Consider

1. Decision making is a fundamental process in organizations. Managers make decisions as a consequence of the information (communication) they receive through the organization structure and the behavior of individuals and groups within it.

2. Decision making distinguishes managers from nonmanagers. The quality of decisions managers make determines their effectiveness as managers.
3. Decisions may be classified as programmed or nonprogrammed, depending on the type of problem. Most programmed decisions should be made at the first level in the organization while nonprogrammed decisions should be made mostly by top management.

4. Decision making should not be thought of as an end but as a means to achieve organizational goals and objectives. They are organizational responses to problems.

5. Decision making should be viewed as a multiphased process of which the actual choice is only one phase.

6. The decision-making process is influenced by numerous environmental and behavioral factors. Different decision makers may select different alternatives in the same situation because of different values, perceptions, and personalities.

7. A great deal of nonprogrammed decision making is carried on in group situations. Much evidence exists to support the claim that in most instances, though problems do exist, group decisions are superior to individual decisions. Two relatively new techniques (the Delphi Technique and the Nominal Group Technique) exist which have the purpose of improving the effectiveness of group decisions. The management of collective decision making must be a vital concern for future managers.

Terms You Should Know

- programmed decision
- non-programmed decision
- cycle of decision making
- Delphi Technique
- Nominal Group Technique (NGT)
- environmental factors
- behavioral factors
- values
- perceptions
- personalities
- satisfying
- simulation