

Organization and Management (MPA 6204)



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Lesson 1

Introduction

Meaning of Organization

Human beings cannot live in isolation. They are unable to fulfill their needs and desires alone, because any one individual lacks the strength, ability, time and potential. He has to get the cooperation of other persons in achieving his goals. In simple words, organisation is viewed as a group of persons formed to seek certain goals. Organisation is not a new and modern invention or phenomenon.

Ever since the dawn of civilization, people have always formed organisations to combine their efforts for the accomplishments of their common goals. For example, the Emperors of China used organisations a thousand years ago to construct great irrigation systems. The first Pope created a universal church to serve a world religion. The greatest example is the construction of great pyramids by the early Egyptians.



Meaning of Organization

Organizations may be studied from two perspectives viz. micro and macro. In micro perspective, the focus of study is on the individual human being. It concerns itself with each individual's psychological makeup, his interaction with other individuals and groups, variables that determine how a person is likely to react in a given situation etc. The micro view also concerns itself with how an individual learns, what motivates him, and what kind of leadership strategies might produce the behaviour the leader wants. This micro view of individuals in organizations is recognized as a discipline called "Organizational Behaviour".

The macro view considers organization as the unit of analysis in place of an individual. It is concerned with organizational goals, organizational structure, technologies used in organization and how organization interacts with the environment. The macro perspective is recognized as a discipline called Organizational Theory. Both these aspects taken together present a complete picture of organizational study. Organization theorist studies collection of people called organization whereas organization behaviorist studies people as members of an organization.



What is Organization Management ?

➤ Organization management refers to the art of getting people together on a common platform to make them work towards a common predefined goal.

➤ Organization management enables the optimum use of resources through meticulous planning and control at the workplace.

➤ Organization management gives a sense of direction to the employees. The individuals are well aware of their roles and responsibilities and know what they are supposed to do in the organization.

➤ An effective management ensures profitability for the organization. In a layman's language organization management refers to efficient handling of the organization as well as its employees.



What is Organization Management ?

➤ Organization management is a set of strategies that businesses use to unify people with a common goal. By prioritizing an objective and ensuring that all tasks focus on achieving a common goal, this process helps companies use resources, such as labor, money and space, effectively and reduces waste that can occur during production processes. Here are some objectives that help define the structure of organization management

➤ **Established authority:** With organization management, it's important to define managerial roles and provide clarity regarding the authority figures to whom each employee can report. This also promotes leadership and helps effectively delegate responsibilities to employees.

➤ **Defined job roles:** By clearly defining each role and assigning specific tasks, companies can avoid overlapped activity and increase efficiency.

➤ **Prioritizing growth:** Constantly seeking ways to improve a company is a value that guides each goal in organization management. For example, training employees is a common goal of organization management that helps foster productive growth among an organization's employees.



Why is organization management important?

➤ Organization management helps companies visualize goals and accomplish business objectives. This process helps companies create clear steps for projects and provides leadership that allows teams to effectively achieve goals. Here are other benefits a company can experience by employing organization management strategies:

➤ **Reduces costs:** With careful planning, management personnel can achieve optimal results while using minimal resources. Problem-solving and process improvement measures often focus on how employees can find the best approach to accomplish their goals, which helps companies achieve better production results. Organization management also helps companies determine the optimal use of resources, including physical, human and financial resources. This reduces production and operation costs and allows companies to maintain profitability.

➤ **Optimizes resource allocation:** Organization management also helps management personnel within a company prioritize the use of their resources productively. To optimize the use of resources, managerial personnel who employ organization management measures identify alternatives for scarce resources. By accomplishing this, professionals combine their skills and available resources to maximize efficiency. When employees and management use resources wisely and perform optimally, they can prevent resource waste.



Why is organization management important?

➤ **Promotes adaptability:** The structural design of the organization management process, which requires a company to collect and analyze available data, prepares employees for changes in a work environment. Management can identify and anticipate internal changes and develop solutions to navigate these situations. For example, if data indicates that a company is due for a software update, management can schedule the update and strategize ways that allow employees to remain productive by performing other tasks that don't involve the use of the replaced software.

➤ **Aligns objectives:** One objective of organizational management is to establish a structure that offers employees a clear definition of authority, roles and job responsibilities. This structure ensures that business functions operate smoothly and that employees perform unique tasks so efforts complement one another rather than overlap. Creating unique roles and tasks helps increase productivity toward achieving company goals. By assigning authority and accountability to employees, management can also track goals easily to ensure the timely completion of organizational objectives.



Need for Organization Management

➤ Organization management gives a sense of security and oneness to the employees.

➤ An effective management is required for better coordination among various departments.

➤ Employees accomplish tasks within the stipulated time frame as a result of effective organization management.

➤ Employees stay loyal towards their job and do not treat work as a burden.

➤ Effective organization management leads to a peaceful and positive ambience at the workplace.



What is the difference between “Organization and Organ” ?



As nouns the difference between organization and organ is that organization is (uncountable) the quality of being organized while organ is a largest part of an organism, composed of tissues that perform similar functions.

Essential Features of Organization Management

Planning

- Prepare an effective business plan. It is essential to decide on the future course of action to avoid confusions later on.
- Plan out how you intend to do things.

Organizing

- Prepare an effective business plan. It is essential to decide on the future course of action to avoid confusions later on.
- Plan out how you intend to do things.

Staffing

- Poor organization management leads to unhappy employees who eventually create problems for themselves as well as the organization.
- Recruit the right talent for the organization.

Leading

- The managers or superiors must set clear targets for the team members.
- A leader must make sure his team members work in unison towards a common objective. He is the one who decides what would be right in a particular situation.



Essential Features of Organization Management

Control

- The superiors must be aware of what is happening around them.
- Hierarchies should be well defined for an effective management.
- The reporting bosses must review the performance and progress of their subordinates and guide them whenever required.

Time Management

- An effective time management helps the employees to do the right thing at the right time.
- Managing time effectively always pays in the long run.

Motivation

- Motivation goes a long way in binding the employees together.
- Appreciating the employees for their good work or lucrative incentive schemes go a long way in motivating the employees and make them work for a longer span of time.



Principles of Management and Organization



Organization

Formal Organization

A formal organization is an organization with a fixed set of rules of intra-organization procedures and structures. As such, it is usually set out in writing, with a language of rules that ostensibly leave little discretion for interpretation.

Sociologist Max Weber devised a model of formal organization known as the bureaucratic model that's based on the rationalization of activities through standards and procedures. It is one of the most applied formal organization models.



Informal Organization

An informal organization is a group of people who share a common identity and are committed to achieving a common purpose. Informal organizations are created by the will and shared identity of their members. The operation of an organization, in reality, is known as an informal organization as opposed to a formal organization, which is based on roles and responsibilities.

Informal organizations emerge from the interaction or communication between employees irrespective of their designations and hierarchies. It runs parallel to a formal organization.

Organization

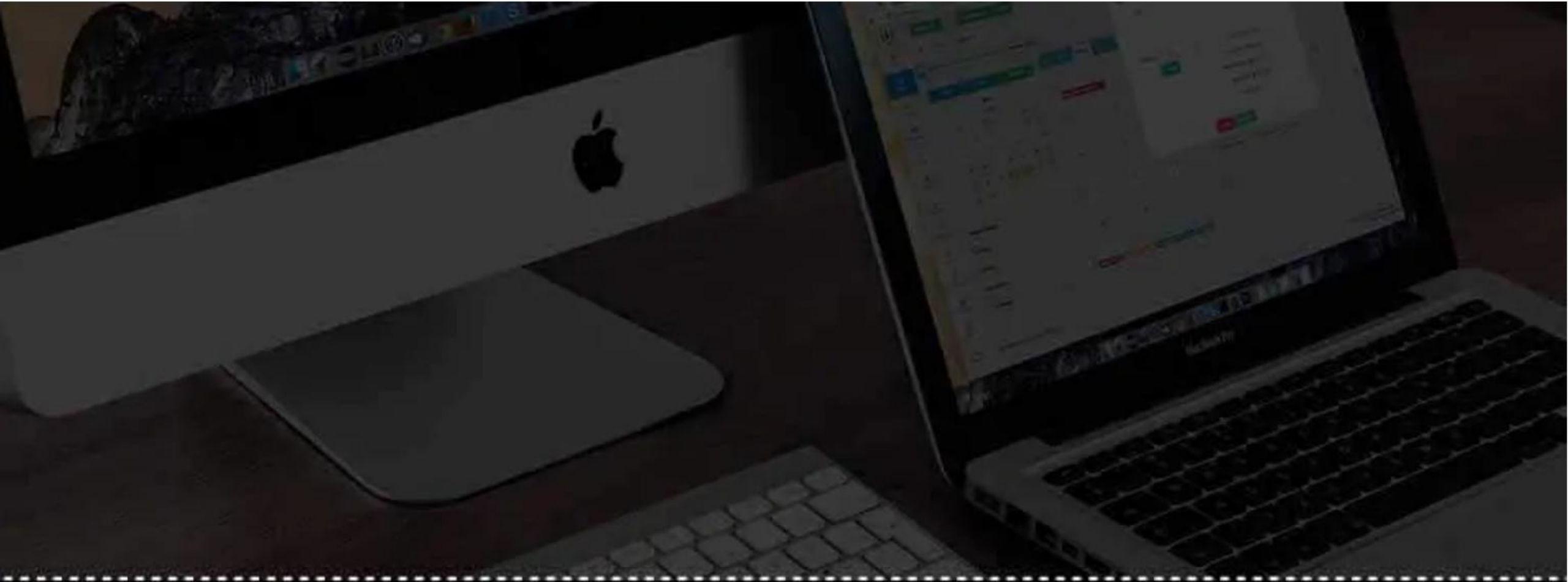


Profit Organization

A for-profit organization is one that operates with the goal of making money. Most businesses are for-profits that serve their customers by selling a product or service. The business owner earns an income from the profit and may also pay shareholders and investors from the profits.

Non-Profit Organization

A nonprofit organization is one that qualifies for tax-exempt status by the IRS because its mission and purpose are to further a social cause and provide a public benefit. Nonprofit organizations include hospitals, universities, national charities, and foundations.



For Profit Organizations vs Nonprofit Organizations

#1. Purpose

For Profit Organizations



To make profits for one's personal fulfillment.

Nonprofit Organizations



To make profits for serving the society.



#2. Types of Organizations

For Profit Organizations



The organization can be a company, a partnership entity or a sole proprietorship firm.

Nonprofit Organizations



The organizations that are of nonprofit types are clubs, trusts, society etc.



#3. People that Manage

For Profit Organizations



Business owners, sole proprietor or partners.

Nonprofit Organizations



Trustees, governing bodies, or committee members.



#4. Revenue Source

For Profit Organizations



The revenue source of this type of organization is selling goods and services.

Nonprofit Organizations



The revenue sources of this type of organization are donation, subscription, grants etc.



#5. Seed Capital Arranged By

For Profit Organizations



In the case of this type of organization, seed capital is arranged by the business owners or founders of the company/proprietorship firms.

Nonprofit Organizations



In the case of nonprofit organization, seed capital is arranged by sourcing government grants, asking for donations etc.



#6. Financial Statements/Accounts Prepared

For Profit Organizations



For profit organization, the income statement, the cash flow statement and the balance sheet are prepared.

Nonprofit Organizations



For nonprofit organization, the receipts & payments account, income & expenditure account, and balance sheet are prepared.



#7. Profit Transferred to

**For Profit
Organizations**



Capital account.

**Nonprofit
Organizations**



Capital fund account.



Administration

Management

Administration

- The administration has an infinitive form to administer, which means to manage. It also derives from the Dutch Language "administratie" which meaning ranges from administration to management of organizational activities.
- Some experts provide definitions for the term. Theo Haimann, a management expert, defines it as overall determination of policies, setting of major objectives, identification of general purposes, and laying down of broad programs and projects. Another management expert, William Newman, said that administration is the guidance, leadership, and control of the efforts of the groups towards some common goals.
- We can conclude that administration is activities carried out by two or more people, including archiving, policy determination, and program and project planning, to achieve certain goals and objectives.



Administration Function



Administration Skills



Management

- Management is the coordination and administration of tasks to achieve a goal. Such administration activities include setting the organization's strategy and coordinating the efforts of staff to accomplish these objectives through the application of available resources. Management can also refer to the seniority structure of staff members within an organization.
- To be an effective manager, you'll need to develop a set of skills, including planning, communication, organization and leadership. You will also need extensive knowledge of the company's goals and how to direct employees, sales and other operations to accomplish them.



Five basic operations of a manager

Setting objectives

- Setting and achieving objectives is the primary way a manager accomplishes and maintains success. They must also be able to convey them to their staff or employees in a compelling manner. For instance, a restaurant manager could state they want to improve service times and remind employees that faster service increases revenue and tips.

Organizing

- Managers evaluate the type of work, divide it into achievable tasks and effectively delegate it to staff. Organization consists of a series of relationships among individual staff as well as departments or entities inside the organization. It is the manager's responsibility to ensure that these individuals and entities work together in harmony. A good manager is skilled at building interpersonal relationships among their team members and can troubleshoot when members confuse their encounter challenges.

Motivating the team

- In addition to the tasks of organization and delegation, motivation includes having the skills to handle different types of personalities in a team. An effective manager must know how to form and lead successful teams and know how to galvanize team members around a cause.

Motivating the team

- Managers need to set targets or key performance indicators that the team aims for and then generate ways to measure whether their team is on track to meet those goals. Because it can be challenging to come up with measurable ways of understanding performance, managers must often be creative and thoughtful.

Developing people

- In addition to leading their team toward a goal and measuring their progress along the way, good managers invest in their staff's development. Managers can, for example, work with their team to help them set goals to move up in their careers.

Different Types of Management Styles



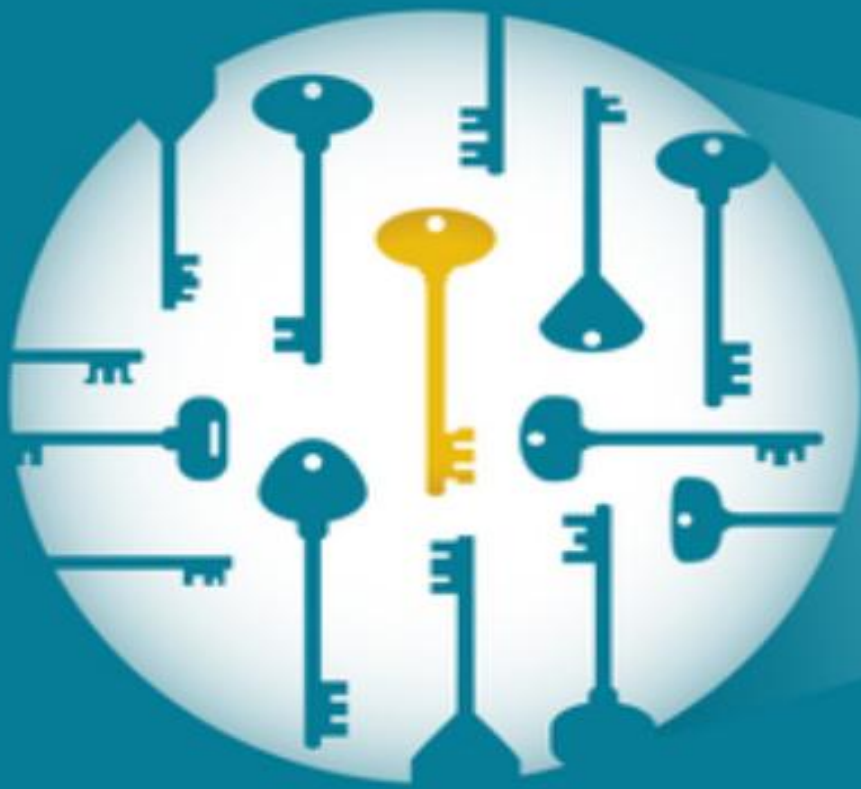
Levels of Management





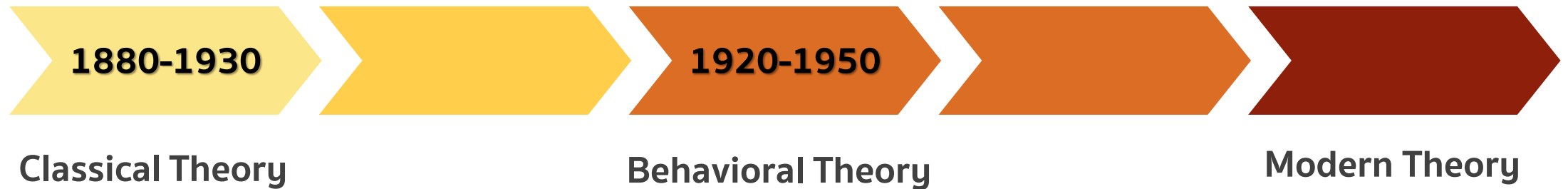
Lesson 2

Management Theories



Management Theories

Management Theories



While ideas overlap between the categories, these three classifications differentiate management according to their focus and the era they came from:

- Classical management theory: emerged from the Industrial Revolution and revolves around maximizing efficiency and production.
- Behavioral management theory: started in the early 20th century and addresses the organization's human and social elements.
- Modern management theory: followed on the heels of World War II and combines mathematical principles with sociology to develop holistic approaches to management.

CLASSICAL THEORY

- Classical management theory prioritizes profit and assumes that personal gain motivates employees. It aims to streamline operations and increase productivity.
- Major concepts include specialization, incentivization, and hierarchical structure. The first two contribute to employee efficiency and drive. Centralized leadership simplifies decision-making, and a meritocratic chain of commands provides order and oversight. At every level, standardization reduces waste and error.

CLASSICAL THEORY

There are many strengths to classical management theory. It provides clarity for both the organization and its personnel, and specialization and sound hiring practices place employees in positions they can handle and even master.

Shortcomings of classical management theory can include:

- The treatment of workers as machines without accounting for the role job satisfaction and workplace culture play in an organization's success
- The difficulty of applying some of its principles outside a limited manufacturing context
- A top-down approach to communication that neglects employee input and prevents collaboration
- Failure to provide for creativity and innovation, which rigid structures and hyper specialization can stifle

Classical management
theory

CLASSICAL
THEORY

SCIENTIFIC
MANAGEMENT

ADMINISTRATIVE
MANAGEMENT

BUREAUCRATIC
THEORY

Scientific Management

Scientific management theory is a method of improving efficiency in the workforce. As its name implies, this management theory uses scientific methods to assess work processes.

The scientific method consists of three steps: observation, experimentation, and analysis. In science, this could mean observing the effects of a treatment, experimenting with a different treatment, and analyzing the results. Similarly, managers use scientific management theory to observe their workplaces, test different methods of completing tasks, and analyze the effect of the changes.



- **Frederic Taylor**
- **Henry Towne**

Frederick Winslow Taylor

- Scientific management, also often known as Taylorism, is a management theory first advocated by Frederick W. Taylor. It uses scientific methods to analyze the most efficient production process in order to increase productivity. Taylor's scientific management theory argued it was the job of workplace managers to develop the proper production system for achieving economic efficiency. Although the terms "scientific management" and "Taylorism" are commonly used interchangeably, it would be more precise to say that Taylorism was the first form of scientific management.
- Frederick Taylor became inspired to create his theories while working as an employee of the United States steel manufacturer, Bethlehem Steel. It was as that steel company he observed that the managers barely knew anything about how specific jobs were actually performed.



4 Principles of Scientific Management

➤ **1. Select methods based on science, not “rule of thumb.”**

Rather than allowing each individual worker the freedom to use their own “rule of thumb” method to complete a task, you should instead use the scientific method to determine the “one best way” to do the job.

➤ **2. Assign workers jobs based on their aptitudes.**

Instead of randomly assigning workers to any open job, assess which ones are most capable of each specific job and train them to work at peak efficiency.

➤ **3. Monitor worker performance.**

Assess your workers’ efficiency and provide additional instruction when necessary to guarantee they are working productively.

➤ **4. Properly divide the workload between managers and workers.**

Managers should plan and train, while workers should implement what they’ve been trained to do.



Taylor's Scientific Management Theory

Science, not
rules of thumb.

Scientifically
train employees

Ensure most
efficient ways of
working are
used

Divide work
between
managers and
workers

Pay based on
results



Henry Towne

- Henry Towne was an early advocate for the scientific study of management and helped to establish the field of management engineering. He was a prolific writer on topics related to factory management and efficiency. His work helped to popularize the use of time studies and work analysis in industrial settings. Towne also played a major role in the development of the American Society for Mechanical Engineers (ASME).
- When he was designing goods, Henry Towne advocated for combining management and economics. After the death of his partner, Linus Yale, Henry Towne took over as sole leader of the company, and he went on to transform the industry. Frederick Winslow Taylor is widely credited with being a key figure in this development.

Administrative Management

- Administrative Management theory is used to establish structure, division of labor and proper authority in the most efficient way possible within an organization. Henri Fayol, James D. Mooney and Luther H. Gulick are all credited with contributing key ideas to administrative management theory. Discover more about their findings, as well as the theory's three main features.
- Administrative management theory attempts to find a rational way to design an organization as a whole. The theory generally calls for a formalized administrative structure, a clear division of labor, and delegation of power and authority to administrators relevant to their areas of responsibilities.



- **Henri Fayol (1841-1925)**
- **Luther Halsey Gulick (1892-1993)**
- **Henry L. Gantt (1861-1919)**
- **James D. Mooney (1884-1957)**



Henri Fayol

Fayol was born in France, where he worked for a coal-mining business. He developed 14 administrative principles for organizational structure and management.



Fayol's Principles of Management (14 Principles)

➤ 1. Division of Work

Division of work tends to increase efficiency. It helps to avoid waste of time and effort caused by changes from one work to another. But when carried too far, it leads to loss of skill and craftsmanship of the employee, and makes the jobless monotonous and less interesting. Since division of work makes the job less satisfying, management practice of today gives serious thought to the possibility of job enlargement as a tool of job satisfaction.

➤ 2. Authority and Responsibility

Authority is the right to give order to the subordinates. Responsibility means the duty which the subordinate is expected to perform by virtue of his position in the organization. Responsibility must be expressed either in terms of functions or in terms of objectives. When a subordinate is asked to control a working of the machine, the responsibility is stated in terms of function and when a subordinate is asked to produce a certain number of pieces of a product, the responsibility is created in terms of objectives.

➤ 3. Discipline

Discipline means getting obedience to rules and regulations of the organisation. According to Fayol, discipline is obedience, application, energy and outward mark of respect. Discipline is necessary for the smooth running of the organisation. Maintenance of discipline in the organisation depends upon the quality of leadership, clear and fair arrangements and a judicious application of sanctions.



Fayol's Principles of Management (14 Principles)

➤ 4. Unity of Command

A subordinate should receive orders from one superior only. If he receives orders from more than one superior, he will not be able to carry out orders in a proper manner. Fayol observed that if this principle is violated, authority will be undermined, discipline will be in jeopardy, order will be disturbed and stability will be threatened. Dual command is the permanent source of conflict. Therefore, in every organization, each subordinate should have one superior whose command he has to obey.

➤ 5. Unity of Direction

By unity of direction Fayol meant, "One unit and one plan" for the group of activities having the same objective. In other words, all the activities of a work unit or group should be directed towards its common objective. This will lead to better coordination and help in the effective management of the enterprise. Unity of direction means one unit, one plan; and unity of command means one employee should receive orders from one superior only. Unity of direction is necessary for sound organization whereas unity of command is necessary to fix responsibility of the subordinates and to avoid conflicts in the enterprise.

➤ 6. Subordination of Individual Interest to General Interest

When the individual and the organizational interests conflict, the latter must prevail. The employees should subordinate their interests to the general interests of the concern. The goals of the concerns must not be sacrificed for the promotion of personal interests of individuals.



Fayol's Principles of Management (14 Principles)

➤ 7. Remuneration of Personnel

The employees must be remunerated fully for their services rendered to the concern. The method of employee remuneration should be just and fair to everybody. As far as possible, it should accord satisfaction to both the employees and the concern. This will create harmonious relations in the enterprise and build-up a workforce of contented employees.

➤ 8. Centralization

It means concentration of authority at one place or at one level in the organization. On the other hand, decentralization means dispersal of authority to the lower levels in the organization. The degree of centralization varies in each case. Small firms have absolute centralization because the management orders go directly to subordinates. But in large concerns, there is less degree of centralisation because a manager's orders pass through a number of intermediaries to reach the operative employees.

➤ 9. Scalar Chain

Scalar chain is the chain of superiors ranging from the chief executive or ultimate authority to the lowest level in the organisation. The line of authority is the route followed via every link in the chain by all communications which starts from or goes to the ultimate authority. Fayol felt that departure from the chain is necessary to make communication fast and effective. Communication should be should be short-circuited as far as possible.



Fayol's Principles of Management (14 Principles)

➤ 10. Order

Fayol said that there should be a place for everything and everyone. At the same time, everything and everyone should be in their own place. This means “right man in the right place”. He believed that this kind of order “demands precise knowledge of human requirements and resources of the concern and a constant balance between these requirements”. This balance is more difficult in bigger organisations. For proper order in each department, the departmental head should allot specific workstation and tools to each worker so that there is no confusion in the organisation. Similarly there should be specific shelves or rooms for storing raw materials, finished goods, etc.

➤ 11. Equity

The employees should be treated with kindness and equity if devotion and loyalty are expected of them. Equity does not exclude forcefulness and sternness. The managers in the organisation should be experienced good natured so as to deal with the subordinates in a proper manner. They should be impartial and should not discriminate with regard to sex, caste, religion, etc. Each subordinate should get a fair treatment in matter of reward or punishment. The managers should not undue favours to some and neglect others. The workers performing similar jobs should be paid the same wage rate. If the principle of equity is followed, the workers will feel happy as they get fair treatment from the management. They will also be motivated to work harder.



Fayol's Principles of Management (14 Principles)

➤ 12. Stability of Tenure

Management should remove the feeling of insecurity of jobs from the minds of personnel. If the job of a person is not secure, he will be on lookout for job elsewhere and his work will not be satisfactory. Moreover, the employee should not be rotated on different jobs very frequently because considerable time is required to learn each job.

➤ 13. Initiative

Subordinates should be given an opportunity to take some initiative in making and executing the plans. Employees get satisfaction when they are allowed to take initiative. Initiative on their part can be a great source of organisational strength.

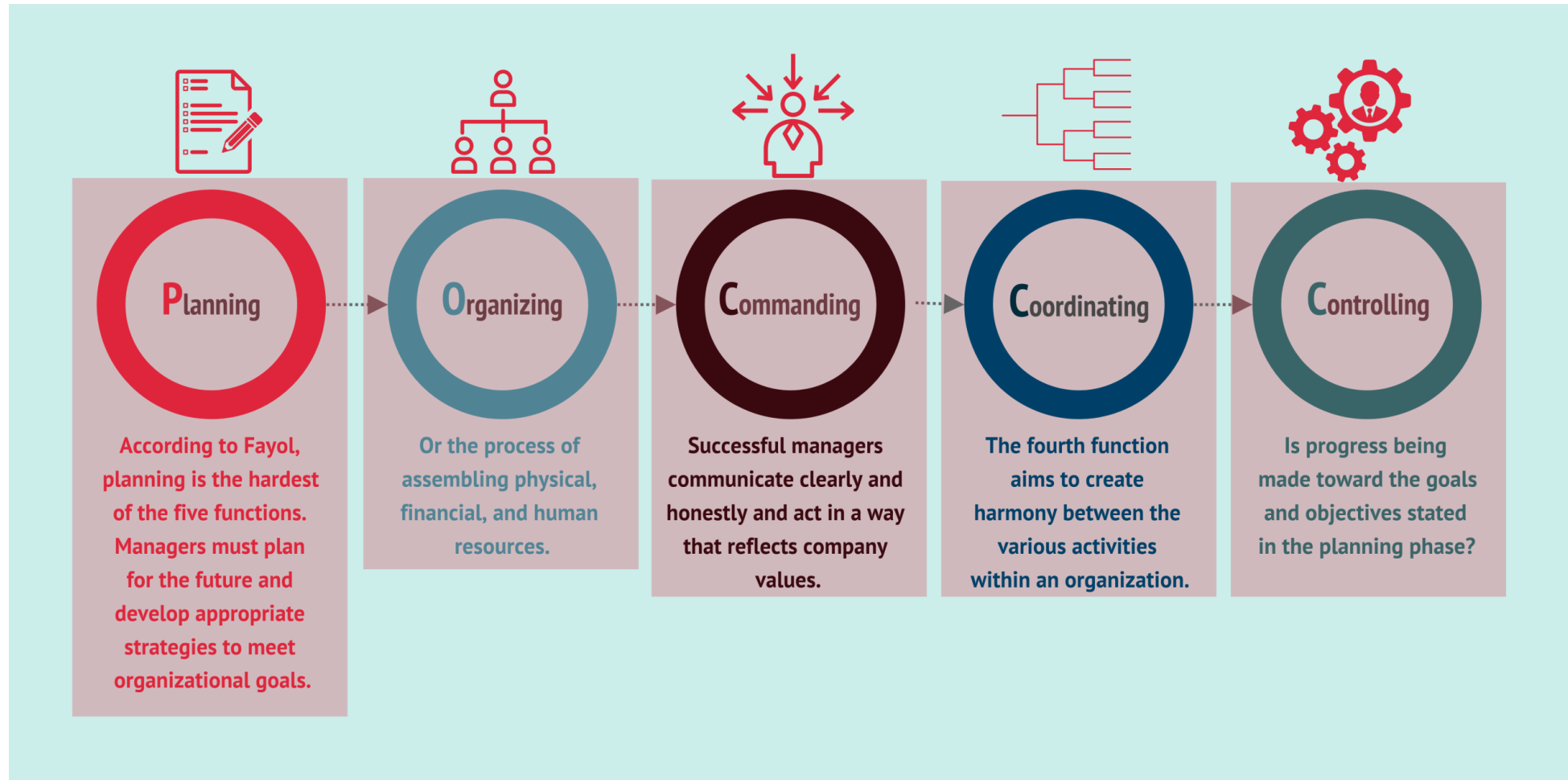
➤ 14. Esprit de Corps (Union is Strength)

Literally speaking, the phrase esprit de corps means the spirit of loyalty and devotion which unites the members of the group. It also means regard for the honor of the group to which one belongs. Fayol called for the personnel of the concern. Harmony among the personnel is a source of strength, unity among the personnel can be accomplished through proper communication and coordination.



5 Process of Management

The Five Functions of Management was first described by Henri Fayol in his 1916 book Administration Industrielle et Generale. The Five Functions of Management is a general theory of business administration. It argues that management is comprised of five general functions: planning, organizing, staffing, leading, and controlling.





Luther Halsey Gulick

- Luther Halsey Gulick (1892–1993) was an American political scientist, Eaton Professor of Municipal Science and Administration at Columbia University, and Director of its Institute of Public Administration, known as an expert on public administration.
- Gulick is often considered the 'Dean of Public Administration.' He applied administrative management theory principles to government.





Planning, Organizing, Staffing, Directing, Coordinating, Reporting, and Budgeting

POSDCoRB

Luther Halsey Gulick, 1937



8 M's Management



**INPUT
8 M**

P

O

S

D

C

OUTPUT



POSDC Model

Organizing

Establish priorities, assign responsibilities, establish rules, delegate authority, establish standards, ensure compliance with established rules, maintain records, communicate information, coordinate activities.

Directing

Communicate directions, give orders, hold meetings, negotiate agreements, direct subordinates. This includes influencing, guiding, supervising, communicating, and motivating subordinates to achieve organizational goals.



Planning

Identify the problem or opportunity, set a goal, develop a strategy, create a plan, evaluate its effectiveness, determine the following action, control costs, monitor progress, make adjustments as necessary.

Staffing

Select qualified personnel, train them, supervise them, evaluate their performance, remove unsatisfactory workers.

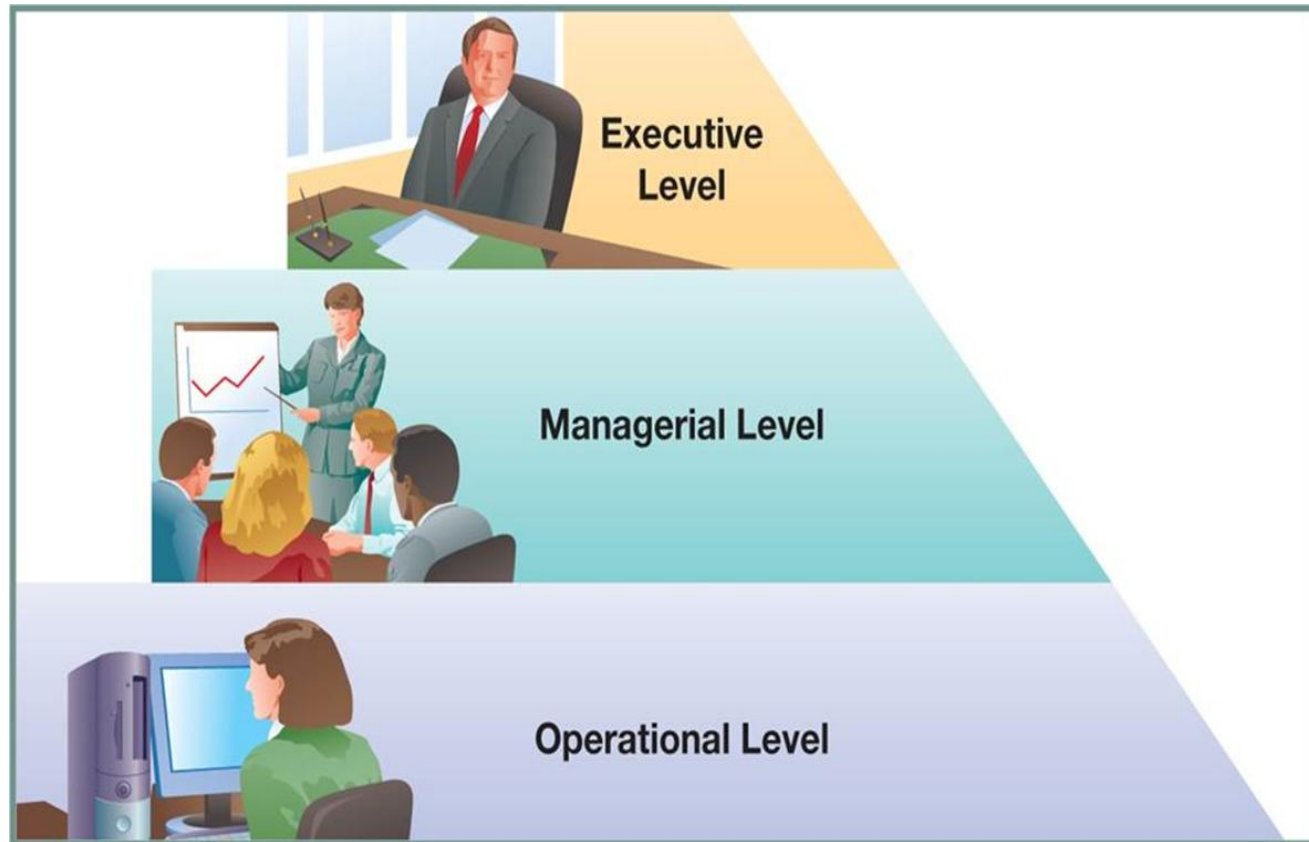
Controlling

Monitor performance, review reports, evaluate results, correct errors, change direction if needed. Controlling is the process of checking if progress is being made towards the goals and acting, if necessary, to correct any deviation.



Organization level

A level of the Company's organizational structure identified by the Administrator for purposes of measuring performance under the terms of this Plan for the Bonus Period, which may include, without limitation, the Company, any Subsidiary, any region, branch or other geographic location or any business line or subset thereof.



Executive / Top Management Level

Top Management unfolds the vision & strategy of the organization & establishes the very need for the project.

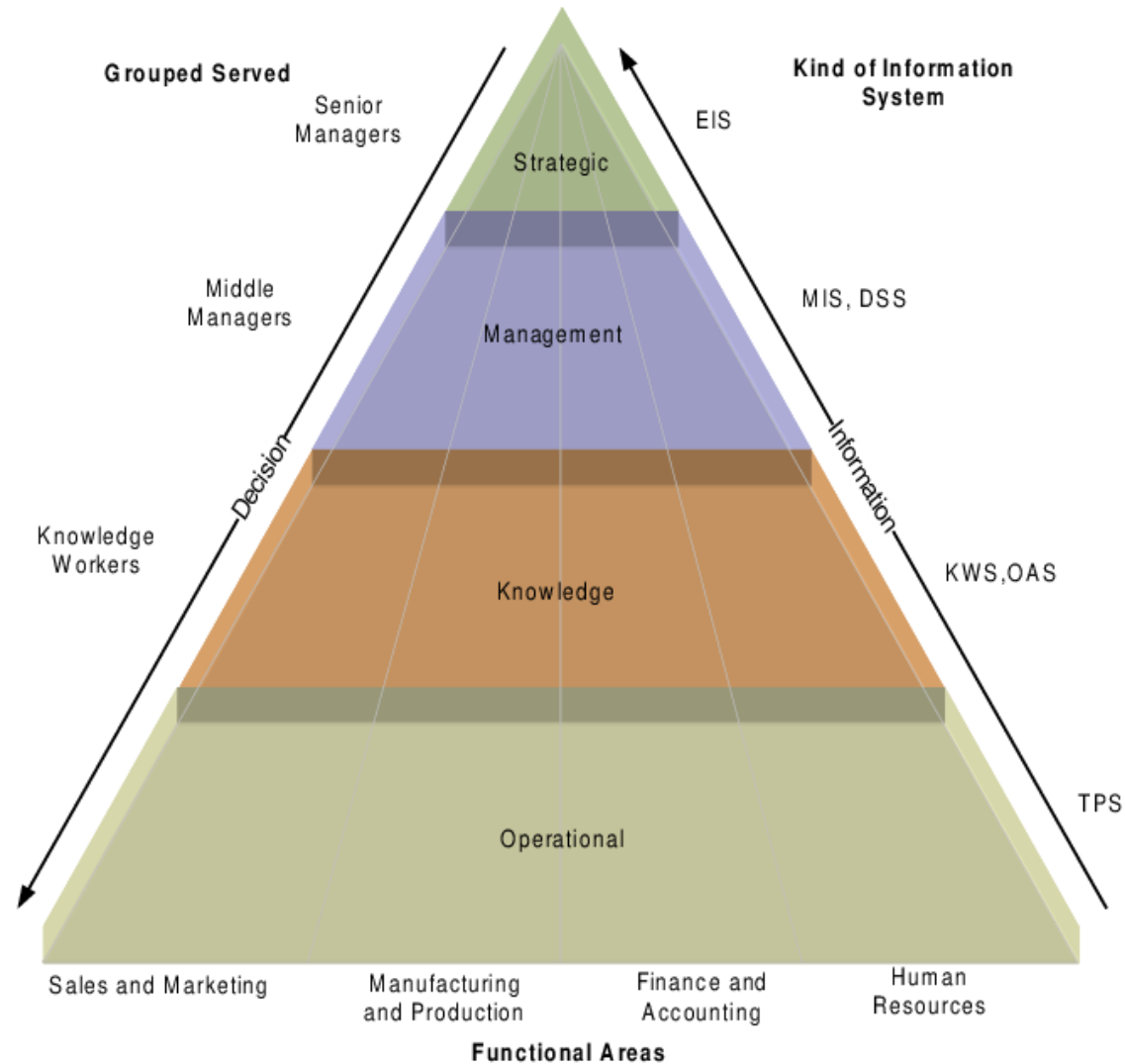
Managerial / Middle Management Level

Middle Management's role is to determine the tactics to accomplish what has been strategized. They deal with WHAT the project is.

Operational / Low Management Level

The operational level is concerned with the intricacies of getting the job done. They handle HOW the job is to be done.

Information System in Managerial level





Henry Gantt

Henry Laurence Gantt (May 20, 1861 – November 23, 1919) was an American mechanical engineer and management consultant who is best known for his work in the development of scientific management. He created the Gantt chart in the 1910s.

Gantt charts were employed on major infrastructure projects including the Hoover Dam and Interstate highway system and continue to be an important tool in project management and program management.

Administrative Management

Gantt Chart

Task Name	Q1 2019			Q2 2019		Q3 2019
	Jan 19	Feb 19	Mar 19	Apr 19	Jun 19	Jul 19
Planning	■					
Research		■				
Design			■			
Implementation				■		
Follow up					■	

- A gantt chart is a horizontal bar chart used in project management to visually represent a project plan over time. Gantt charts typically show you the timeline and status—as well as who's responsible—for each task in the project.
- Here's a quick look at the details a gantt chart enables you to capture at a glance:
 - How a project breaks down into tasks
 - When each task will begin and end
 - How long each task will take
 - Who's assigned to each task
 - How tasks relate to and depend on each other
 - When important meetings, approvals, or deadlines need to happen
 - How work is progressing in a project
 - The full project schedule from start to finish





Frank, Gilbreth and Lillian

Frank Bunker Gilbreth (July 7, 1868 – June 14, 1924) was an American engineer, consultant, and author known as an early advocate of scientific management and a pioneer of time and motion study, and is perhaps best known as the father and central figure of Cheaper by the Dozen.

Both he and his wife Lillian Moller Gilbreth were industrial engineers and efficiency experts who contributed to the study of industrial engineering in fields such as motion study and human factors.

“Father of time and motion study”

Administrative Management

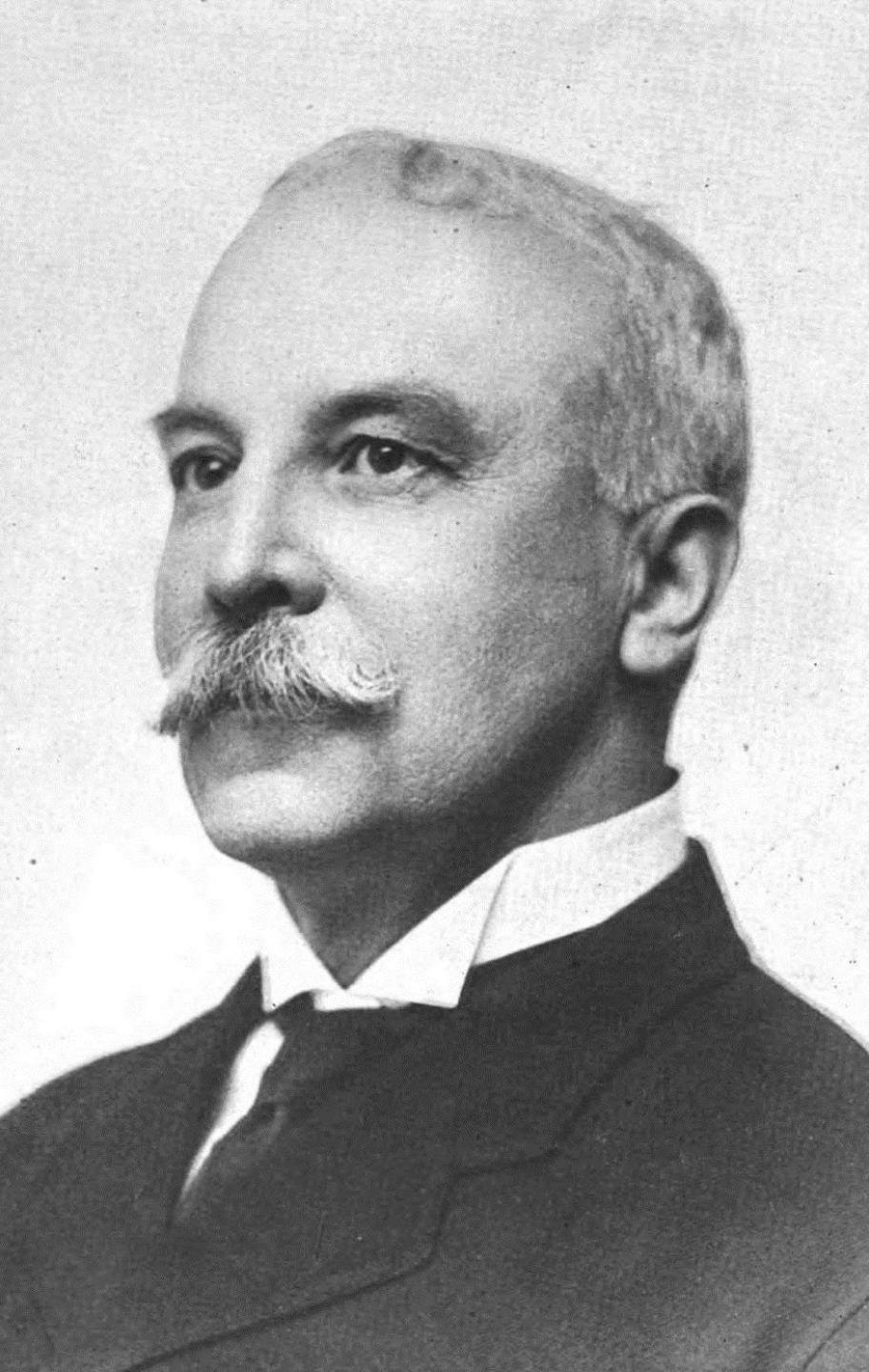
The Management Theory of Frank and Lillian Gilbreth



1. Reduce the number of motions in a task.
2. Focus on the incremental study of motions and time.
3. Increase efficiency to increase profit and worker satisfaction.

How to implement the Gilbreths' management theory.

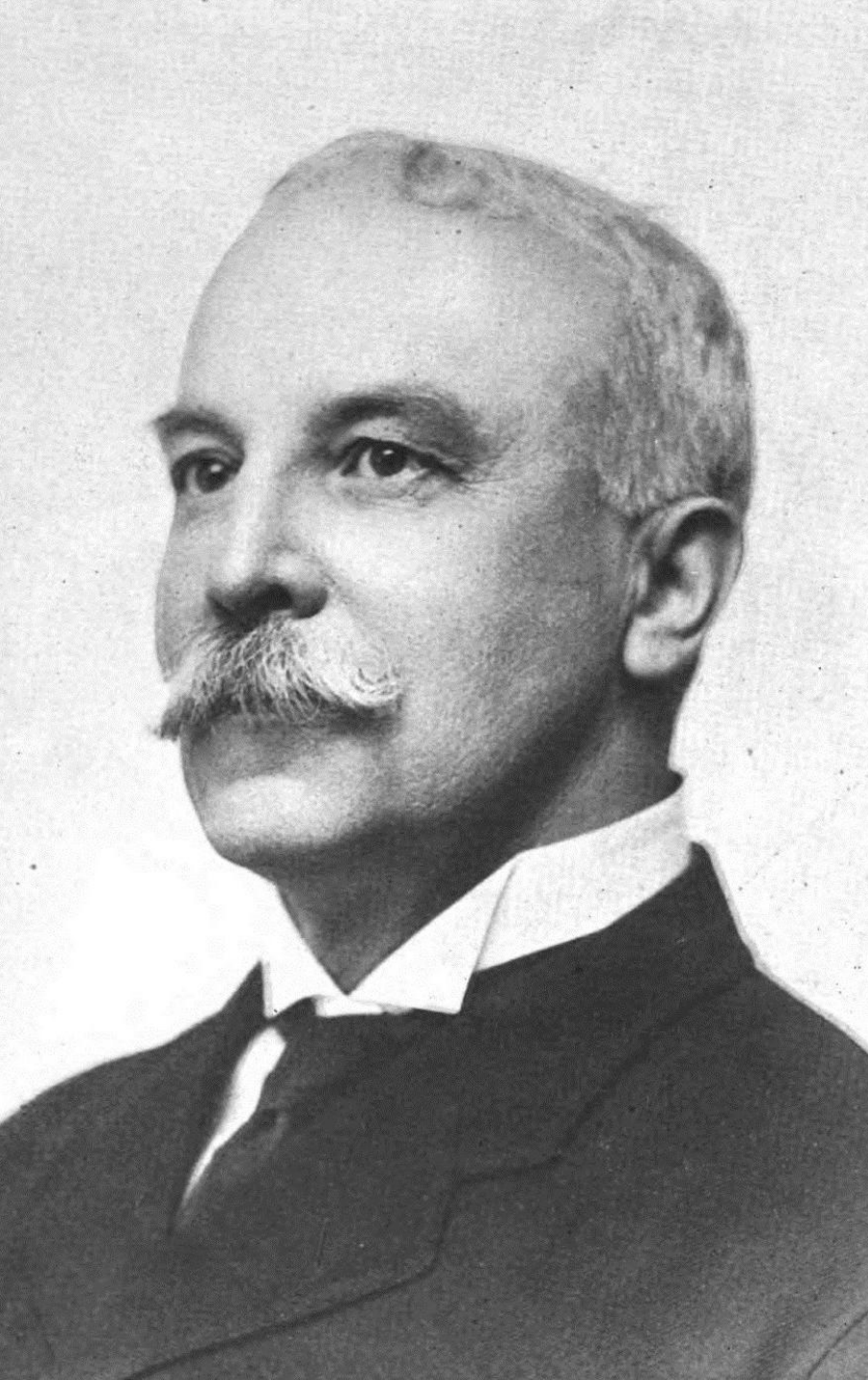
- Rearrange workspaces
- Establish standard operating procedures
- Ask employees for their input



Harrington Emerson

Harrington Emerson (1853-1931) was one of America's pioneers in industrial engineering and management and organizational theory. His major contributions were to install his management methods at many industrial firms and to promote the ideas of scientific management and efficiency to a mass audience. One of the most erudite and cosmopolitan personalities associated with the scientific management movement, Emerson established a modestly successful consulting business as an "efficiency engineer", an author of books on industrial efficiency, and a promoter and populariser of the movement.

Administrative Management



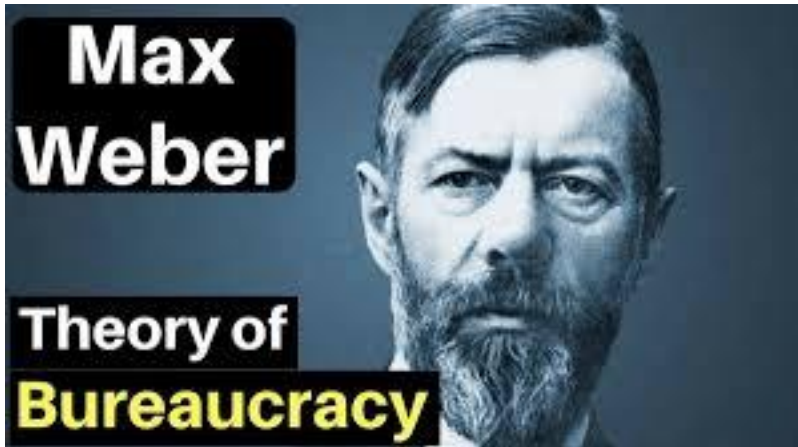
Harrington Emerson's Twelve Principles of Efficiency

- Clearly defined ideals
- Common sense
- Competent counsel
- Discipline
- The fair deal
- Reliable, immediate and adequate records
- Dispatching
- Standards and schedules
- Standardized conditions
- Standardized operations
- Written standard-practice instructions
- Efficiency-reward

Administrative Management

Bureaucratic Management

Bureaucratic management looks at how large organizations with layers of management can operate in an efficient, rational manner. Weber and Fayol, the original proponents of this style of management, were fighting favoritism and incompetence, common in large organizations at the time. Unfortunately, when taken to extremes, the same concepts became associated with red tape and obstructionism.



Bureaucratic Management

➤ Max Weber



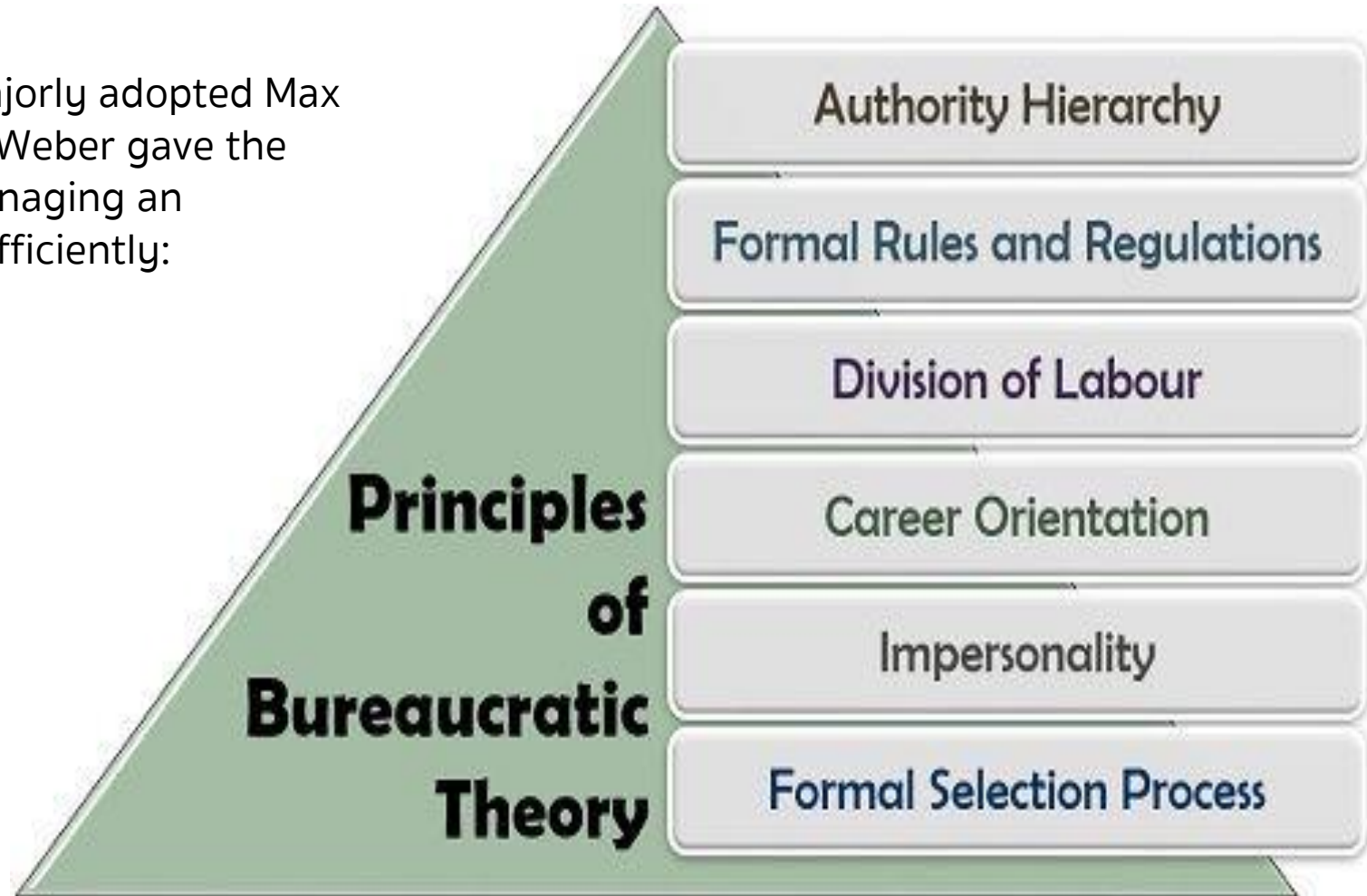
Max Weber

Weber was born in Germany in 1864 and grew up during the time when industrialization was transforming government, business, and society. Weber was interested in industrial capitalism, an economic system where industry is privately controlled and operated for profit. Weber wanted to know why industrial capitalism was successful in some countries and not in others. He believed that large-scale organizations such as factories and government departments were a characteristic of capitalist economies.

**Max Weber proposed
bureaucracy as the optimum
form of organization**

Max Weber and Bureaucratic Theory

Government organizations majorly adopted Max Weber's bureaucracy theory. Weber gave the following six principles for managing an organization effectively and efficiently:





Max Weber and Bureaucratic Theory

➤ Authority Hierarchy

Weber proposed that there should be a systematic hierarchy in the organization, defining the position of each employee from top to the lowest level. In such a system, each employee knows who they have to report, whose orders they need to follow, and what is the role of different personnel in the organization.

➤ Formal Rules and Regulations

There should be a clear set of principles, procedures, rules and regulations in written form, to be followed universally by everyone working in the organization irrespective of their position.

➤ Division of Labour

The whole work should be assorted into smaller task sets to ascertain that every set of tasks is assigned to the right person, i.e., the one who has the capability of fulfilling it. This not only improves the work efficiency but also ensures proper allocation of job responsibilities.



Max Weber and Bureaucratic Theory

➤ Career Orientation

Another essential principle is that management should motivate employees to build a long-term career in the organization by providing job security and performance-based incentives to them.

➤ Impersonality

In an organization, the impersonal relations develop among the employees, which may lead to favouritism or nepotism. Weber said that the application of rules and managerial decisions should be impartial and independent of such relations. Moreover, these decisions must be based on rational and practical grounds rather than emotional or impersonal influence.

➤ Formal Selection Process

Weber believed that the workers should be recruited through their technical skills and expertise instead of 'first come first selected' basis. Even the promotion should be based on performance and merit. This not only leads to better productivity but also adds to employee's growth and satisfaction.



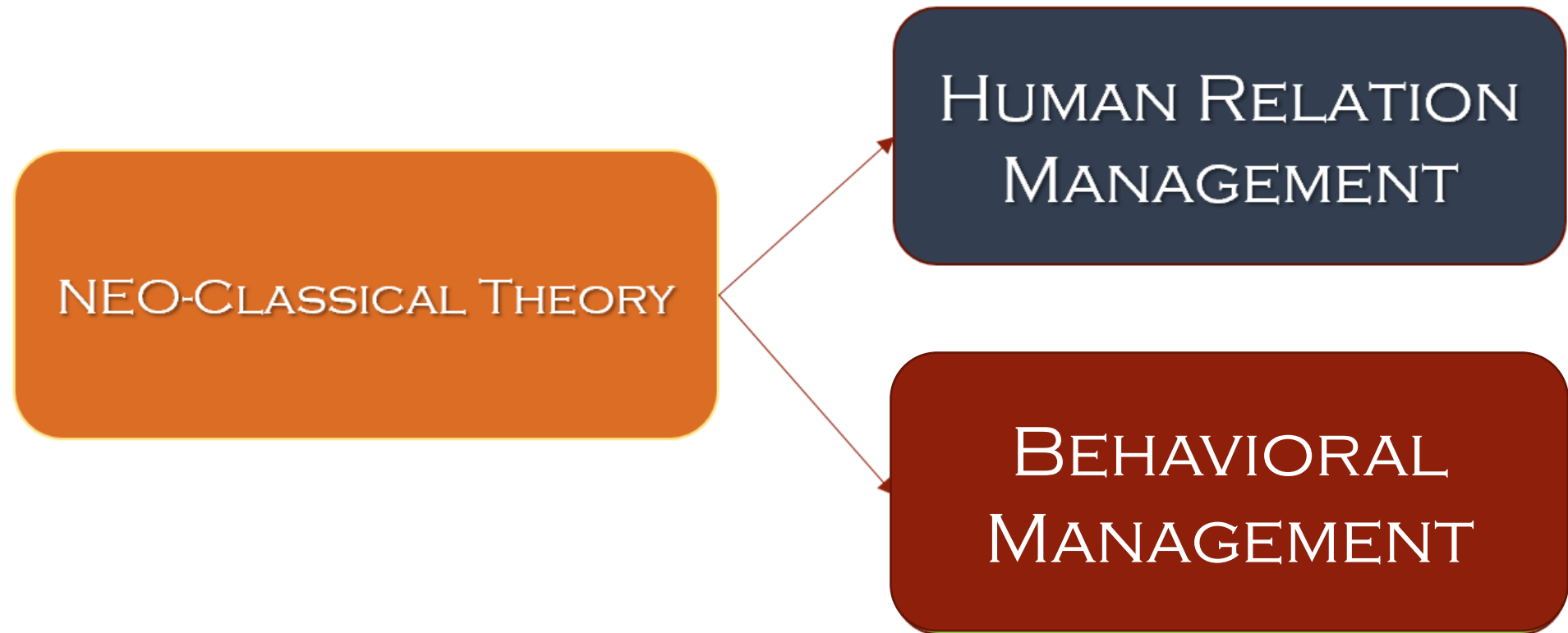
Lesson 3

Neo-Classical Theory

NEO-CLASSICAL THEORY

- Neoclassical theory (also referred to as human relations of thoughts) was introduced based on classical theory. It has added, modified, and in some way extended classical theory. The basic assumption of this theory is that the physiological and social aspects of a worker as an individual and his workgroup ought to be focused on. In classical theory, the organization emphasized order, structure, economic factors, formal organization, and objective rationality. Whereas neo-classical theory emphasized social factors and emotions at work. Human relation is a general term that is frequently used to describe how a manager interacts with their employees. The importance of human relations is included in two aspects: The organization situation should be observed in social terms as well as economical and technical terms, and in terms of clinical method, it is similar to the doctor's diagnosis of the human organisms.

Neo-classical theory



Organization Structure in Neo-Classical Theory

➤ Flat Structure

In the case of flat structure, the wide span of control in an organization helps in motivating the employees more effectively, a shorter chain of communication and it is free from hierarchical control.

➤ Decentralization

Neo-classical theory adopted a decentralized organizational structure which is close to the flat structure due to the wider span of control. It permits autonomy and initiative at lower levels. It also encouraged people to occupy higher positions in the organization.

➤ Informal Organizations

The neoclassical theorists emphasized the need for both formal and informal organizations. The formal organization indicates the motive of top management for interactions among the people. Informal organization is significant to promote the inadequacy of formal organization and to satisfy the social and psychological needs of people. The management uses informal organization for overcoming resistance to change on the part of workers and also for a fast communication process. Both formal and informal organizations are interdependent upon each other.



Human Relation Management Theory



Human Relations management theory is a premise of organizational psychology from the early twentieth century, which suggests that employee productivity and motivation can be increased through positive social bonds in the workplace and acknowledgement of the worker as a unique individual. It holds that improved working conditions (empowerment, participation, positive treatment) lead to increased productivity.

Human Relations management theory originated between 1924 and 1932 during experiments conducted at the Hawthorne plant of the Western Electric Company in Cicero, Illinois.

As Human Relations Theory was gaining popularity, the management theories of Chester Barnard, Mary Parker Follett and Elton Mayo were gaining ground as well.

- **Chester Barnard**
- **Mary Parker Follett**
- **Elton Mayo**



Chester I. Barnard

- Chester Irving Barnard, (born Nov. 7, 1886, Malden, Mass., U.S.—died June 7, 1961, New York City), American business executive, public administrator, and sociological theorist who studied the nature of corporate organization. Although he was not himself an academic, his first book, *Functions of the Executive* (1938), became an essential resource in the teaching of organizational sociology and business theory.
- Barnard (1938) argued that “willingness of persons to contribute efforts to the cooperative system is indispensable” (p. 84). Such willingness to contribute may fluctuate within and among individuals and requires commitment and cooperation between co-workers to achieve a common goal, even if the organization is informal. The supportive workplace environment that allows such cooperation would be termed years later by McGregor as Theory Y. Keeping cooperative spirit can be achieved by management by offering objective incentives and by using persuasion to change people’s minds (Wren & Greenwood, 1998). The premise is that employees will contribute if they feel that their personal goals align with those of the company.



Mary Parker Follett

- Mary Parker Follett's management theory increases coordination among leaders and workers. She used psychology and human relations within industrial management to revolutionize organizational behavior theory. Follett was a social worker, author, lecturer and management consultant who provided personal advice to countless individuals, including President Theodore Roosevelt.
- Follett, known as the “mother of modern management,” believed management was “the art of getting things done through people.” Though she never managed a for-profit enterprise, she offered valuable insight on the importance of managers and supervisors “powering with” employers rather than “powering over” them, and collaborating with workers to solve conflicts.
- Follett’s management theory, particularly its focus on coordination and employee engagement, remains relevant to small businesses today. Discover how to implement Follett’s principles in your company for organizational success.



The Law of Situation: Mary Parker Follett

Follett identified the importance of cross-organizational processes within hierarchical organizations, which was an important development supporting matrix-style organizations such as DuPont in the 1920s. She advocated non-coercive power-sharing in the workplace based on the use of her concept of “power with” rather than “power over.” Follett coined the term “win-win” in conflict resolution. She believed organizations would benefit from embracing conflict as a means of achieving diversity and integrated solutions rather than merely compromising.

Follett viewed organizations as networks of groups rather than as hierarchical structures, and paid special attention to the influence of human relations within the group. In the text for the podcast, *The Giving of Orders*, Follett revealed her pragmatist approach to management through taking a responsible attitude toward experience, depersonalizing orders through identifying and obeying the “law of the situation,” and balancing supervision with worker autonomy.



The Law of Situation: Mary Parker Follett

She was a pioneer in using psychology. She analysed the fundamental motives of human relationships, especially the individual within the social group, which meant that organization, leadership and power are human matters and she wanted to reconcile individuals and social groups. Management should understand group formation and how to bring them together into a community of aim and experience, so there is a group common purpose of all its individual members and their purposes.

She had four principles of co-ordination:

- **Co-ordination by direct contact**
- **Co-ordination in the early stages**
- **Co-ordination as the reciprocal relating of all factors in a Situation**
- **Co-ordinating as a continuing process**



Elton Mayo

George Elton Mayo (26 December 1880 – 7 September 1949) was an Australian born psychologist, industrial researcher, and organizational theorist.

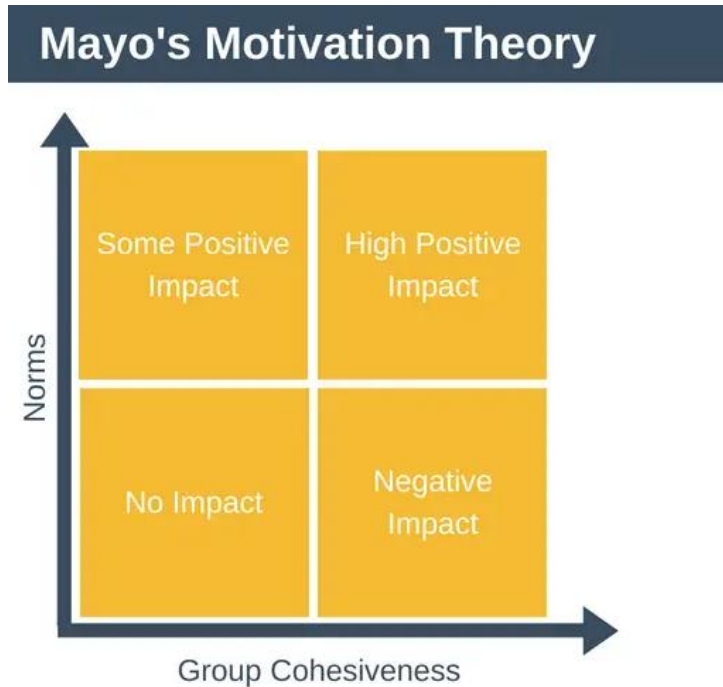
Mayo has been credited with making significant contributions to a number of disciplines, including business management, industrial sociology, philosophy, and social psychology.

Mayo's work helped to lay the foundation for the human relations movement. He emphasized that alongside the formal organization of an industrial workplace there exists an informal organizational structure as well. Mayo recognized the "inadequacies of existing scientific management approaches" to industrial organizations, and underlined the importance of relationships among people who work for such organizations.

Mayo developed a matrix to illustrate the likelihood that a given team would be successful. His matrix demonstrates the role that varying combinations of group norms and group cohesiveness play in team effectiveness.

Group cohesiveness is how a group cooperates together, defined as a group's overall comradery or level of teamwork.

The following are the four combinations of a group's norm in relation to its cohesiveness:



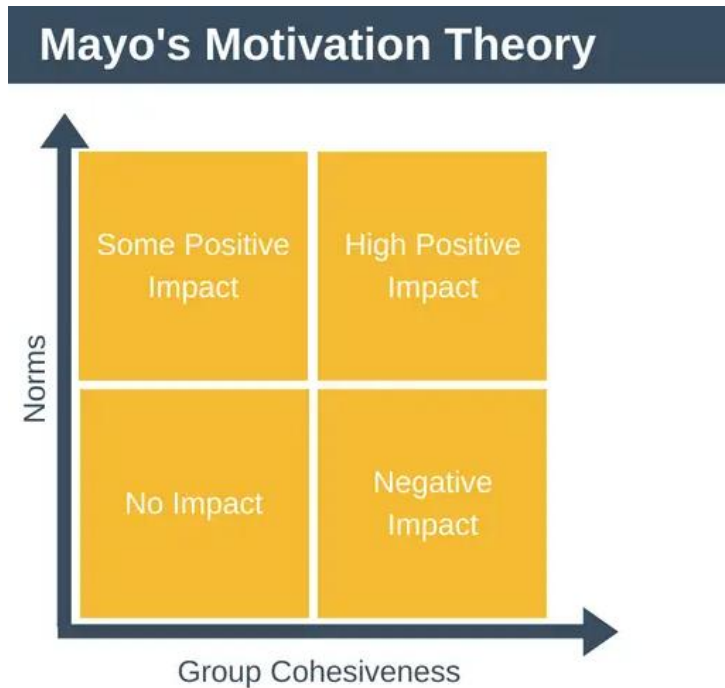
Low norm and low cohesiveness

- This group is ineffective and has a minimal impact since none of the members are motivated to excel.

Low norm and high cohesiveness

- This group has a negative impact since fellow members encourage negative behavior. In a typical workplace, an example would be a group that gossips together and actively fights against management — a group with high comradery and low structure.

The following are the four combinations of a group's norm in relation to its cohesiveness:




High norm and low cohesiveness

- This group has a small degree of positive impact through individual member accomplishments. Each employee must maintain a high standard of work but does not cooperate as part of a team.

High norms and high cohesiveness

- This group has the greatest positive impact, is held to a high standard and works together to achieve its goals.

Mayo's motivation Theory

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- Human relations theory is the humanistic way of managing people in an organization. It holds the belief that valuing employees' feelings, emotions, needs, and attitudes, prompting teamwork, employee participation, non-directive supervision, good relationships between managers and workers, etc. are the key ways to employee motivation and productivity, of the whole organization.
 - This theory emphasized that managers should be more sensitive to employees' needs and attitudes. Employees i.e. workers should be treated as human beings not only as factors of production.

Behavioral Management Theory



- As management research continued in the 20th century, questions began to come up regarding the interactions and motivations of the individual within organizations. Management principles developed during the classical period were simply not useful in dealing with many management situations and could not explain the behavior of individual employees. In short, classical theory ignored employee motivation and behavior. As a result, the behavioral school was a natural outgrowth of this revolutionary management experiment.
- The behavioral management theory is often called the human relations movement because it addresses the human dimension of work. Behavioral theorists believed that a better understanding of human behavior at work, such as motivation, conflict, expectations, and group dynamics, improved productivity.

- **Abraham H. Maslow**
- **Hugo Münsterberg**
- **Douglas McGregor**



Abraham H. Maslow

Abraham Maslow, a practicing psychologist, developed one of the most widely recognized need theories, a theory of motivation based upon a consideration of human needs . His theory of human needs had three assumptions:

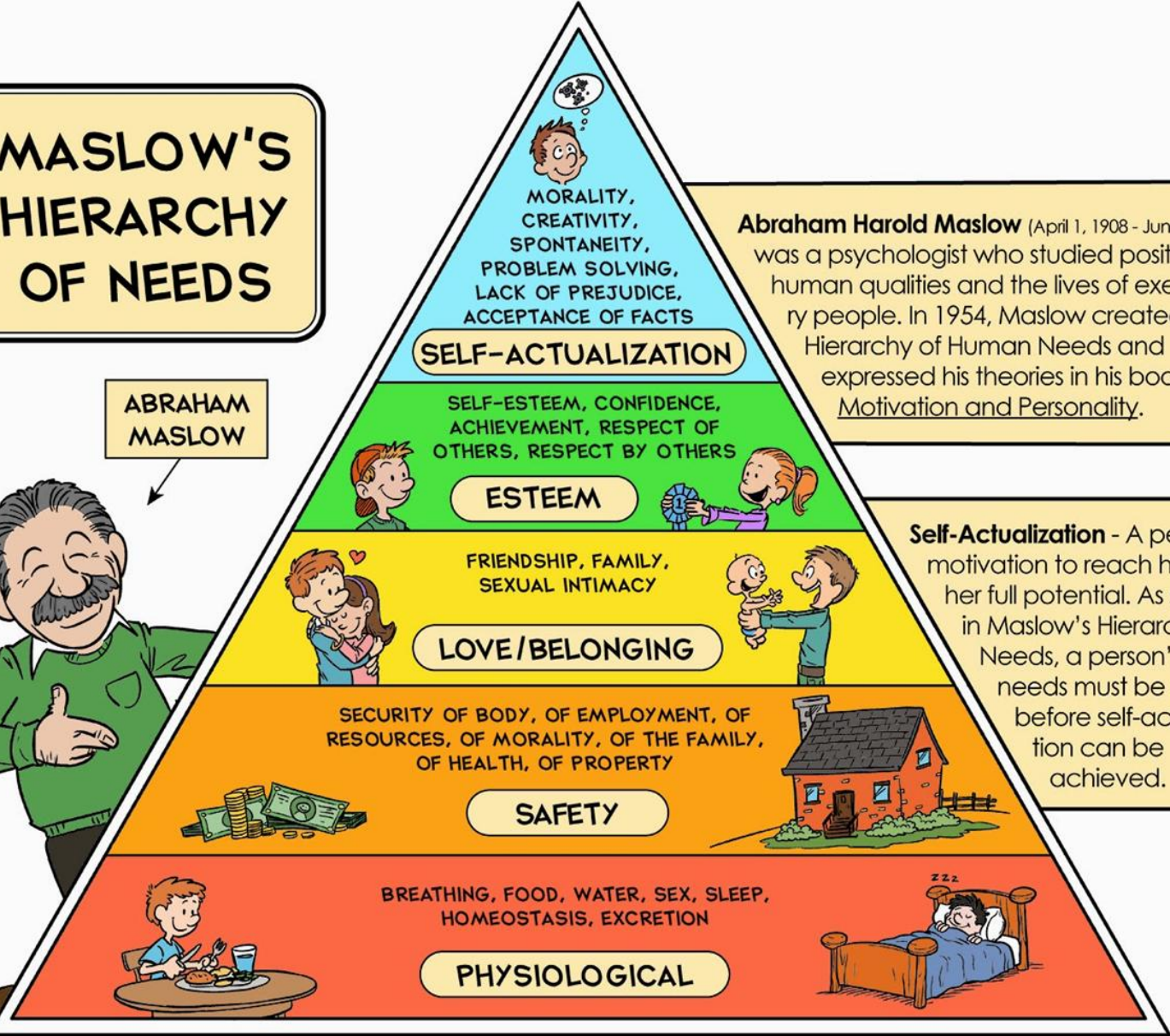
Human needs are never completely satisfied.

Human behavior is purposeful and is motivated by the need for satisfaction.

Needs can be classified according to a hierarchical structure of importance, from the lowest to highest.

MASLOW'S HIERARCHY OF NEEDS

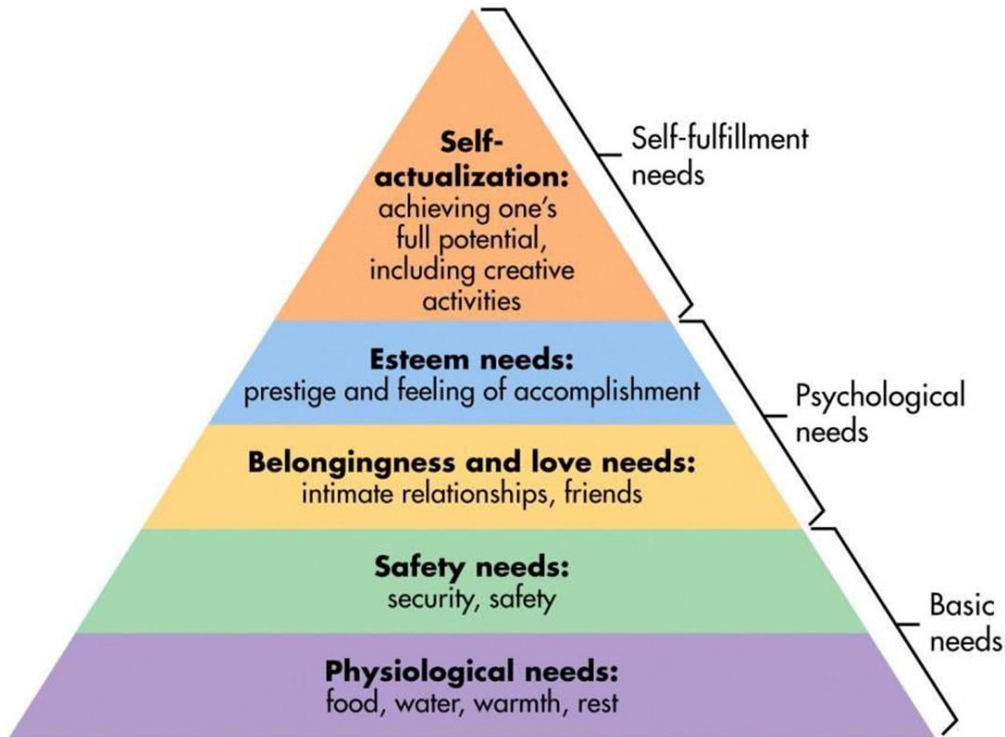
ABRAHAM MASLOW



Abraham Harold Maslow (April 1, 1908 - June 8, 1970) was a psychologist who studied positive human qualities and the lives of exemplary people. In 1954, Maslow created the Hierarchy of Human Needs and expressed his theories in his book, *Motivation and Personality*.

Self-Actualization - A person's motivation to reach his or her full potential. As shown in Maslow's Hierarchy of Needs, a person's basic needs must be met before self-actualization can be achieved.

Maslow broke down the needs hierarchy into five specific areas:



➤ **Physiological needs**

Maslow grouped all physical needs necessary for maintaining basic human well-being, such as food and drink, into this category. After the need is satisfied, however, it is no longer a motivator.

➤ **Safety needs**

These needs include the need for basic security, stability, protection, and freedom from fear. A normal state exists for an individual to have all these needs generally satisfied. Otherwise, they become primary motivators.

➤ **Belonging and love needs**

After the physical and safety needs are satisfied and are no longer motivators, the need for belonging and love emerges as a primary motivator. The individual strives to establish meaningful relationships with significant others.

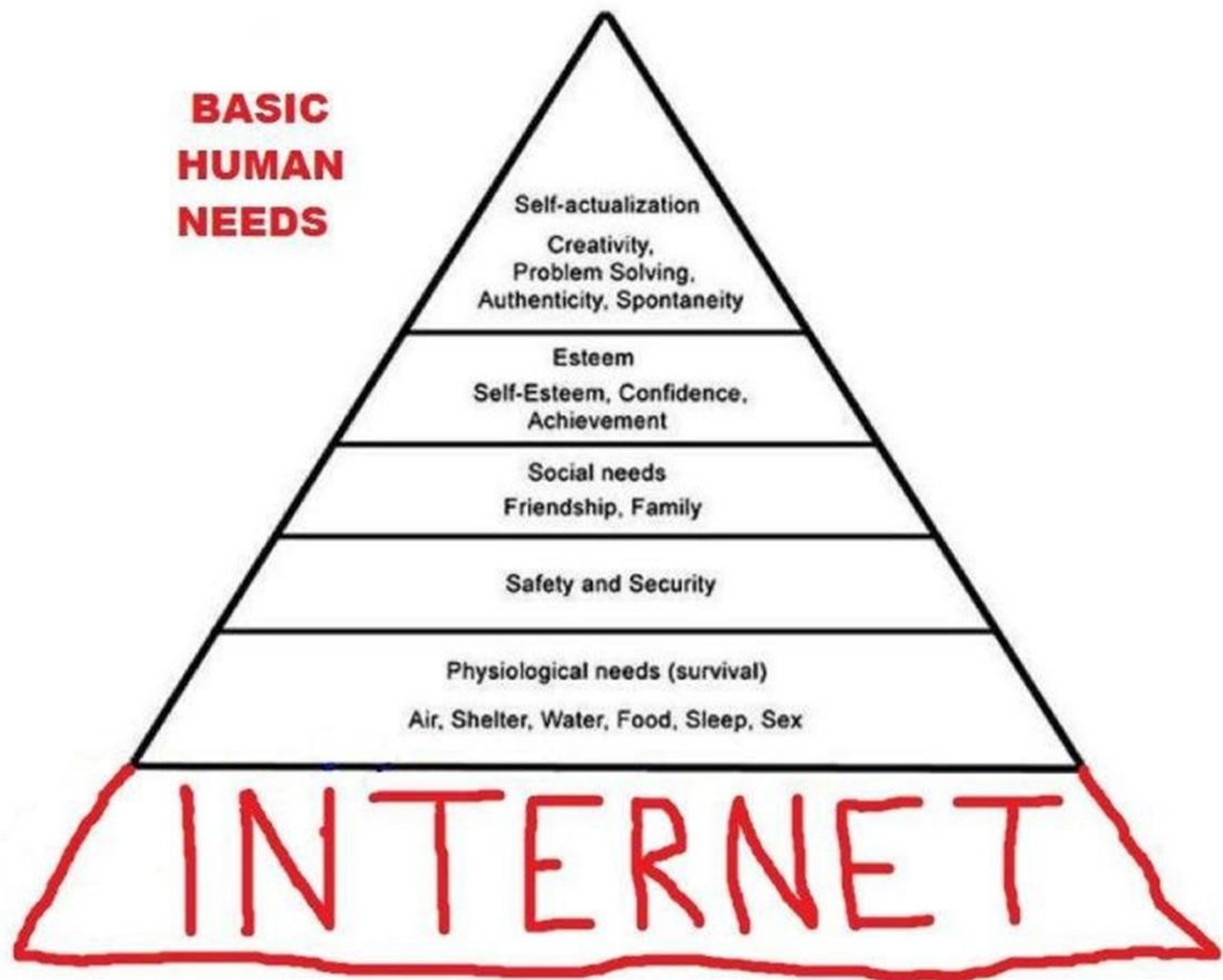
➤ **Esteem needs**

An individual must develop self-confidence and wants to achieve status, reputation, fame, and glory.

➤ **Self-actualization needs**

Assuming that all the previous needs in the hierarchy are satisfied, an individual feels a need to find himself.

**BASIC
HUMAN
NEEDS**





Hugo Münsterberg

- Münsterberg believed in psychological parallelism, a theory that views the body and mind as an inextricable unit, with physical processes always occurring in tandem with brain processes. His early experimental work focused on sensation and perception, but by the early 1900's his focus shifted to applying the techniques of psychological research to practical questions specific to industry, the law (e.g., the psychological factors affecting juries and trial outcomes), education (e.g., attention and fatigue), and clinical psychiatric practice. Many of Münsterberg's works, such as *On the Witness Stand* (1908), *Psychotherapy* (1909), and *Psychology and Industrial Efficiency* (1913) widely influenced successive generations of practitioners and researchers.



Hugo Münsterberg

- Hugo Münsterberg (1863-1916) is known as the **“Father of industrial psychology”** and is as important for psychology students as F.W. Taylor is for management students.
- He focused to provide a view of psychology’s practical applications. Münsterberg believed that industry can be benefited by psychologists in three major areas:
 - Seeking modern ways to hire the right person for the right job.
 - Achieving optimum efficiency by identifying the psychological conditions.
 - Finding methods to direct behavior of individual employees to be in harmony with the management’s objectives.



แนวคิด Douglas McGregor

- Douglas McGregor was heavily influenced by both the Hawthorne studies and Maslow. He believed that two basic kinds of managers exist. One type, the Theory X manager, has a negative view of employees and assumes that they are lazy, untrustworthy, and incapable of assuming responsibility. On the other hand, the Theory Y manager assumes that employees are not only trustworthy and capable of assuming responsibility, but also have high levels of motivation.
- An important aspect of McGregor's idea was his belief that managers who hold either set of assumptions can create self-fulfilling prophecies — that through their behavior, these managers create situations where subordinates act in ways that confirm the manager's original expectations.
- As a group, these theorists discovered that people worked for inner satisfaction and not materialistic rewards, shifting the focus to the role of individuals in an organization's performance.

Theory X and Theory Y

Theory X and Theory Y

- If you believe that your team members dislike their work and have little motivation, then, according to McGregor, you'll likely use an authoritarian style of management. This approach is very "hands-on" and usually involves micromanaging people's work to ensure that it gets done properly. McGregor called this **Theory X**



- if you believe that your people take pride in their work and see it as a challenge, then you'll more likely adopt a participative management style. Managers who use this approach trust their people to take ownership of their work and do it effectively by themselves. McGregor called this **Theory Y**



Theory X

- Theory X managers tend to take a pessimistic view of their people, and assume that they are naturally unmotivated and dislike work.
- Work in organizations that are managed like this can be repetitive, and people are often motivated with a "carrot and stick" approach. Performance appraisals and remuneration are usually based on tangible results, such as sales figures or product output, and are used to control and "keep tabs" on staff.

This style of management assumes that workers:

- Dislike their work.
- Avoid responsibility and need constant direction.
- Have to be controlled, forced and threatened to deliver work.
- Need to be supervised at every step.
- Have no incentive to work or ambition, and therefore need to be enticed by rewards to achieve goals.



Theory Y

- Theory Y managers have an optimistic opinion of their people, and they use a decentralized, participative management style. This encourages a more collaborative, trust-based relationship between managers and their team members.
- People have greater responsibility, and managers encourage them to develop their skills and suggest improvements. Appraisals are regular but, unlike in Theory X organizations, they are used to encourage open communication rather than to control staff.
- Theory Y organizations also give employees frequent opportunities for promotion.

This style of management assumes that workers:

- Happy to work on their own initiative.
- More involved in decision making.
- Self-motivated to complete their tasks.
- Enjoy taking ownership of their work.
- Seek and accept responsibility, and need little direction.
- View work as fulfilling and challenging.
- Solve problems creatively and imaginatively.



Theory X and Theory Y

X

Theory X

The assumption that employees dislike work, are lazy, dislike responsibility, prefer direction, and must be coerced to perform.



Y

Theory Y

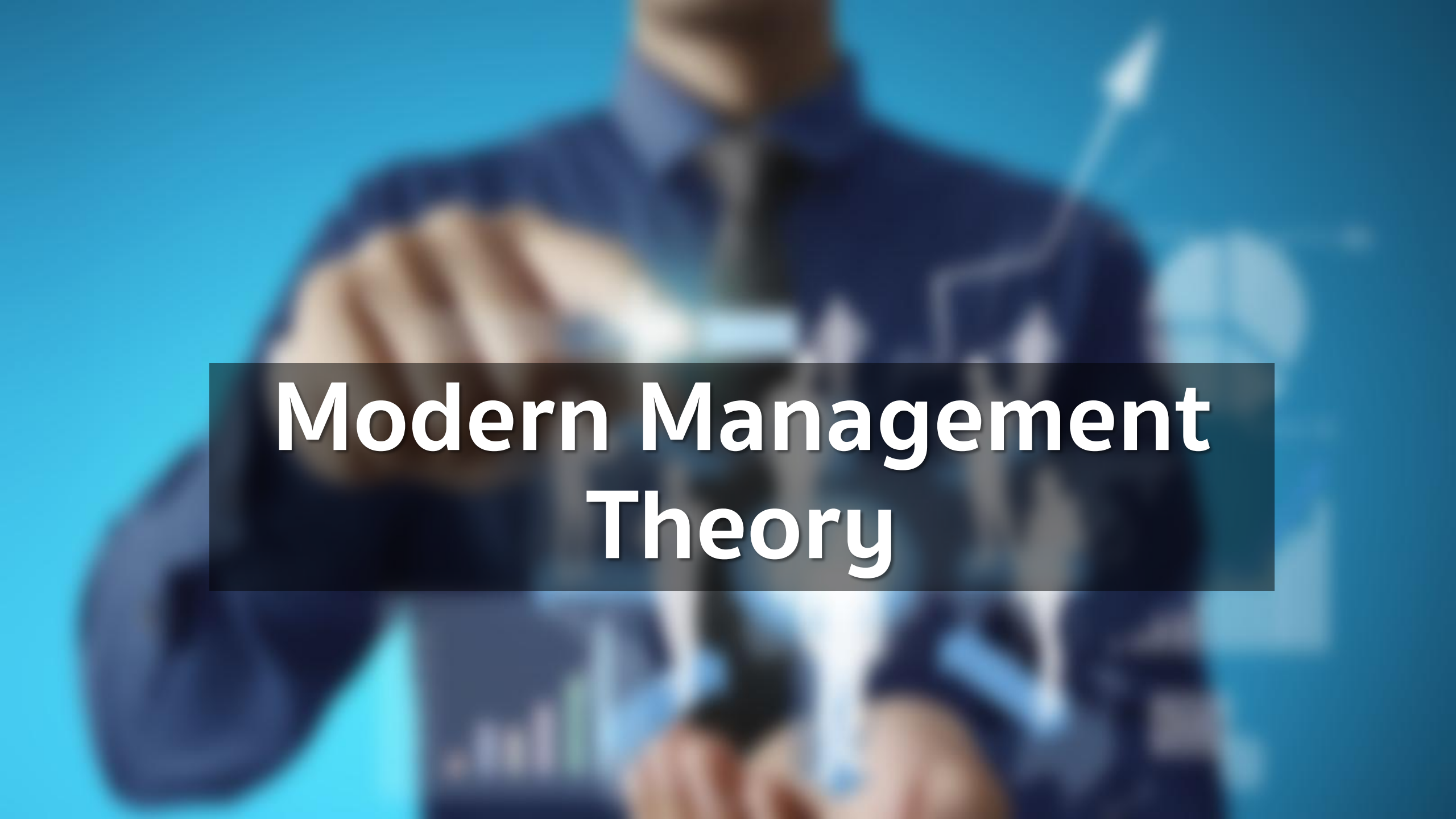
The assumption that employees like work, are creative, seek responsibility, work towards objectives, and can exercise self-direction.





Lesson 4

Modern Management Theory

A blurred background image of a person in a blue suit pointing towards the right. A white arrow is visible in the upper right quadrant of the image. The overall color scheme is blue and white.

Modern Management Theory

Modern Management Theory



- Modern Management Theory represent ideas that provide recommendations for management strategies, frameworks and tools that organizations can implement to aid their workforce or culture. Leaders can use these theories as guidance to meet organizational goals or motivate employees. They can also apply ideas from different theories rather than solely relying on one management theory. Modern management theory represents one of the numerous theories used by organizations. This theory recognizes that today's organizations face rapid change and added complexities, with technology serving as both a potential cause and solution for these factors.
- When implementing this theory, managers use technology and mathematical techniques to analyze their workforce and make decisions. This theory serves as a response to classical management theory, which believes workers solely work for monetary gain. The modern management theory believes that employees work for numerous reasons, including to achieve satisfaction, happiness and desired lifestyles. With this theory, managers understand employees' behaviors and needs and can implement strategies to meet those needs and support their skill development over time.

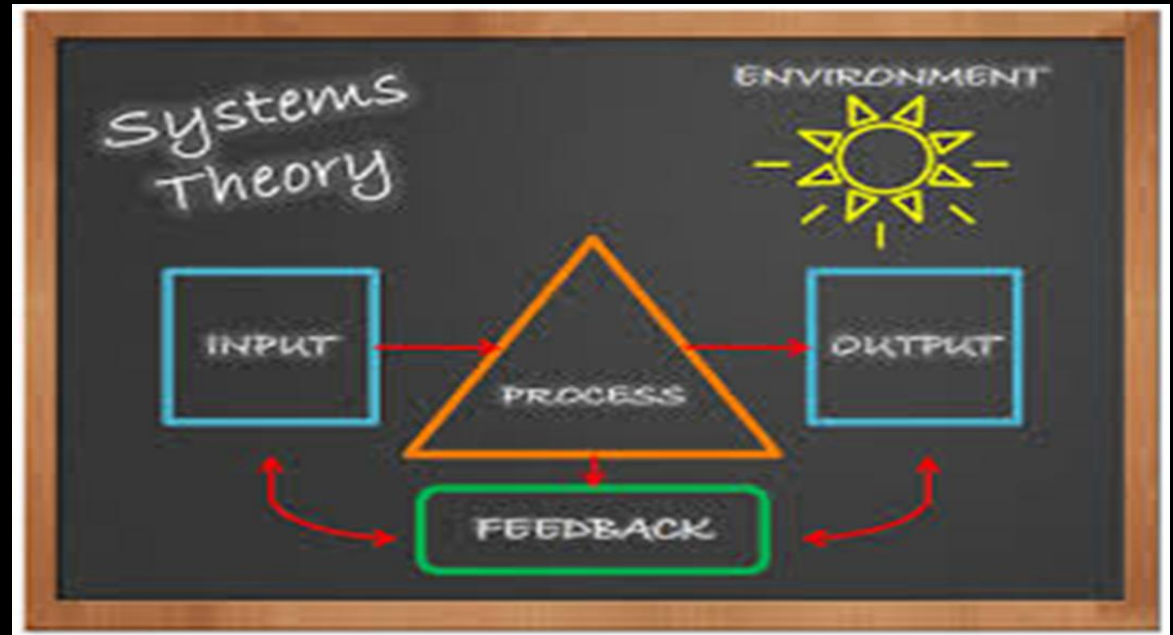
Modern Management Theory



- **System Theory**
- **Situational or Contingency approach**
- **Management by Objective :MBO**
- **Organization Development :OD**
- **Deming Cycle (PDCA)**
- **7'S McKinsey**
- **Change Management**
- **Organization Learning : OL**



System Theory

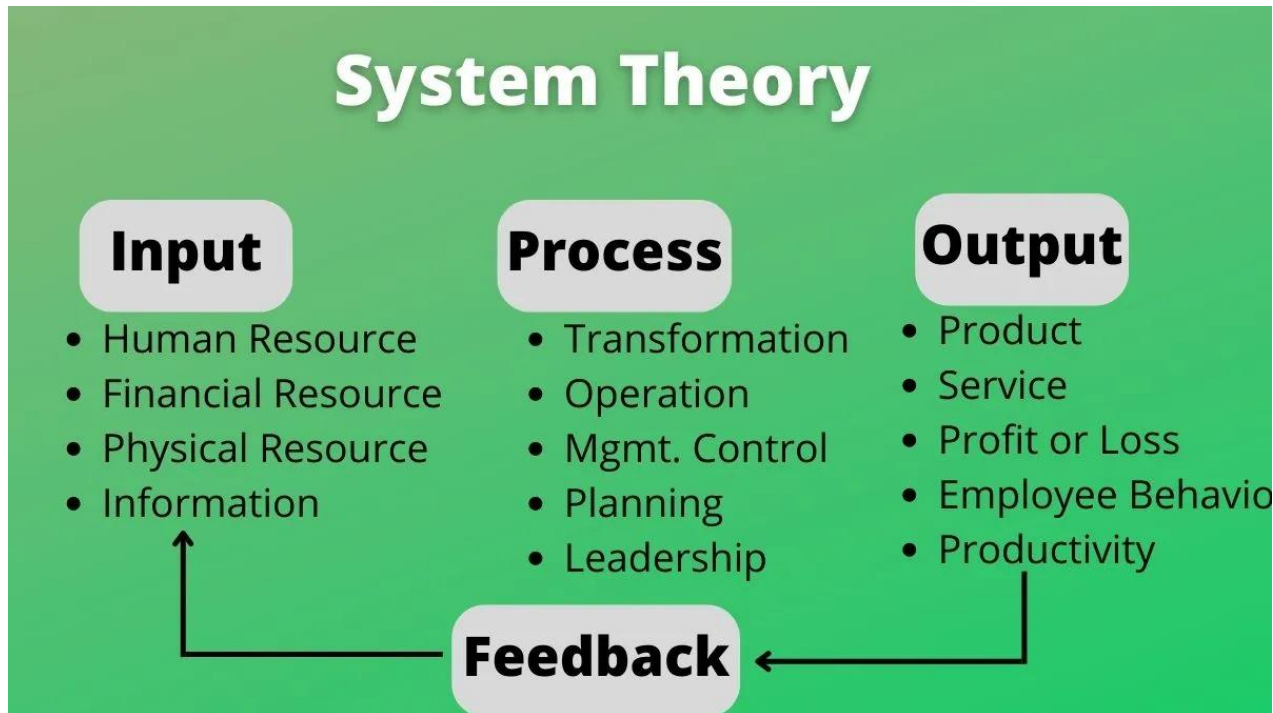


Systems Theory

- Systems theory is an interdisciplinary study of systems External as they relate to one another within a larger, more complex system. The key concept of systems theory, regardless of which discipline it's being applied to, is that the whole is greater than the sum of its parts.
- What this means is that when holistically examining how smaller systems come together to affect the greater complex system, certain characteristics of the whole—the complex system—can not be easily explained or rationalized when looking singularly at any one of its systems—its parts.
- Systems theory seeks to explain and develop hypotheses around characteristics that arise within complex systems that seemingly could not arise in any single system within the whole. This is referred to as emergent behavior. If a complex system expresses emergent behavior, that means it has characteristics its properties do not display on their own.
- The idea of the whole being greater than the sum of its parts is not new, but the progress of systems theory comes in where and how it's applied—social work being a perfect example of this expansion of the theory's application.
- Today, systems theory is often applied in various psychological/sociological settings and in the physical sciences, such as chemistry and physics.



Systems Theory Approach

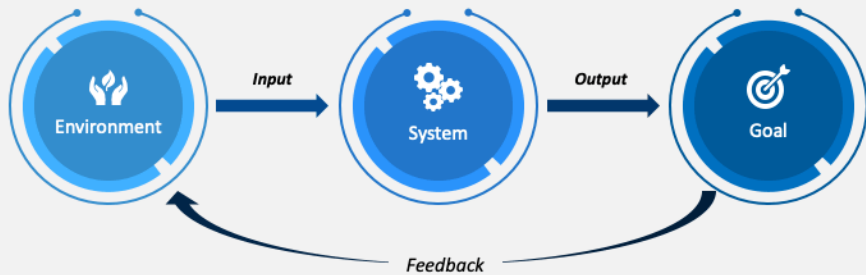


- The view of organizations as open social systems that must interact with their environments in order to survive is known as the systems theory approach. Organizations depend on their environments for several essential resources: customers who purchase the product or service, suppliers who provide materials, employees who provide labor or management, shareholders who invest, and governments that regulate. According to Cutlip, Center, and Broom, public relations' essential role is to help organizations adjust and adapt to changes in an organization's environment. Cutlip, Center, and Broom (2006).

Systems Theory Approach

SYSTEMS THEORY

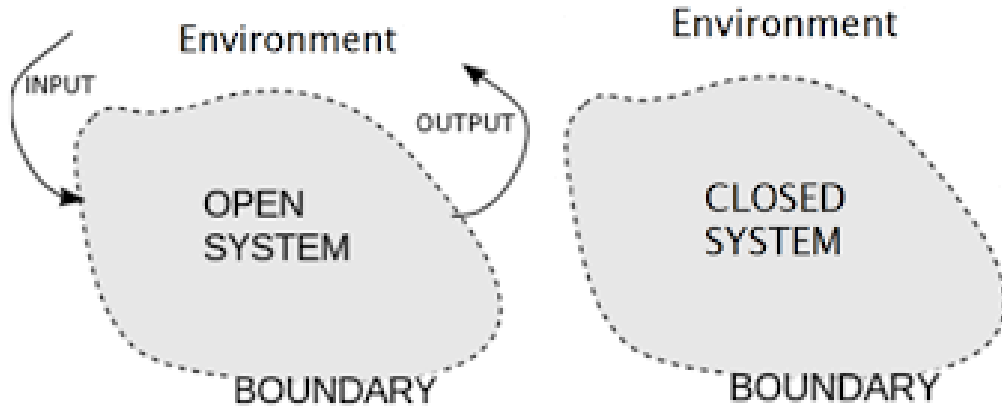
Open System Theory



○ The open-systems approach

Open-systems was first applied by Katz and Kahn, who adapted General Systems Theory to organizational behavior. Katz and Kahn (1966); Bertalanffy (1951), pp. 303–361. This approach identifies organizational behavior by mapping the repeated cycles of input, throughput, output, and feedback between an organization and its external environment. Systems receive input from the environment either as information or in the form of resources. The systems then process the input internally, which is called throughput, and release outputs into the environment in an attempt to restore equilibrium to the environment. The system then seeks feedback to determine if the output was effective in restoring equilibrium. As can be seen, the systems approach focuses on the means used to maintain organizational survival and emphasize long-term goals rather than the short-term goals of the goal-attainment approach.

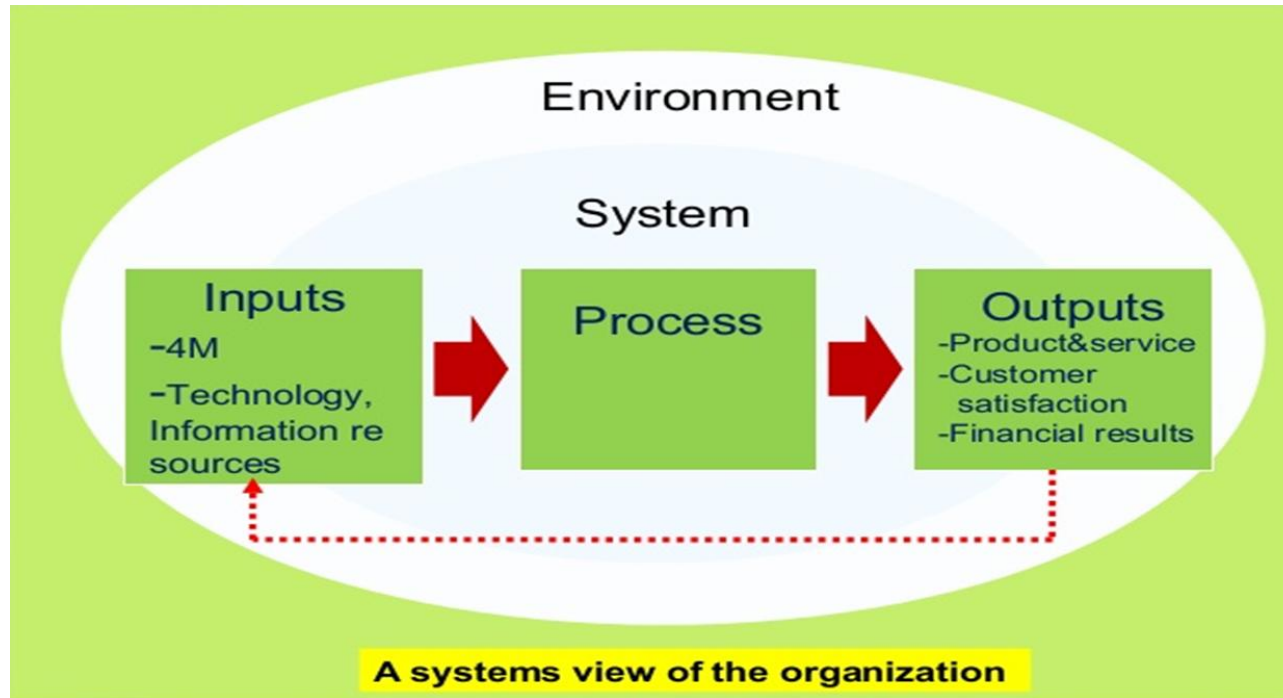
Systems Theory Approach



○ Closed systems

Theoretically, systems can be considered either open or closed. Open organizations exchange information, energy, or resources with their environments, whereas closed systems do not. In reality, because no social systems can be completely closed or open, they are usually identified as relatively closed or relatively open. The distinction between closed and open systems is determined by the level of sensitivity to the external environment. Closed systems are insensitive to environmental deviations, whereas open systems are responsive to changes in the environment.

The basic steps involved in system analysis



- **Identify Problem**
- **Objectives**
- **Constraints**
- **Alternatives**
- **Selection**
- **Implementation**
- **Evaluation**
- **Modification**



Situational or Contingency Approach

Situational or Contingency Approach

- The contingency approach, often called the Situational Approach is based upon the premise that all management is essentially situational in nature. All decisions by managers will be affected (if not controlled) by the contingencies of a given situation.
- There is no one good way to address any decision. Contingencies arise from various environmental factors. As such, managers must take into account these contingencies when making decisions that affect the organization.
- Contingency theory builds upon accepted elements of System Theory. It recognized that an organization is an open system made up of interrelated sub-units. It adds, however, that the behavior of individual sub-units is contingent upon internal and external environmental contingencies.
- These might include the relationship between two other sub-units or external systems. This is particularly true when these internal or external units/systems have an effect on the desired outcome of a sub-unit.
- Contingency theory also proposes structural changes or designs, leadership styles, and control systems in an organization that allow it to react to environmental contingencies.



The primary characteristics of the Contingency Approach

- **Non-universality of management theory** - There is no one best way of doing things.
- **Contingency** - Management decision making is contingent upon the situation.
- **Environment** - Managerial policies and practices to be effective, must adjust to changes in the environment.
- **Diagnostics** - Managers must possess and continue to improve diagnostic skills so as to anticipate and ready for environmental changes.
- **Human Relations** - Managers should have sufficient human relations skills to accommodate and stabilize change.
- **Information and Communication** - Managers must develop a communication system adequate to deal with environmental changes.



How do Contingencies Affecting Organizational Structure?

Theorists Burns and Stalker, in their text "Management of innovation" (1968), identified two types of organizational structure (mechanistic) and (organic) and two categories of the environment (stable and dynamic).

Mechanistic structures are more common in stable environments. Organic structures are more common and suitable in dynamic environments.

The contingency approach defines not only patterns of internal interaction but also suggests organization designs and management approaches most appropriate for specific situations.

The commonly-identified contingencies influencing organizational structure include:

- **Organization Size**
- **Nature of Business and Technology (the need for customization)**
- **Environmental Uncertainty**
- **Individual Differences or Organizational Preferences**



Advantages and Disadvantages of Contingency Theory

The primary advantages of contingency theory include:

- It provides a realistic view of management and organization.
- It discards the universal validity of principles.
- Managers are situation-oriented and not stereotyped.
- Lends itself to an innovative and creative management style.

The negatives of contingency theory include:

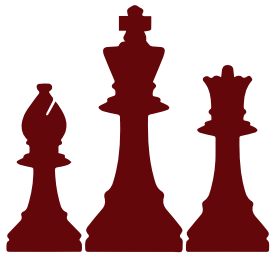
- It does not have a theoretical base.
- Executive is expected to know all the alternative courses of action before taking action in a situation that is not always feasible.
- It does not prescribe a course of action.
- A situation can be influenced by many factors. It is difficult to analyze all these factors.



Leadership Theory



- A leadership theory describes how and why certain individuals become leaders. The focus is on the characteristics and behaviors that people can adopt to enhance their leadership ability. According to leaders, strong ethics and high moral standards are essential qualities of a good leader.



Leadership Theory

Theories of leadership explain how and why specific individuals become leaders. They emphasize the character characteristics and actions that people might adopt to improve their leadership skills. Top qualities cited by leaders as essential to effective leadership involve:

- Strong moral principles and ethics
- Excellent organizational abilities
- Competent learner
- Encourages employee development
- Encourages affiliation and connection



Leadership explain

Vision

Creativity

Courage

Energy

**High Moral
Integrity**

**Ability to
Motivate
Other**

Self Discipline

Change Agent

**Project
Orientation**

Encouragement

Empowerment

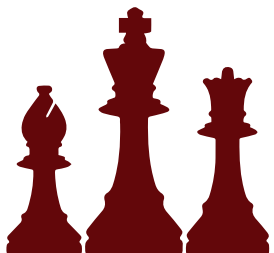
Communication



Leadership theory and leadership style

Leadership theory studies the qualities of good leaders. Psychologists analyze and develop leadership theory, and researchers try to discover the common qualities or behavioral patterns of strong leaders. Some leadership aspects they consider include:

- Personality traits
- Actions
- Environment
- Situation
- Decision-making processes
- How input is received
- How relationships are maintained





- Understanding leadership theories and styles can help you be more effective in your role, particularly if you frequently collaborate with or manage others. Also, during the job search process, interviewers may assess your leadership potential, so it can be helpful to understand your preferred leadership practice.
- In this article, we define leadership theory, explore six main leadership theories and explain how you can define your leadership approach.



Common Leadership Styles

1
Coach
Motivational

2
Visionary
Progress-focused and inspirational

3
Servant
Humble and protective

4
Autocratic
Authoritarian and result-focused

5
Laissez-faire or hands-off
Autocratic and delegatory

6
Democratic
Supportive and innovative

7
Pacesetter
Helpful and motivational

8
Transformational
Challenging and communicative

9
Transactional
Performance-focused

10
Bureaucratic
Hierarchical and duty-focused

- **Coach:** Recognizes strengths and weaknesses, helps people set goals and provides a lot of feedback.
- **Visionary:** Manages through inspiration and confidence.
- **Servant:** Focuses on helping team members feel fulfilled.
- **Autocratic or authoritarian:** Makes decisions with little or no input from others.
- **Laissez-faire or hands-off:** Delegates tasks and provides little supervision.
- **Democratic:** Considers the opinions of others before making a decision.
- **Pacesetter:** Sets high standards and focuses on performance.
- **Transformational:** Transformational leaders motivate and inspire through their enthusiasm and passion. They are a model for their teams, emphasizing a collaborative work environment, diplomatic communication skills, and efficient delegation.
- **Transactional:** leadership is a system of rewards and penalties. It views effective leadership as results-focused and hierarchical. Transactional leaders prioritize order and structure over creativity by rewarding someone .
- **Bureaucratic:** Follows a strict hierarchy and expects team members to follow procedure.

Leadership Theory

Situational Approach

The situational approach suggests that any individual has the potential, given favorable present environmental circumstances, to commit a crime regardless of their psychological disposition.

Power-Influence Approach

Power-and-Influence leadership theory focuses on how leaders can motivate their team by using (surprise, surprise) their power and/or influence.

Trait Approach

The trait theory of personality suggests that people have certain basic traits and it is the strength and intensity of those traits that account for personality differences. The trait approach to personality is one of the major theoretical areas in the study of personality.

Behavioral Approach

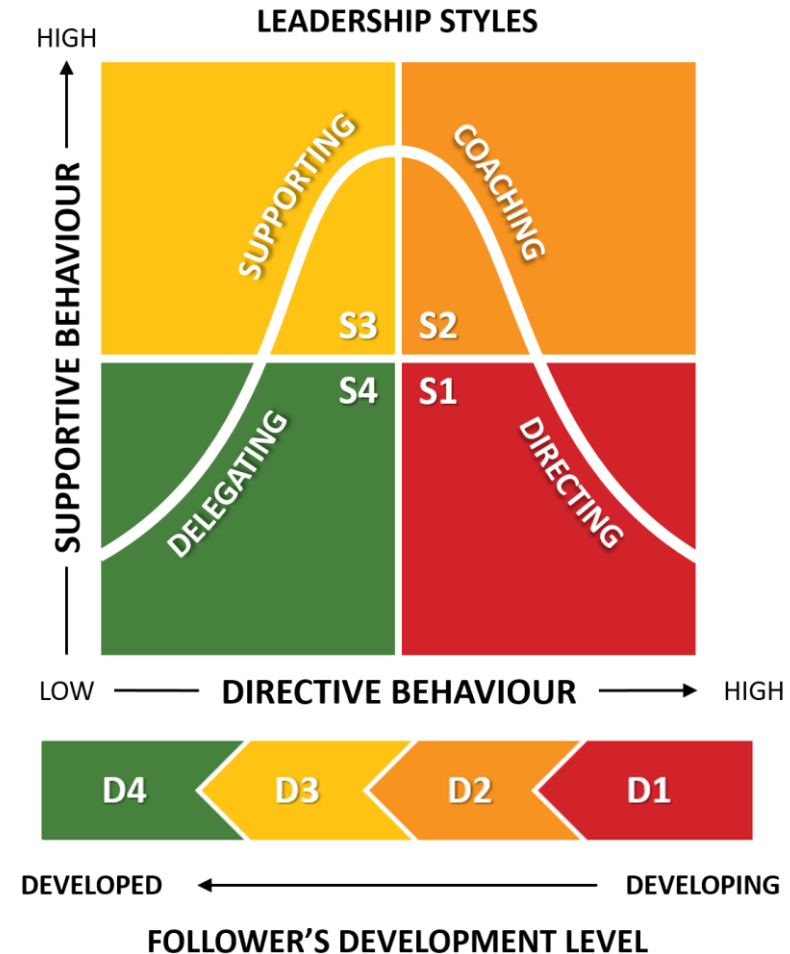
The Behavioral Approach brings psychological, social, and contextual explanations of human behavior to policy design and provides innovative, complementary and usually inexpensive solutions for policy improvement.

Integrative Approach

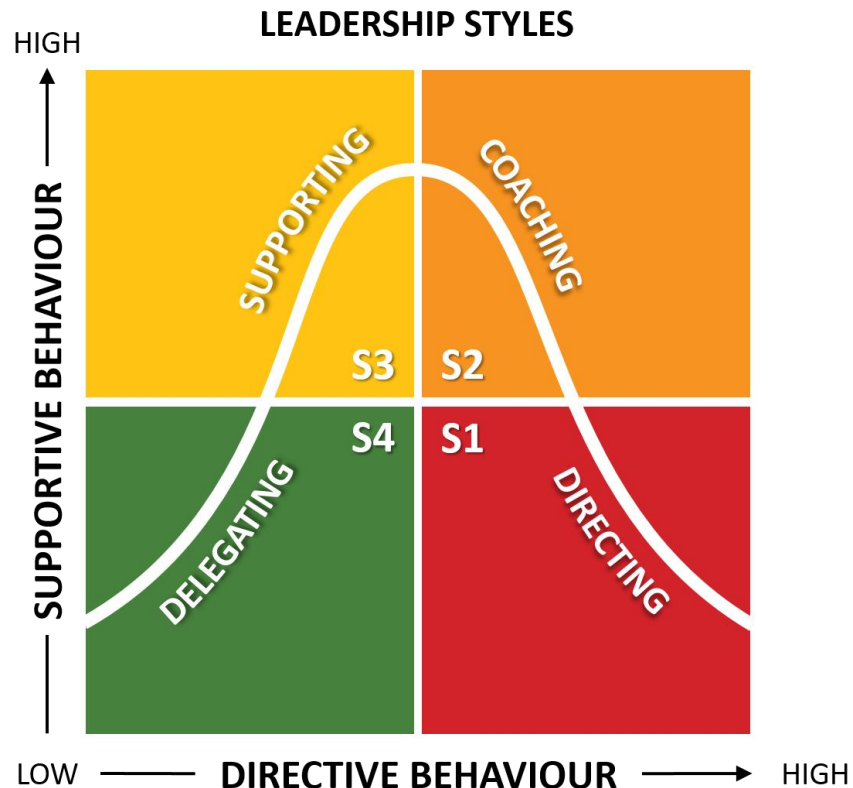
An integrative approach is the idea of integrating or combining aspects of several different schools of thought to promote wellness.

Situational Leadership Approach

- The Situational Leadership model considers an employee's Performance Readiness level, which is their ability and willingness to perform a specific task. These can vary across different challenges and performance areas. It also considers the amount of direction and support required from the leader.
- This flexibility allows leaders to meet each situation with the leadership style that will empower their employees and bring out the best in them.



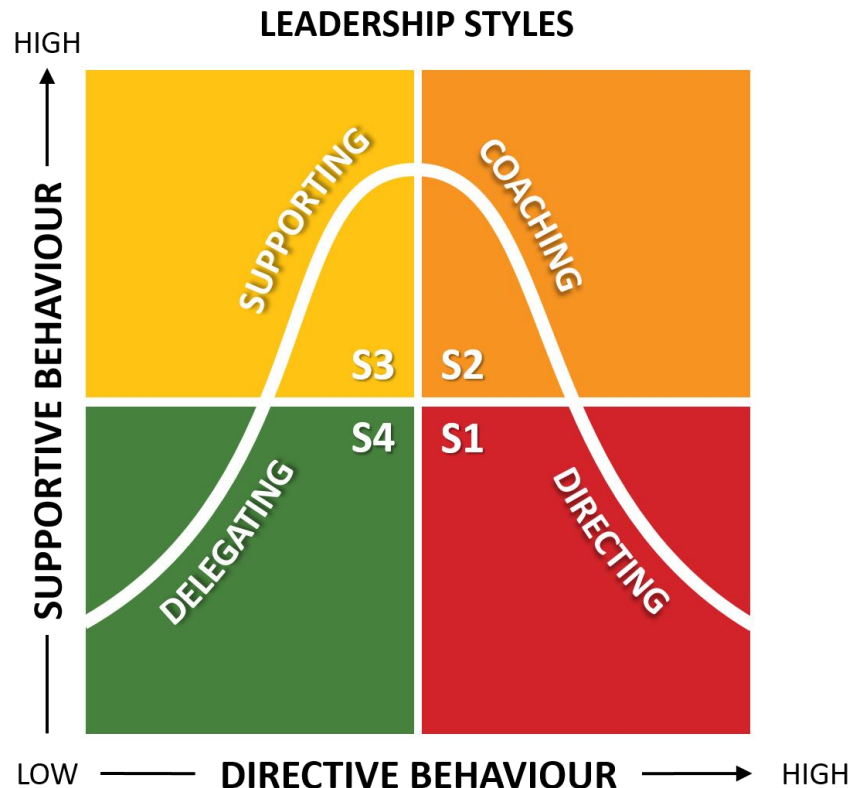
The four styles of Situational Leadership



○ 1. Telling/Directing (S1)

Telling, or directing, is useful when a team or team member requires close supervision and regular guidance. The leader makes decisions and directs the team or team members by providing high directive behavior and low supportive behavior for the task at hand. This can include providing instructions to novice team members or taking charge in an emergency.

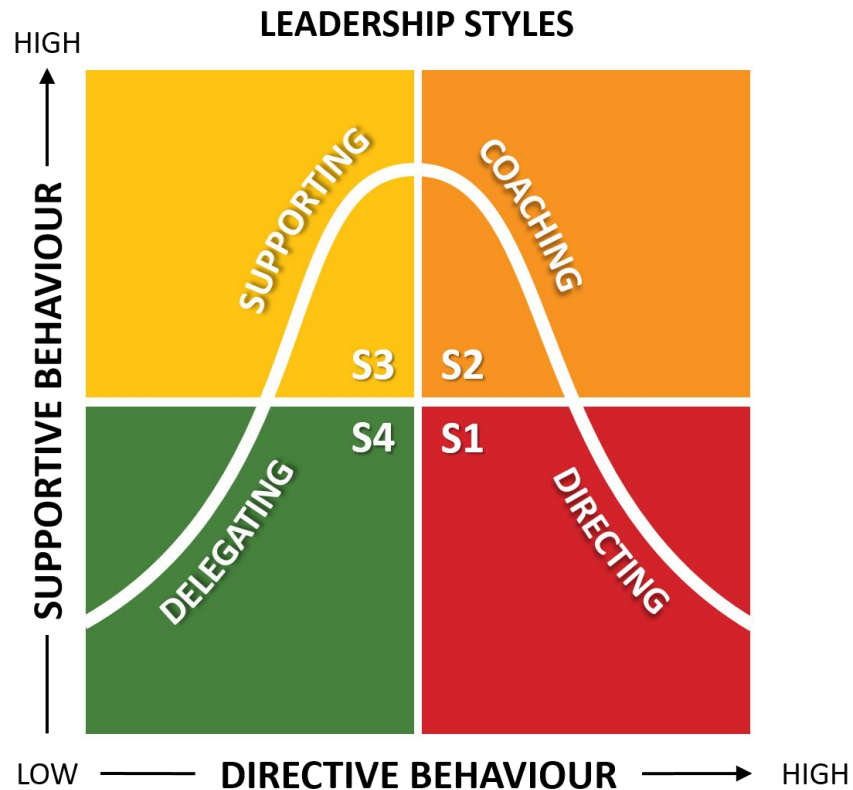
The four styles of Situational Leadership



○ 2. Selling / Coaching (S2)

Selling, or persuading, is useful when a team or team member is unable but they are willing to perform the task. The leader provides two-way communication and reinforces small successes to boost the team or team member's participation. Leaders using this style may help team members develop or improve their skills. This style can also encourage buy-in to a larger vision.

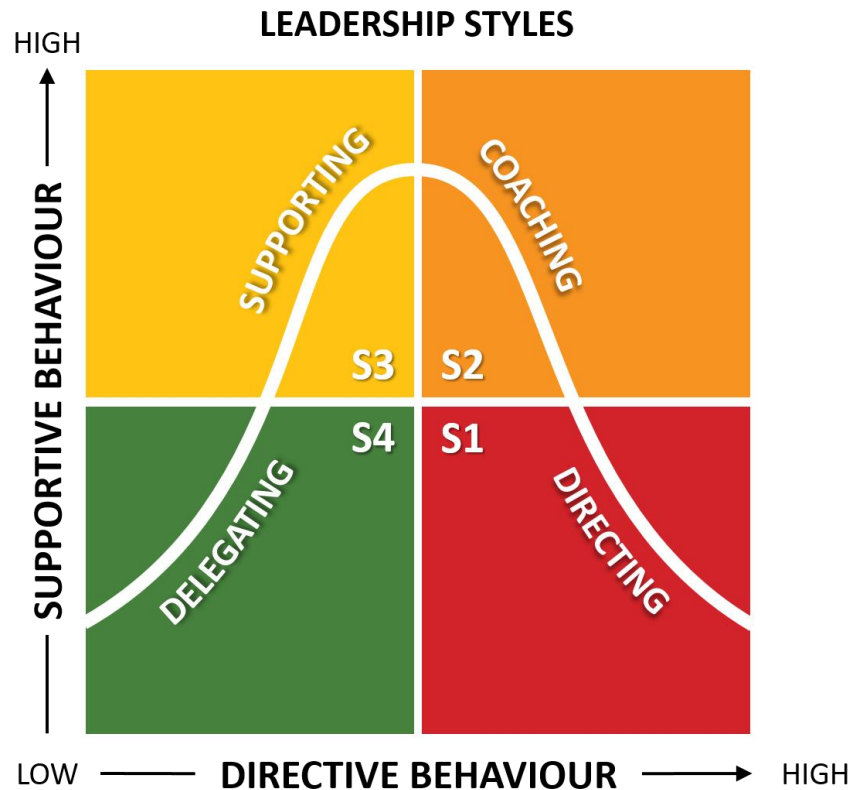
The four styles of Situational Leadership



○ 3. Participating/Supporting (S3)

Participating, or sharing, is useful when a team or team member has the ability required to perform the task but lacks confidence or is unwilling. Leaders adopt a more democratic leadership style, letting their teams provide input in their areas of expertise, and compliment work to increase confidence.

The four styles of Situational Leadership

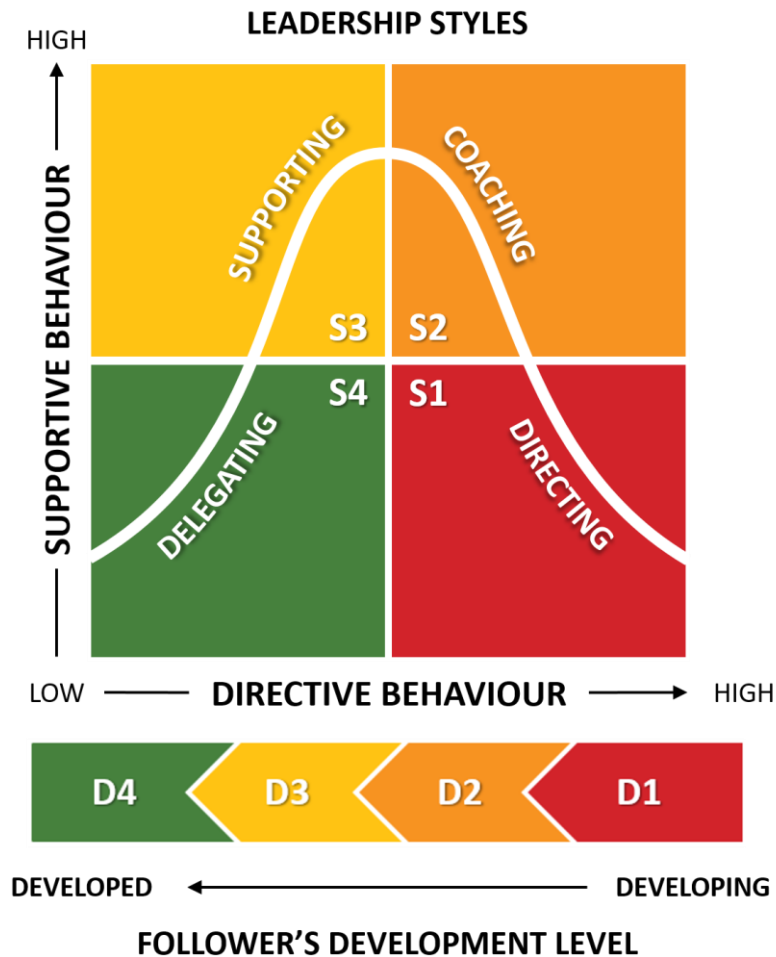


○ 4. Delegating (S4)

Delegating is useful when a team or team member has a high level of ability, confidence, and is self-motivated. Leaders leveraging this style will:

- Set a vision
- Outline desired outcomes
- Grant clear authority
- They will then take on a more supportive behavior, getting out of the way and letting their team take over.

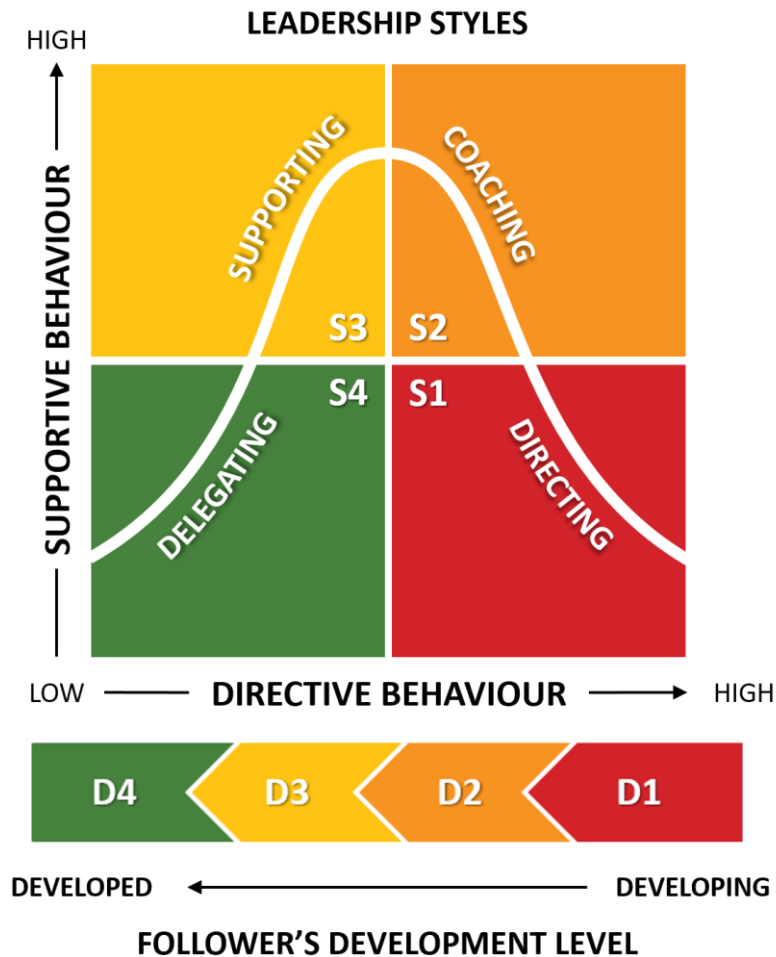
What are some examples of when a Situational Leadership style might best be used?



○ Unable and Insecure or Unwilling (D1)

These are developing team members who may not yet have the specific skill set required for a task, and are insecure or unwilling. This might call for a more directive style (S1) in which the leader tells the employee what to do, how, and when to do it.

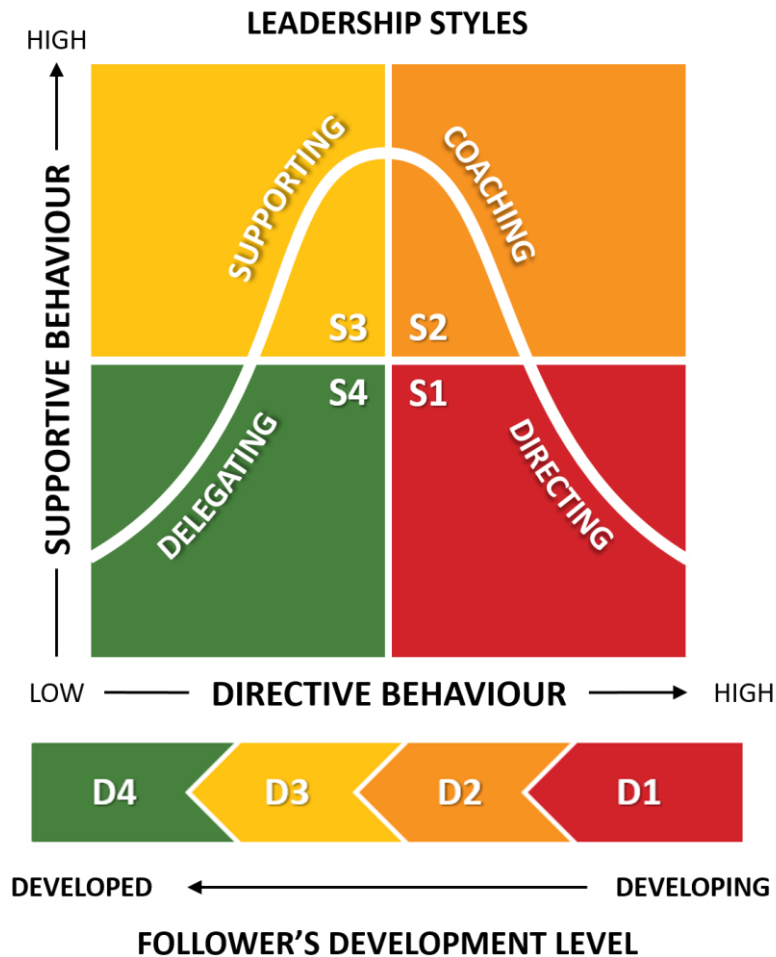
What are some examples of when a Situational Leadership style might best be used?



○ Unable but Confident or Willing (D2)

These are team members who may have some skills but not at the level required to be successful in performing a task. They also aren't fully engaged in the mission. This often calls for a leadership style where the leader coaches team members in problem-solving and engages them in the process (S2).

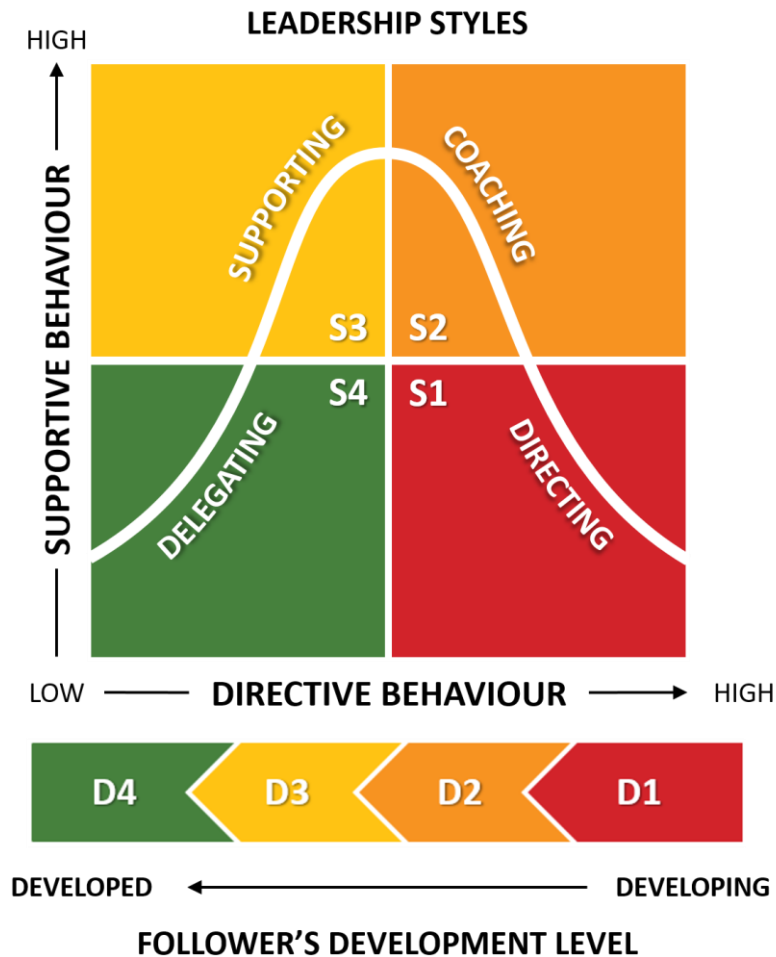
What are some examples of when a Situational Leadership style might best be used?



○ Able but Insecure or Unwilling (D3)

These team members are highly skilled and sometimes have more expertise than the leader in their field. However, they may be experiencing a lack of confidence or insecurity around performing a particular task on their own for the first time. The most appropriate leadership style to use here is one that supports team members and encourages risk-taking (S3). The skills and knowledge of the team can be applied to the challenge at hand.

What are some examples of when a Situational Leadership style might best be used?



○ Able and Confident and Secure (D4)

These developed team members are highly skilled, often more so than the leader, and they have a high level of confidence and commitment. The leadership style that best supports this situation is delegation (S4). The leader empowers team members to work independently toward achieving agreed-upon goals.

The qualities of a Situational Leader

- **1. Flexibility :** A situational leader pays close attention to the changing needs of the team, task, and organization. They adjust their leadership style as needed to bring out the best in team members and ensure successful outcomes.
- **2. Active listener :** To understand what's going on and meet their team's needs, a situational leader must leverage their active listening skills. They must be patient and take the time needed to fully understand and know their team.
- **3. A clear sense of direction :** Situational leaders must be effective at providing the level of support and direction team members need. They must know where the team needs to go and what the right next step is to get there.
- **4. The ability to encourage participation :** Situational leaders engage in behaviors that create psychological safety. They provide opportunities for team members to share their thoughts, experiences, and input. They also have the skills required to effectively delegate authority to team members as appropriate.
- **5. Coaching skills :** To be most effective, situational leaders need to develop their ability to coach at a wide range of developmental levels. This skill allows them to meet team members where they are and support them in getting where they need to be.



Power-Influence Approach

- Power-influence approach to leadership depends upon the power and influence yielded by the leaders to get things done.
- These five sources of power are :
 - Legitimate Power
 - Reward Power
 - Expert Power
 - Referent Power
 - Coercive Power (MindTools).



Power-Influence Approach



- Legitimate power results from an individual's formal rank or a position in a social/cultural hierarchy. This power is temporary because it stems from the position held by the individual rather than the individual himself and, thus, is easily transferable to others. Legitimate power is often limited in nature because it only extends to the situations that come under the leader's responsibility. Reward power comes from the fact that the leaders can give rewards for desirable behavior. Thus, the presence of rewards increases the incentive to obey the leader's desires and instructions rather than going against them. Coercive power on the other hand comes from the fact that the leaders can also hand out punishment or deny rewards for undesirable behavior. The three powers discussed so far come primarily from the positions held by the leaders and are, thus, called Positional Power Sources (MindTools).

The difference between Power and Influence



Trait Theory of Leadership

Gardner, 1989



- Early ideas about leadership, described by the Great Man theory, focused on the innate qualities of individuals. In the 1950s, leadership theory focused on the situational interaction of traits, then in the 1970s personality and behaviour dominated. The current theory, known as trait theory, focuses on five major leadership traits of intelligence, self-confidence, determination, integrity, and sociability.

➤ **Personality Trait**

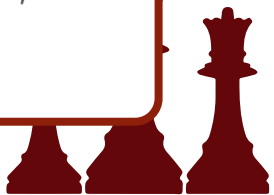
The five major personality traits are openness, conscientiousness, extroversion, agreeableness and neuroticism.

➤ **Abilities**

Great leaders are smart and make choices that move the group forward.

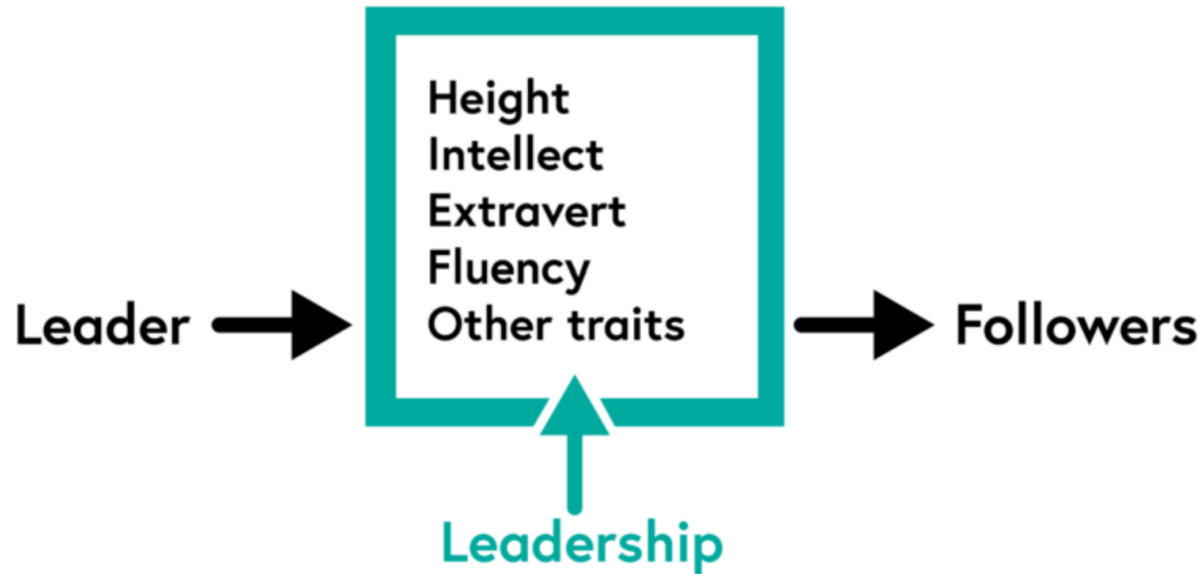
➤ **Social Skills**

the skills we use everyday to interact and communicate with others. They include verbal and non-verbal communication, such as speech, gesture, facial expression and body language.



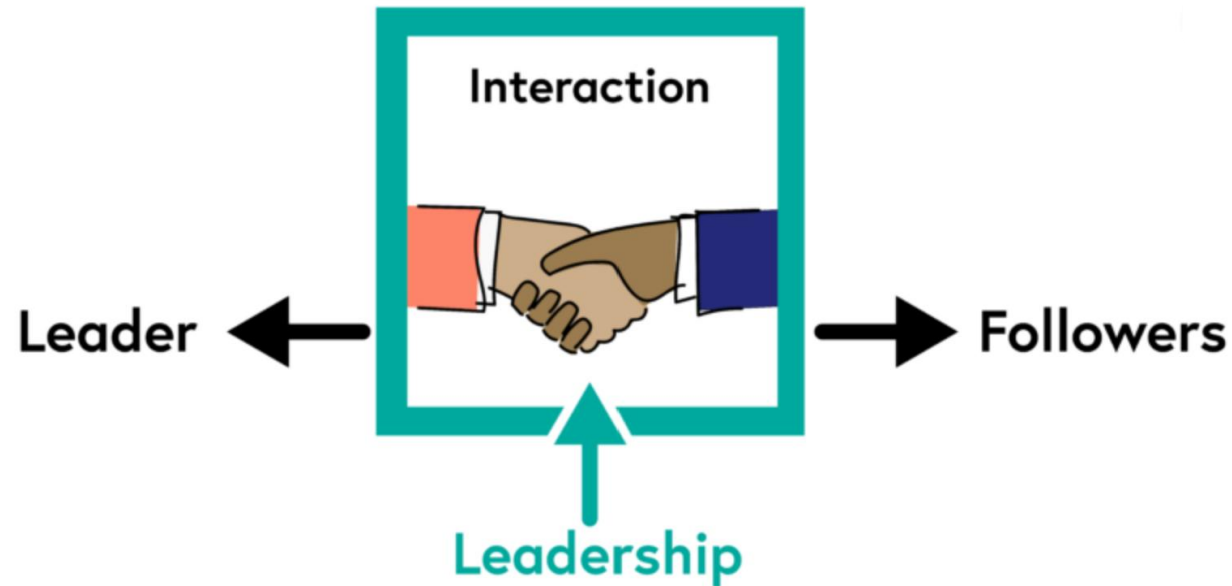
Trait Theory of Leadership

Gardner, 1989



- The trait theory of leadership suggests that certain inborn or innate qualities and characteristics make someone a leader. These qualities might be personality factors, physical factors, intelligence factors, and so on. In essence, trait theory proposes that the leader and leaders' traits are central to an organization's success. The assumption here is that finding people with the right traits will increase organizational performance. Trait theory focuses exclusively on the leader and neglects the follower.

Process Leadership



- In contrast, process leadership suggests that leadership is an event that depends on the interaction between the leader and the follower. Process theory makes leadership available to everyone, rather than restricting it to people with special qualities only. As a process, it can be observed, learned, and trained (Northouse 2018: 7).

The Big 5 Personality Traits



- **Openness**
- **Conscientiousness**
- **Extraversion**
- **Agreeableness**
- **Neuroticism**



The Big 5 Personality Traits

- **Openness** : emphasizes imagination and insight the most out of all five personality traits.¹ People who are high in openness tend to have a broad range of interests. They are curious about the world and other people and are eager to learn new things and enjoy new experiences.
- **Conscientiousness** : Among each of the personality traits, conscientiousness is one defined by high levels of thoughtfulness, good impulse control, and goal-directed behaviors. Highly conscientious people tend to be organized and mindful of details. They plan ahead, think about how their behavior affects others, and are mindful of deadlines.
- **Extraversion** : is a personality trait characterized by excitability, sociability, talkativeness, assertiveness, and high amounts of emotional expressiveness.¹ People high in extraversion are outgoing and tend to gain energy in social situations. Being around others helps them feel energized and excited.
- **Agreeableness** : This personality trait includes attributes such as trust, altruism, kindness, affection, and other prosocial behaviors.¹ People who are high in agreeableness tend to be more cooperative while those low in this personality trait tend to be more competitive and sometimes even manipulative.
- **Neuroticism** : is a personality trait characterized by sadness, moodiness, and emotional instability.¹ Individuals who are high in neuroticism tend to experience mood swings, anxiety, irritability, and sadness. Those low in this personality trait tend to be more stable and emotionally resilient.



Trait Theory of Leadership

Desire to achieve

Desire to influence others
for common good

High energy level

Persistence

Task competence



TRAIT THEORY OF
LEADERSHIP

Bass, 1990

Interpersonal skills

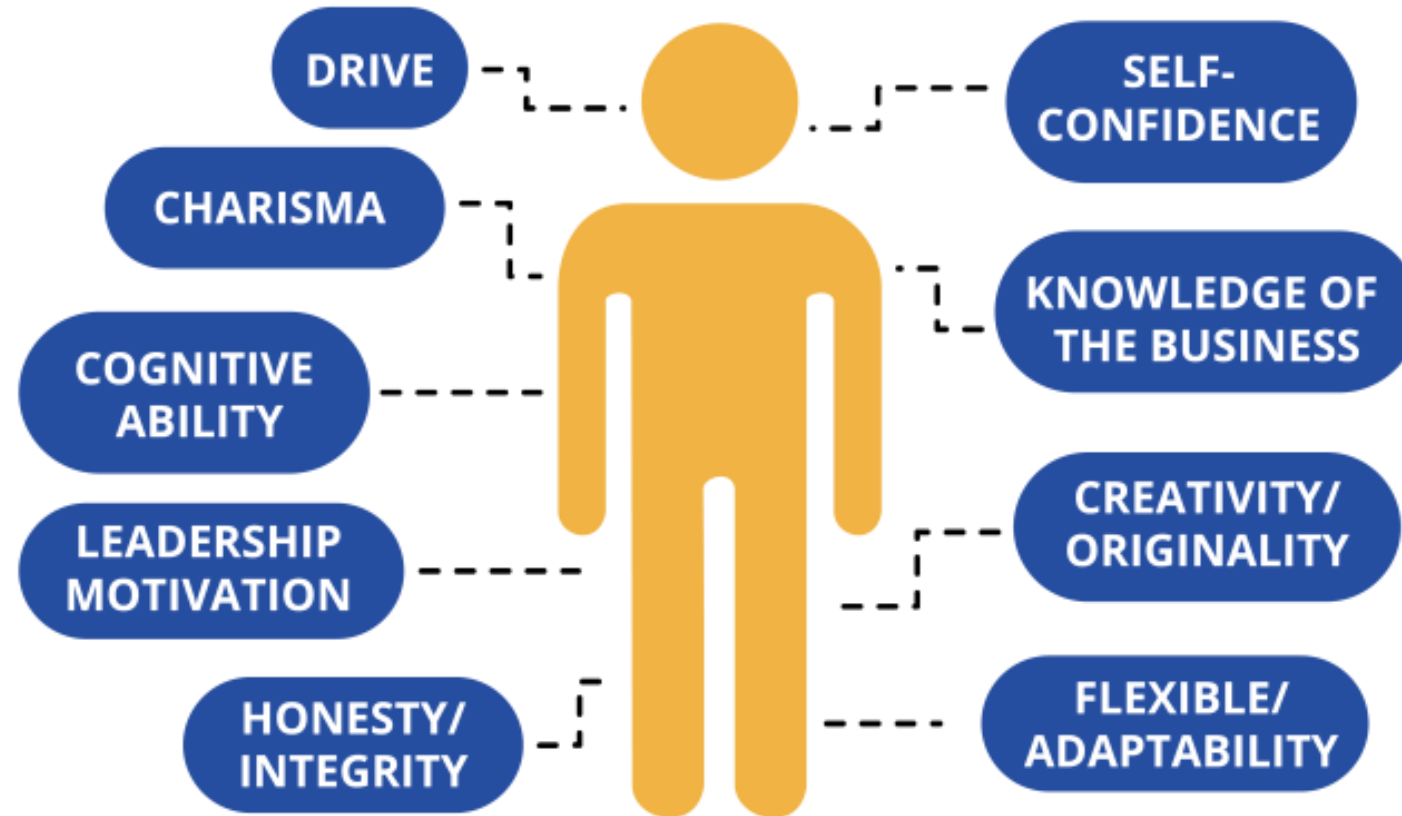
Self-confidence

Willingness to act

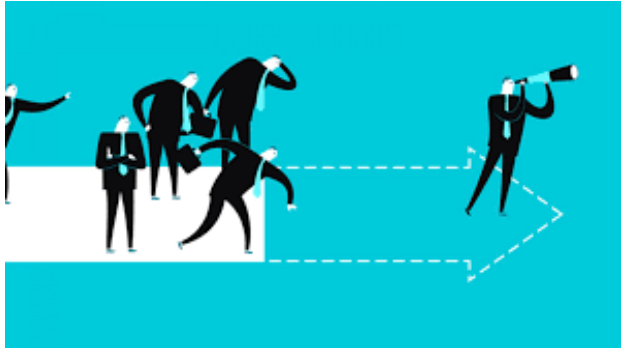
Tolerance for stress

Flexibility

CORE TRAITS OF A LEADER

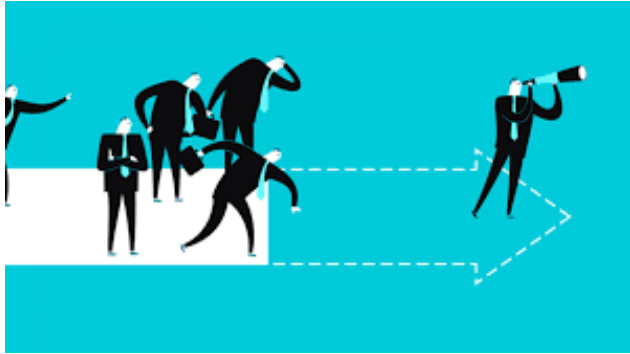


Leadership Traits



- **Adaptability and flexibility:** Effective leaders don't get stuck in a rut. They are able to think outside of the box and adapt quickly to changing situations.
- **Assertiveness:** A great leader is able to be direct and assertive without coming off as overly pushy or aggressive.
- **Capacity to motivate people:** A great leader knows how to inspire others and motivate them to do their best.
- **Courage and resolution:** The best leaders are brave and committed to the goals of the group. They do not hide from challenges.
- **Creativity:** Perhaps most importantly, great leaders not only possess their own creativity, but they are also able to foster creativity among members of the group.
- **Decisiveness:** A great leader is capable of making a decision and is confident in his or her choices.
- **Eagerness to accept responsibility:** Strong leaders take on responsibility and don't pass the blame on to others. They stand by their success and take ownership of their mistakes.
- **Emotional stability:** In addition to being dependable overall, strong leaders are able to control their emotions and avoid overreactions.
- **Intelligence and action-oriented judgment:** Great leaders are smart and make choices that move the group forward.

Leadership Traits



- **Need for achievement:** Strong leaders have a need to succeed and help the group achieve goals. They genuinely care about the success of the group and are committed to helping the group reach these
- **People skills:** Excellent interpersonal skills are essential for leading effectively. Great leaders know how to interact well with other leaders as well as with team members.
- **Perseverance:** Strong leaders stick with it, even when things get difficult or the group faces significant obstacles.
- **Self-confidence:** Many of the best leaders are extremely self-assured. Because they are confident in themselves, followers often begin to share this self-belief.
- **Task competence:** A great leader is skilled and capable. Members of the group are able to look to the leader for an example of how things should be done.
- **Trustworthiness:** Group members need to be able to depend upon and trust the person leading them.
- **Understanding their followers and their needs:** Effective leaders pay attention to group members and genuinely care about helping them succeed. They want each person in the group to succeed and play a role in moving the entire group forward.



10 Qualities of a Good Leader



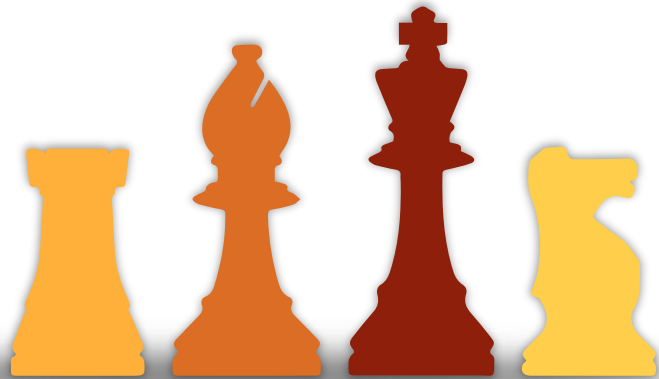
Behavioral Approach

A close-up photograph of a hand moving a white chess king piece on a chessboard. The board is black and white, and other pieces are visible in the background. The lighting is dramatic, with a strong blue tint and a bright orange-red glow at the bottom.

The Behavioral Approach brings psychological, social, and contextual explanations of human behavior to policy design and provides innovative, complementary and usually inexpensive solutions for policy improvement.

Behavioral Approach

Behaviorism emerged early in the 20th century and became a significant force in American psychology. The behavioral approach suggests that the keys to understanding development are observable behavior and external stimuli in the environment. Behaviorism is a theory of learning, and learning theories focus on how we are conditioned to respond to events or stimuli. These theories explain how experience determines behavior.



The Michigan Leadership Studies

Ohio State Leadership Studies

Kurt Lewin , University of Iowa

Leadership Grid

The Michigan Leadership Studies

The Michigan Leadership Studies was a well-known series of leadership studies that commenced at the University of Michigan in the 1950s, intending to identify the principles and types of leadership styles that led to greater productivity and enhanced job satisfaction among workers. The studies identified two broad leadership styles: an employee orientation and a production orientation. They also identified three critical characteristics of effective leaders: task-oriented behavior, relationship-oriented behavior, and participative leadership.

➤ Task-Oriented Behavior

Task-oriented behaviors are directives given to employees to get things done and to ensure that organizational goals are met. People-oriented leader behaviors include showing concern for employee feelings and treating employees with respect.

➤ Relationship-Oriented Behavior

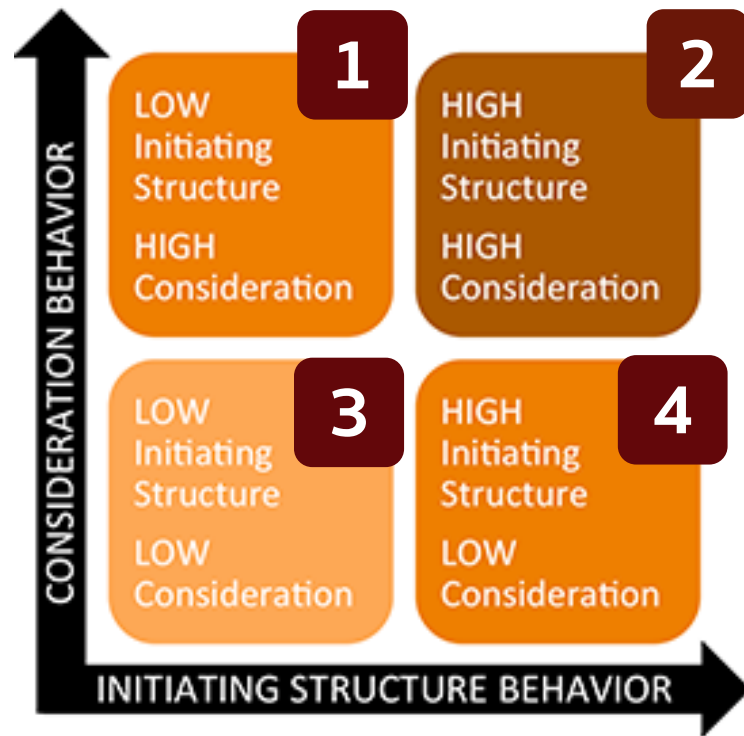
Relationship-oriented (or relationship-focused) leadership is a behavioral approach in which the leader focuses on the satisfaction, motivation and the general well-being of the team members.

➤ Participative Leadership

Participative leadership is a style of leadership in which all members of the organization work together to make decisions. Participative leadership is also known as democratic leadership, as management teams encourage all employees to participate.



Ohio State Leadership Studies



The 4 quadrants in the above figure show various initiating structures and consideration considerations.

In each quadrant, there is a relative mixture of initiating structure and consideration, and a manager can adopt any one style.

Although an early study, this is still often referenced.

Notably, the two factors correlate with the people task division in other studies and preferences.

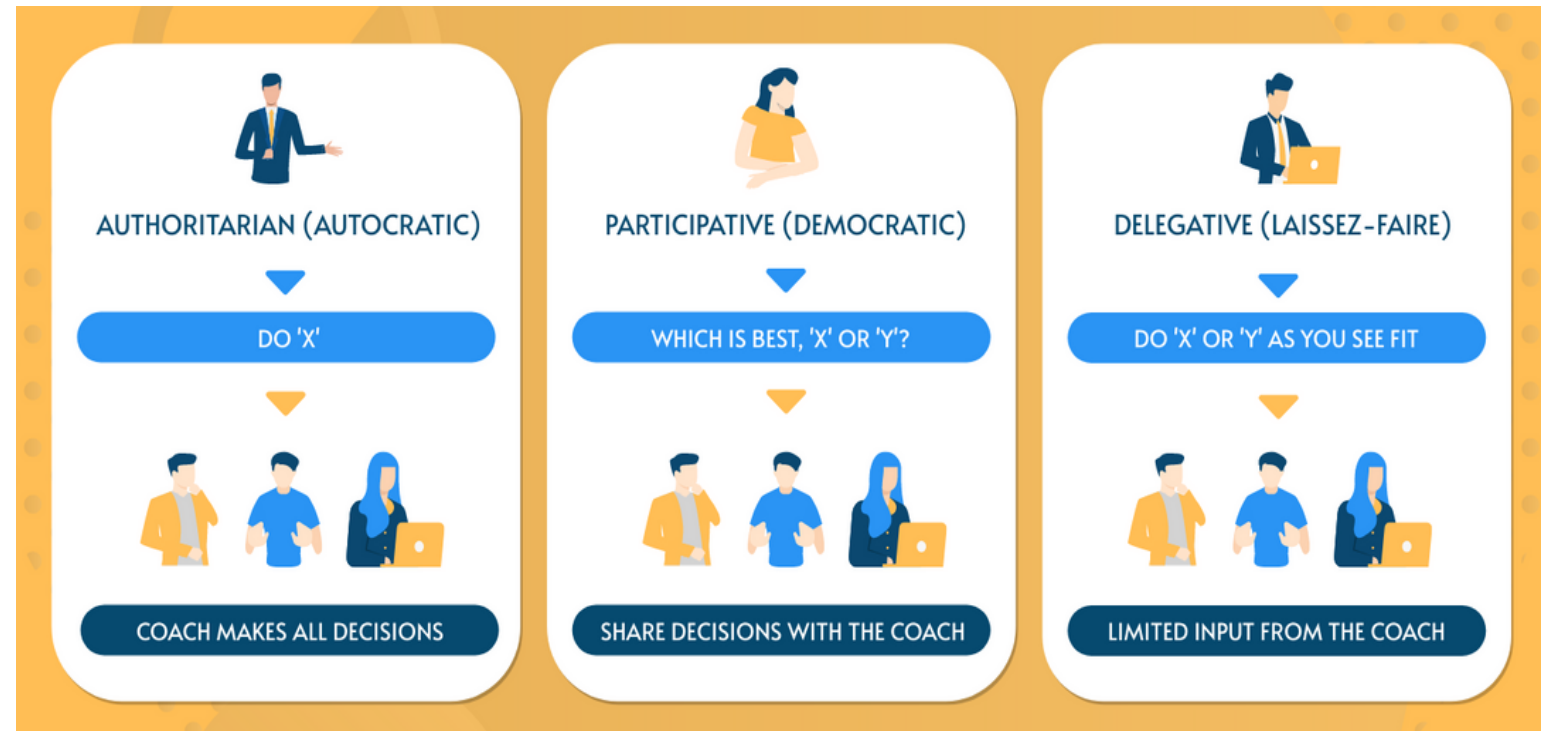
The findings of Ohio State Leadership Studies suggest that effective leaders possess a strong ability to work with others and build a cohesive team balanced with the capability to create a structure within which activities can be accomplished.

- The Ohio State Model of Leader Behavior (also called Ohio State Leadership Studies) is a survey framework on leadership studies conducted by a group of researchers to address the question of how behavior of a leader impacts on members of group's job performance and satisfaction. The findings of Ohio State Leadership Studies suggest that effective leaders possess a strong ability to work with others and build a cohesive team balanced with the capability to create a structure within which activities can be accomplished.

Lewin's Leadership Styles Framework

Kurt Lewin, University of Iowa

- That identified three core styles of leadership, and outlined the effect that each style had on team members. His research also showed that leaders get different results when they lead their teams in different ways.
- Although Lewin conducted this study many decades ago, his findings have influenced many of today's leadership theories and approaches, including transformational leadership (which, we believe, is often the most effective leadership style to use in business).



Lewin's Leadership Styles Framework

AUTOCRATIC LEADERSHIP

The leader makes all the decisions. Increases productivity short-term, but is detrimental to long term engagement, motivation and creativity

DEMOCRATIC LEADERSHIP

The leader involves the entire team in decision-making. Leads to strong engagement, creativity and sustainable productivity even in the absence of the leader. Can be time-consuming

LAISSEZ-FAIRE LEADERSHIP

Hands-off leadership where the team members make all the decisions. Also known as "zero leadership". This can work well in highly skilled and self-motivated teams but is most often detrimental for productivity.



Lewin's Leadership Styles

➤ 1. Authoritarian Leadership (Autocratic)

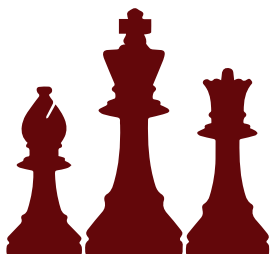
Authoritarian leaders, also known as autocratic leaders, provide clear expectations for what needs to be done, when it should be done, and how it should be done.

This style of leadership is strongly focused on both command by the leader and control of the followers. There is also a clear division between the leader and the members.

Authoritarian leaders make decisions independently with little or no input from the rest of the group.

Researchers found that decision-making was less creative under authoritarian leadership. Lewin also concluded that it is harder to move from an authoritarian style to a democratic style than vice versa. Abuse of this method is usually viewed as controlling, bossy, and dictatorial.

Authoritarian leadership is best applied to situations where there is little time for group decision-making or where the leader is the most knowledgeable member of the group. The autocratic approach can be a good one when the situation calls for rapid decisions and decisive actions.



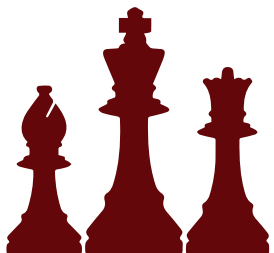
Lewin's Leadership Styles

➤ 2. Participative Leadership (Democratic)

Lewin's study found that participative leadership, also known as democratic leadership, is typically the most effective leadership style.

Democratic leaders offer guidance to group members, but they also participate in the group and allow input from other group members. In Lewin's study, children in this group were less productive than the members of the authoritarian group, but their contributions were of a higher quality.

Participative leaders encourage group members to participate but retain the final say in the decision-making process. Group members feel engaged in the process and are more motivated and creative. Democratic leaders tend to make followers feel like they are an important part of the team, which helps foster commitment to the goals of the group.



Lewin's Leadership Styles

➤ 3. Delegative Leadership (Laissez-Faire)

Delegative leaders offer little or no guidance to group members and leave decision-making up to group members. While this style can be useful in situations involving highly qualified experts, it often leads to poorly defined roles and a lack of motivation.

Lewin noted that laissez-faire leadership tended to result in groups that lacked direction where members blamed each other for mistakes, refused to accept personal responsibility, and produced a lack of progress and work.

However, this style of leadership may be effective in teams that are:

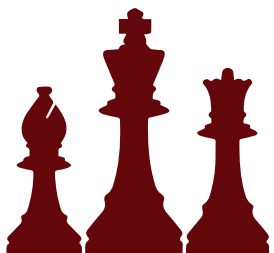
- **Motivated**
- **Highly skilled**
- **Knowledgeable**

There is a high level of trust between the team and the leader. These are often referred to as Self-Managed or Autonomous teams. These teams may not require much direction, and as a leader it is likely they have reached this stage because you have assisted in their development.



Likert's Leadership style

- Rensis Likert established management styles called Likert's management systems in the 1960s. To characterize the interaction, engagement, and roles of managers and subordinates in industrial contexts, he proposed four management systems. He developed the procedures based on research conducted with highly productive managers and their teams at an American insurance company. Later, he and Jane G. Likert altered the methods so that they could be applied in educational contexts. They were created to define the duties of principals, students, and teachers; however, other stakeholders like superintendents, administrators, and parents were subsequently added.
- Rensis Likert and his colleagues at the University of Michigan in the United States studied the patterns and styles of managers for three decades and established a four-fold model of management systems. The model was developed using information from a poll of over 200 managers as well as research into the performance characteristics of various types of firms.



Likert's Leadership style

➤ Exploitative Authoritative System

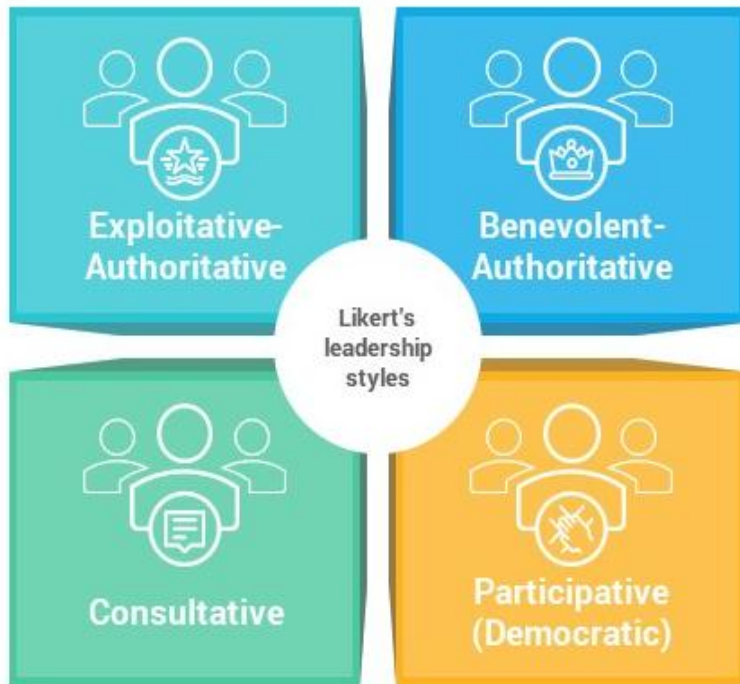
It is the first system in Likert's Leadership Styles. Under this style Likert states that the ultimate power lies in the hands of the top subordinates. The Top management makes the policies and rules and the employees in the lower level are bound to follow the instructions given to them by their superiors. Here, it is observed that the workers at the lower level do not feel free to discuss their work with their superiors. The communication and teamwork in this system are very little.

The leaders in the system of Exploitative authoritative have a lower level of concern for their employees. They use threats or methods that involve fear to achieve their work. The method of threat works well and the employees work efficiently upon entering the organization. The leaders are ignorant of the psychological feelings of the employees and the communication between them is almost nil.

In this type of system, the upper management burdens employees with a heavy workload and they are to finish the work without fail. The monetary benefits and work satisfaction in this type of system is very less.



Likert's Leadership style

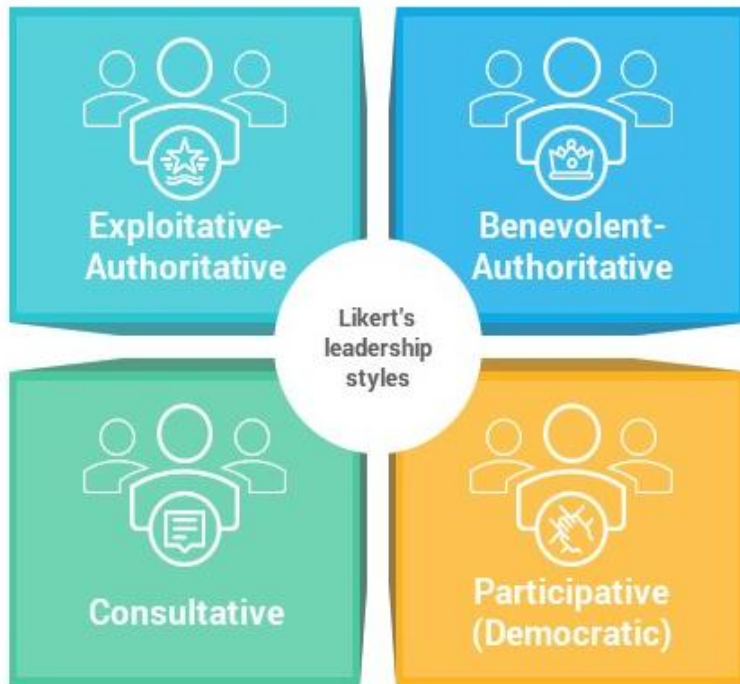


➤ Benevolent Authoritative System

Under this system of Likert's, it is observed that the authority lies in the hands of the managers and not in the hands of the lower-level workers. The superiors have a small amount of confidence and trust in the employees. The superiors have less control over the employees. They do not use methods of threats. However, the employees are rewarded and punished as per their performance in the organization.

In this system of management, the employees are involved in some of the decision making processes. But the ultimate power lies in the hands of the superiors. Here also the communication is very little and the employees do not feel free to share their work experience with the superiors.

Likert's Leadership style

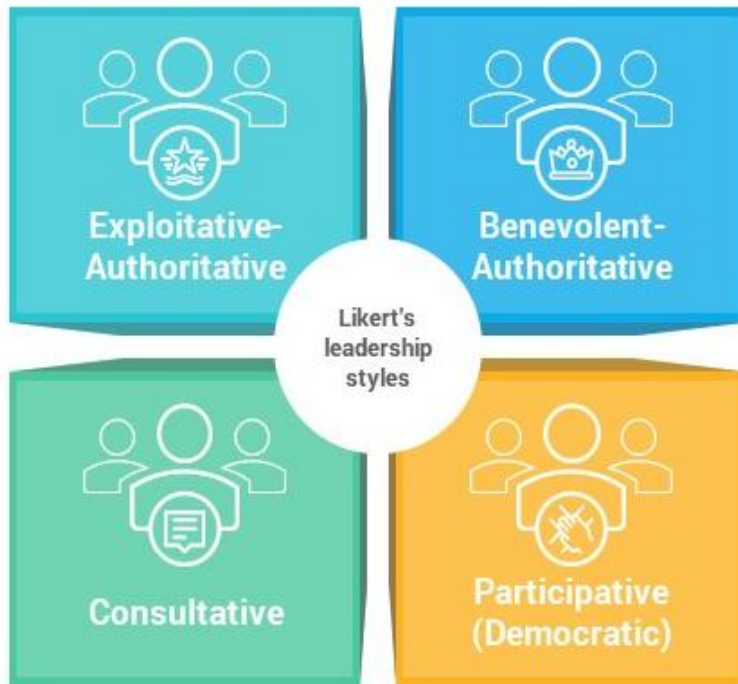


➤ Consultative System

This is the third style of leadership given by Likert. In this system, Likert has stated that responsibility and authority are spread widely throughout the organization. The subordinates in the different levels of the organizations are given different responsibilities. The employees and subordinates work as a team on certain decisions. There is fair communication between the employees and the superiors. However, the power to form policies and rules lies in the hands of the top management.

Under this system, the employees are rewarded for better performance and at the same time, they are also punished for bad performances. The employees are free to communicate with their superiors and subordinates. They can share their work-related issues with the superiors freely. The system promotes a healthy work environment for the employees and motivates them to work efficiently.

Likert's Leadership style

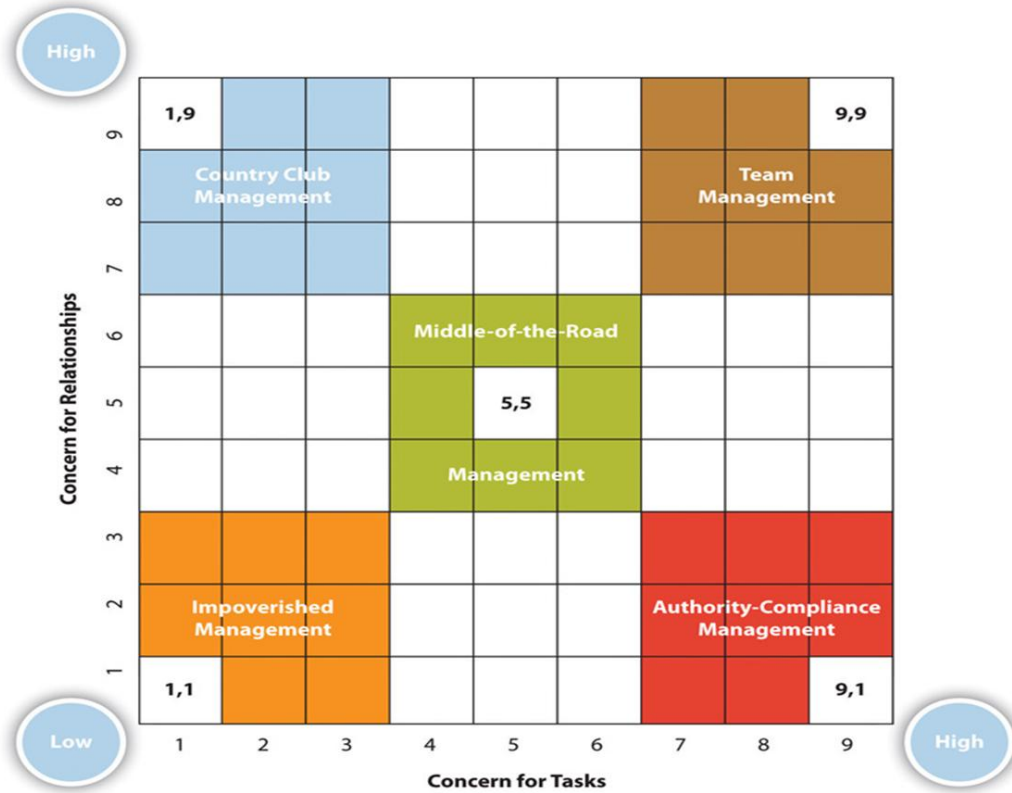


➤ Participative System

This is the last style of leadership given by Likert. Under this style, Likert states that the power and responsibility to achieve the goals of the organization is distributed among all the employees and subordinates in the organization. According to this system, each employee has a certain role to play in the success of the organization. The superiors have the utmost confidence and trust in their employees.

The employees are made to participate in the decision-making process of the organization. The system states that there is a continuous flow of information in both an upward and downward direction. The employees are provided with a healthy work environment and they are motivated continuously by their superiors.

Leadership Grid

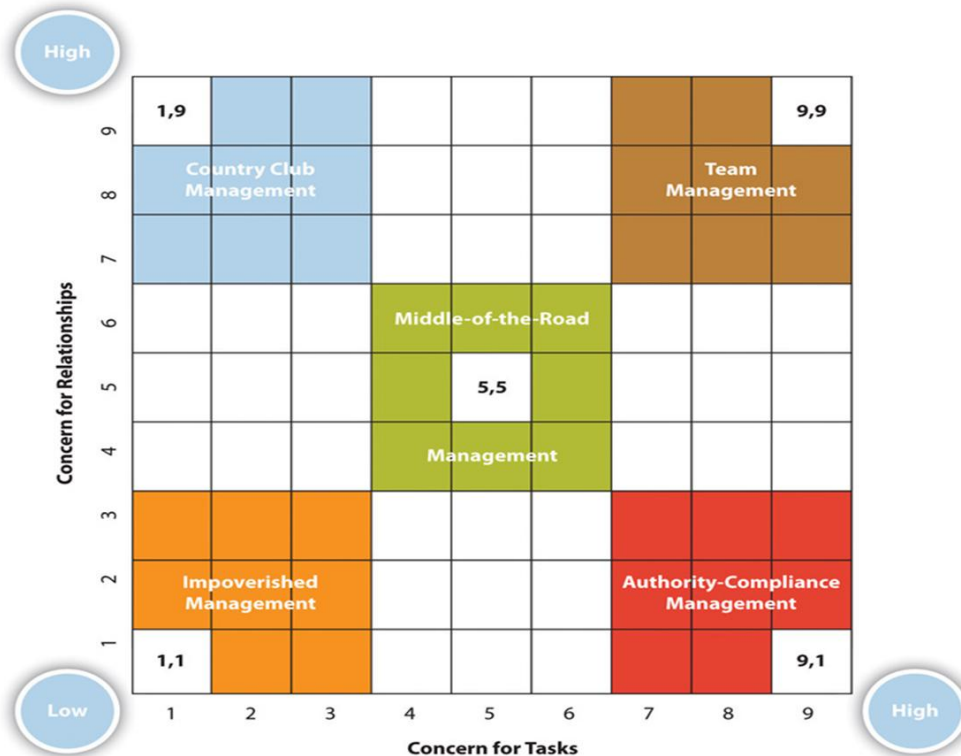


The Leadership Grid is a model of behavioral leadership developed in the 1960s by Robert Blake and Jane Mouton. Previously known as the Managerial Grid, the Leadership Grid is based on two behavioral dimensions: concern for production, which is plotted on the X-axis on a scale from one to nine points; and concern for people, which is plotted on a similar scale along the Y-axis.

The model identified five leadership styles by their relative positions on the grid. The first number in the examples below reflects a leader's concern for production; the second, a leader's concern for people.

- **Impoverished (1,1)**
- **Produce or Perish (9, 1)**
- **Middle of the Road (5, 5)**
- **Country Club (1, 9)**
- **Team (9, 9)**

Leadership Grid



1,9

Country club management

This leadership style is so-called because it focuses mostly on ensuring happy employees rather than business results. You might find a relaxed and fun workplace with less-than-ideal productivity. Country club management often develops when the manager believes ensuring all employees are happy and secure results in the best outcome for the organization.

9,1

Authority Management

the manager focuses on receiving the best results for the organization with little regard for their employees. Management style include strict work rules and managers who don't consult with others.

1,1

Impoverished management

In this management style, the manager has little concern for results or their employees. This typically leads to outcomes such as a lack of team motivation or ineffective working systems. focuses more on preserving their role within the organization, rather than focusing on others or taking actions to improve the organization.

9,9

Team management

the manager focuses equally on achieving the best results and ensuring their team members are happy within their positions. Managers work to motivate their employees to be productive, while still creating an enjoyable work environment. One way managers do this is by involving their employees in decision-making and helping everyone feel like they're part of the team.

5,5

Middle-of-the-road management

the manager tries to balance both production results and employee happiness but doesn't fully reach either goal. This often occurs when the manager doesn't properly motivate their team or makes compromises that don't benefit the business. As a result, the manager doesn't achieve maximum productivity or team performance.





Lesson 5

Organization Development

Organization Development

- Organization development (OD) is an effort that focuses on improving an organization's capability through the alignment of strategy, structure, people, rewards, metrics, and management processes. It is a science-backed, interdisciplinary field rooted in psychology, culture, innovation, social sciences, adult education, human resource management, change management, organization behavior, and research analysis and design, among others.
- Organization development involves an ongoing, systematic, long-range process of driving organizational effectiveness, solving problems, and improving organizational performance. It is also one of the capabilities identified in the Talent Development Capability Model.

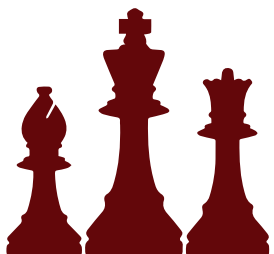


Organization Development (OD)

Organizational development is a critical and science-based process that helps organizations build their capacity to change and achieve greater effectiveness by developing, improving, and reinforcing strategies, structures, and processes.

There are a few elements in this definition (adapted from Cummings & Worley, 2009) that stand out.

- **Critical and science-based process.** OD is an evidence-based and structured process. It is not about trying something out and seeing what happens. It is about using scientific findings as input and creating a structured and controlled process in which assumptions are tested. Lastly, it is about testing if the outcomes reflect the intention of the intervention.
- **Build capacity to change and achieve greater effectiveness.** Organizational development is aimed at organizational effectiveness. It, therefore, has a number of (business) outcomes. These can differ between organizations, but usually, they do include financial performance, customer satisfaction, organizational member engagement, and an increased capacity to adapt and renew the organization.
- **Developing, improving, and reinforcing strategies, structures, and processes.** The last part of our definition states that organizational development applies to changes in strategy, structure, and/or processes. This implies a system-approach, where we focus on an entire organizational system. This can include the full organization, one or more locations, or a single department.



Organization Development (OD)

Organizational design has become more crucial over time. Today's world is characterized by Volatility, Uncertainty, Complexity, and Ambiguity (VUCA). This VUCA world requires new agility from organizations, and organizational development is the means to that end.

Volatility

Volatility refers to the speed, volume, nature, magnitude of a phenomenon that may or may not be in a pattern form. Volatility increases complexity.

Complexity

Complexity describes the amount of different states a system can get into at a certain point in time. The more states a system can get into, the higher its complexity and the harder it gets to manage it.

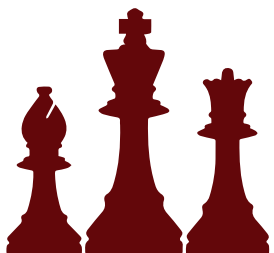


Uncertainty

Uncertainty occurs when there are no concrete trends or patterns, which makes it difficult to establish what will happen next and base decision on it.

Ambiguity

Ambiguity describes a situation where multiple interpretations are permitted and equally valid. This makes it hard to decide what to do in order to achieve a desired outcome.



Organization Development Initiatives



Organization Development Initiatives

Human Process Interventions

- Individual interventions
- Group interventions
- Team building
- Intergroup relations interventions

HR Management Interventions

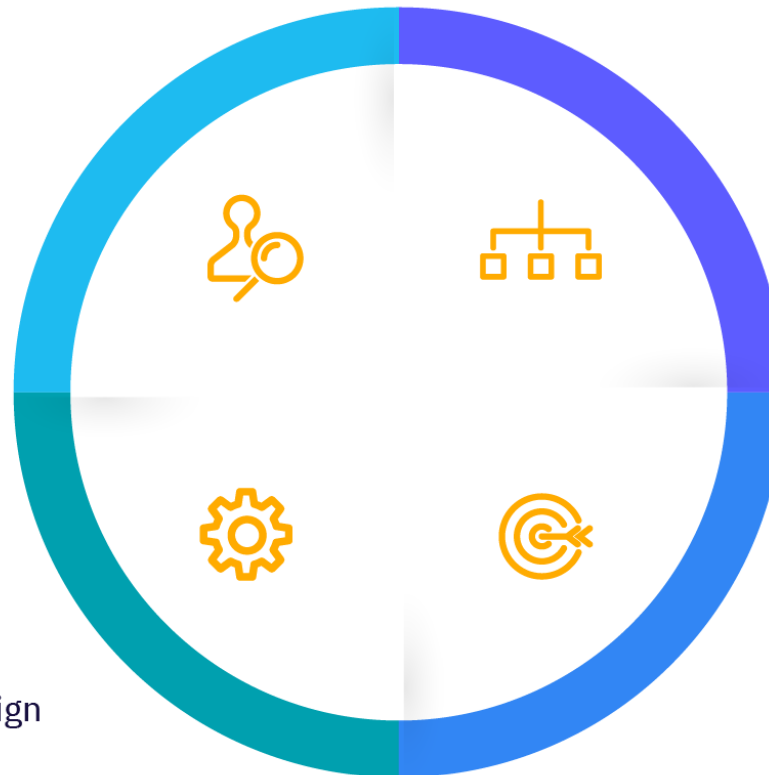
- Performance management
- Developing talent
- Diversity interventions
- Wellness interventions

Technostructural Interventions

- Organizational (structural) design
- Total quality management
- Work design
- Job enrichment

Strategic Change Interventions

- Transformational change
- Continuous change
- Transorganizational change

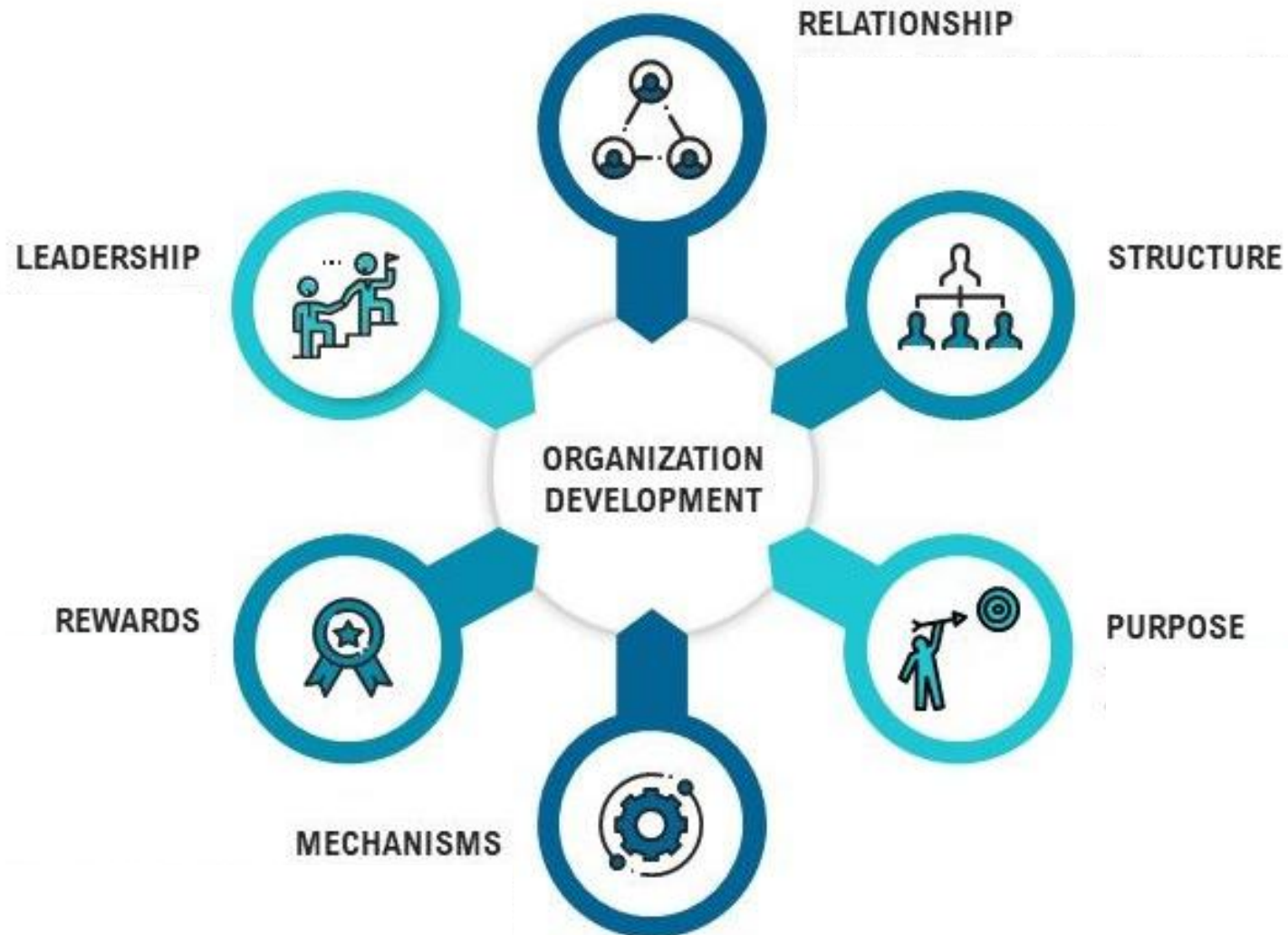


Organization Development Initiatives

- Human process initiatives that include team building, interpersonal and group process approaches, and coaching
- Techno-structural initiatives that include restructuring organizations (for example, mergers and acquisitions, flexible work design, downsizing, business process engineering, total quality management, quality of work life, Six Sigma, and Agile)
- Human resource management initiatives that include employee engagement, employee experience, performance management, employee development, succession planning, coaching and mentoring, career development, and diversity awareness
- Strategic initiatives that include organization transformation, culture change, leadership development, and attraction and retention initiatives.



Concept of Organization Development



ORGANIZATION DEVELOPMENT STRATEGY: Five Phases to Designing and Implementing



ENTRY

Exploring the problem, opportunities, or situation. Output is an engagement contract or project plan with expectations and agreement on scope.

DIAGNOSIS

The fact-finding phase. A data collection process where information is gathered, analyzed, and reviewed.

FEEDBACK

Exploring information for understanding, clarity, and accuracy. Output is an action plan that outlines the change solutions to be developed, and defined success indicators based on the information and data analysis.

SOLUTION

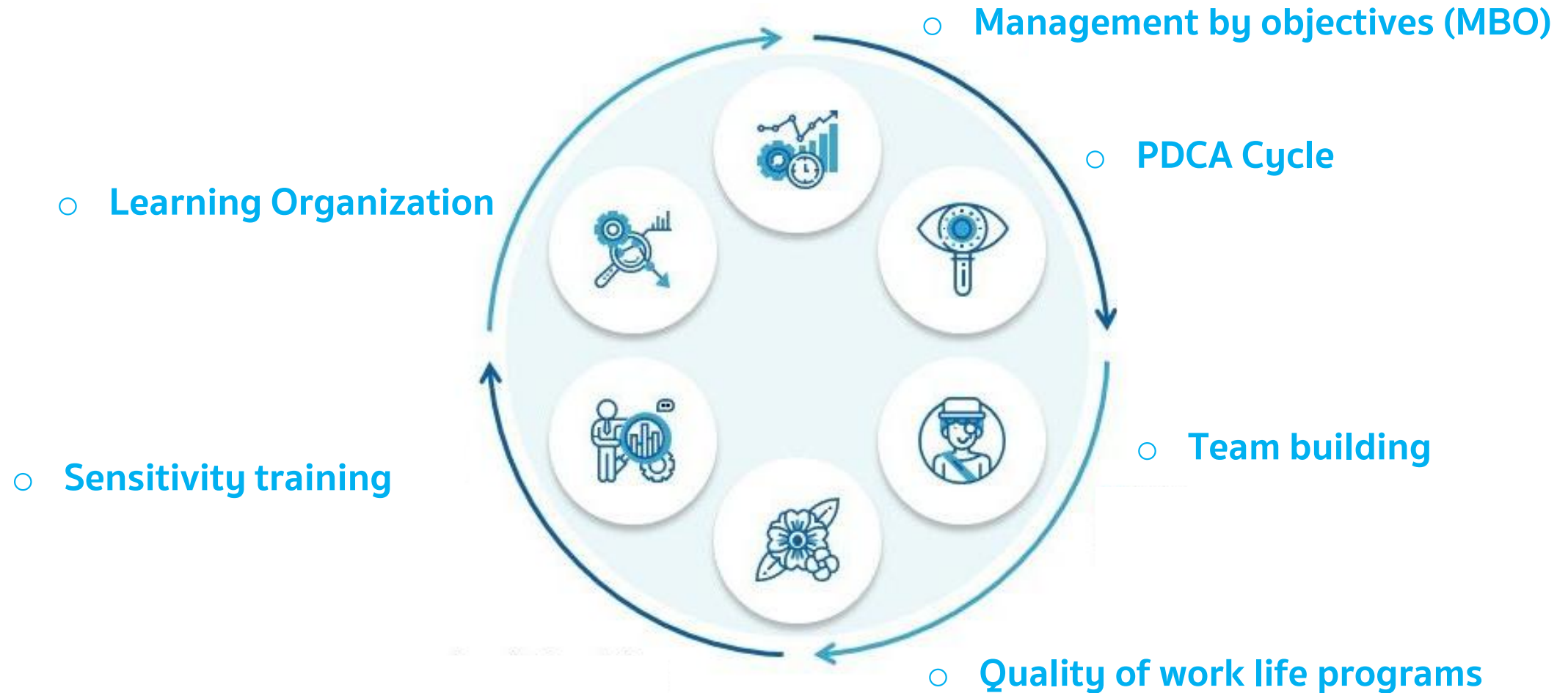
Correcting the problem, closing gaps, improving, or enhancing performance, or seizing opportunities. Output is a plan or suggested training course curriculum.

EVALUATION

Collecting data to determine if the initiative is meeting goals and achieving defined success indicators. Output is an evaluation report with recommendations for continuous improvement.



Organization Development Techniques





Management by Objective (MBO)

Management by objectives (MBO)

- Management by objectives (MBO) is a process in which a manager and an employee agree on specific performance goals and then develop a plan to reach them.
- It is designed to align objectives throughout an organization and boost employee participation and commitment.
- There are five steps: Define objectives, share them with employees, encourage employees to participate, monitor progress, and finally, evaluate performance and reward achievements.
- Critics of MBO argue that it leads to employees trying to achieve the set goals by any means necessary, often at the cost of the company.
- Management by objectives (MBO) is a strategic management model that aims to improve the performance of an organization by clearly defining objectives that are agreed to by both management and employees. According to the theory, having a say in goal setting and action plans encourages participation and commitment among employees, as well as aligning objectives across the organization.



Understanding Management by Objectives (MBO)

- Management by objectives (also known as management by planning) is the establishment of a management information system (MIS) to compare actual performance and achievements with the defined objectives. Practitioners claim that the major benefits of MBO are that it improves employee motivation and commitment and allows for better communication between management and employees.
- However, a cited weakness of MBO is that it unduly emphasizes the setting of goals to attain objectives, rather than working on a systematic plan to do so. Critics of MBO, such as W. Edwards Deming, argue that setting particular goals like production targets leads workers to meet those targets by any means necessary, including shortcuts that result in poor quality.



PETER F.
DRUCKER

“The dean of this country’s business and management philosophers.”

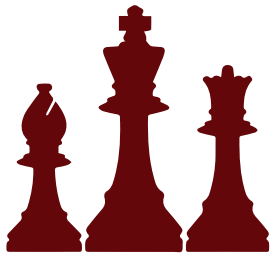
—*Wall Street Journal*

The Practice of Management



Management by objectives (MBO)

- In his book that coined the term, Peter Drucker set forth several principles for MBO. Objectives are laid out with the help of employees and are meant to be challenging but achievable. Employees receive daily feedback, and the focus is on rewards rather than punishment. Personal growth and development are emphasized, rather than negativity for failing to reach objectives.
- MBO is not a cure-all but a tool to be utilized. It gives organizations a process, with many practitioners claiming that the success of MBO is dependent on the support from top management, clearly outlined objectives, and trained managers who can implement it.



Management by Objectives (MBO) in 5 Steps



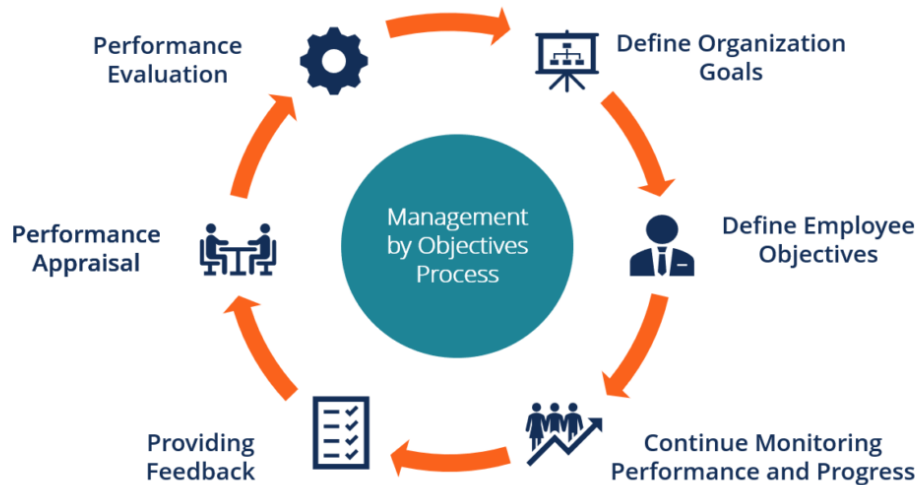
MBO outlines five steps that organizations should use to put the management technique into practice.

- Either determine or revise organizational objectives for the entire company. This broad overview should be derived from the firm's mission and vision.
- Translate the organizational objectives to employees. In 1981, George T. Doran used the acronym SMART (specific, measurable, acceptable, realistic, time-bound) to express the concept.
- Stimulate the participation of employees in setting individual objectives. After the organization's objectives are shared with employees from the top to the bottom, employees should be encouraged to help set their own objectives to achieve these larger organizational objectives. This gives employees greater motivation since they have greater empowerment.
- Monitor the progress of employees. In step two, a key component of the objectives was that they are measurable for employees and managers to determine how well they are met.
- Evaluate and reward employee progress. This step includes honest feedback on what was achieved and not achieved for each employee.

Steps in Management by Objectives Process



Steps in Management by Objectives Process



- **1. Define organization goals :** Setting objectives is not only critical to the success of any company, but it also serves a variety of purposes. It needs to include several different types of managers in setting goals. The objectives set by the supervisors are provisional, based on an interpretation and evaluation of what the company can and should achieve within a specified time.
- **2. Define employee objectives :** Once the employees are briefed about the general objectives, plan, and the strategies to follow, the managers can start working with their subordinates on establishing their personal objectives. This will be a one-on-one discussion where the subordinates will let the managers know about their targets and which goals they can accomplish within a specific time and with what resources. They can then share some tentative thoughts about which goals the organization or department can find feasible.
- **3. Continuous monitoring performance and progress :** Though the management by objectives approach is necessary for increasing the effectiveness of managers, it is equally essential for monitoring the performance and progress of each employee in the organization.

Steps in Management by Objectives Process



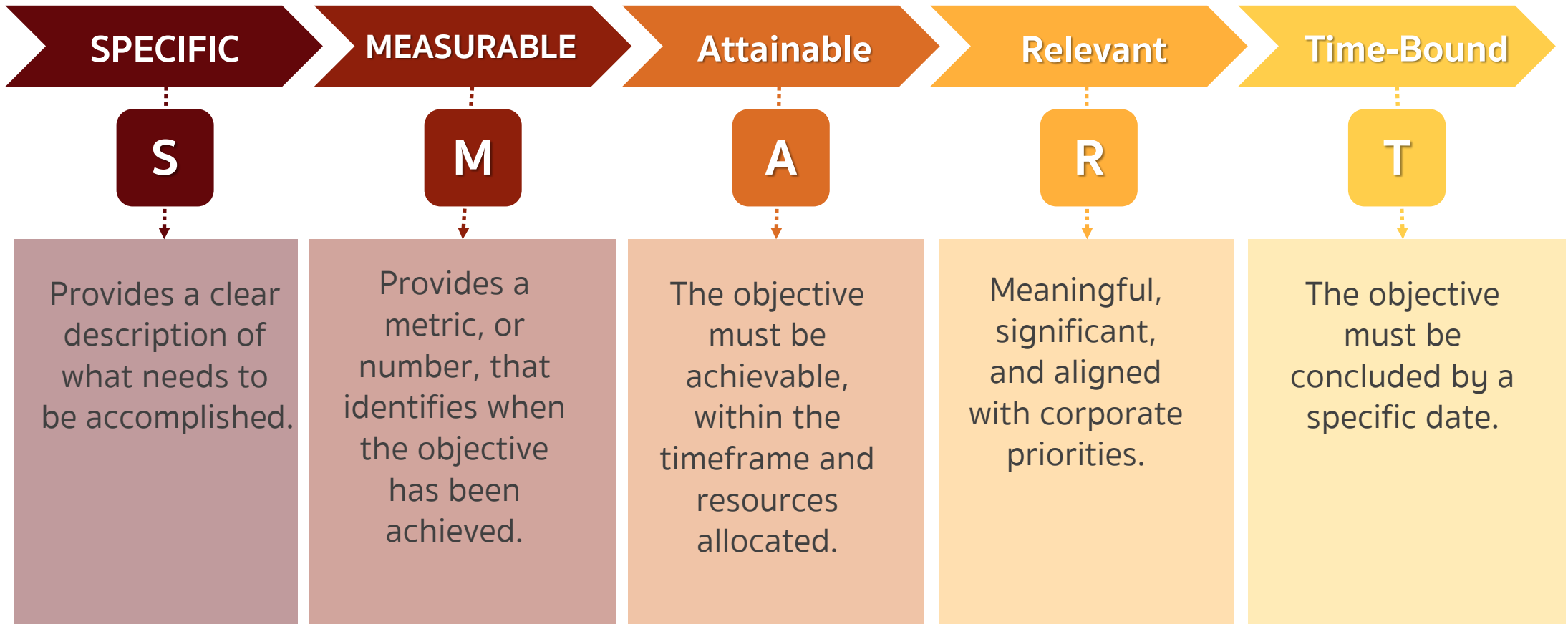
- **4. Performance evaluation** : Within the MBO framework, the performance review is achieved by the participation of the managers concerned.
- **5. Providing feedback** : In the management by objectives approach, the most essential step is the continuous feedback on the results and objectives, as it enables the employees to track and make corrections to their actions. The ongoing feedback is complemented by frequent formal evaluation meetings in which superiors and subordinates may discuss progress towards objectives, leading to more feedback.
- **6. Performance appraisal** : Performance reviews are a routine review of the success of employees within MBO organizations.

The goal of management by objectives (MBO)

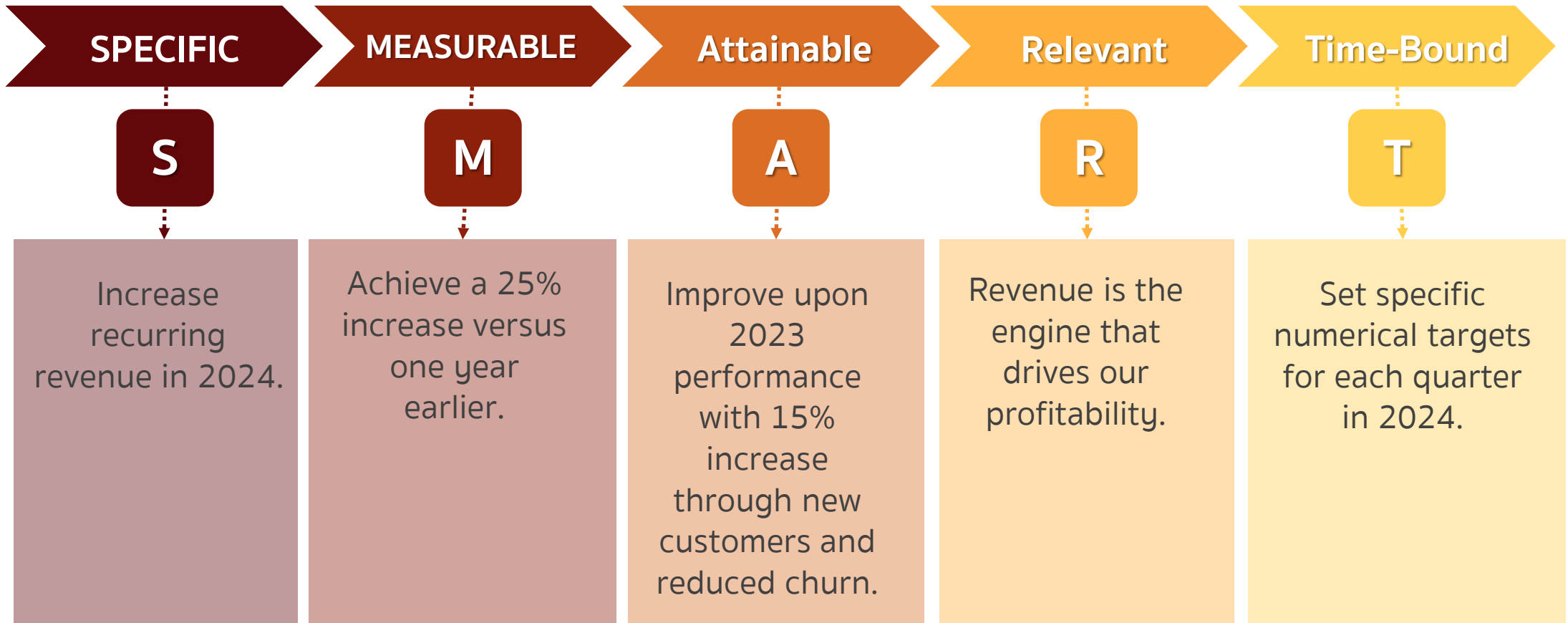


- Management by objectives (MBO) uses a set of quantifiable or objective standards against which to measure the performance of a company and its employees. By comparing actual productivity to a given set of standards, managers can identify problem areas and improve efficiency. Both management and workers know and agree to these standards and their objectives.

SMART Goal



Examples of SMART goals.



Advantages and Disadvantages of Management by Objectives (MBO)

Advantages

- Employees take pride in their work and are assigned goals they know they can achieve that match their strengths, skills, and educational experiences.
- Assigning tailored goals brings a sense of importance to employees, boosting their output and loyalty to the company.
- Communication between management and employees is increased.
- Management can create goals that lead to the success of the company.

Disadvantages

- As MBO is focused on goals and targets, it often ignores other parts of a company, such as the culture of conduct, a healthy work ethos, and areas for involvement and contribution.
- Strain is increased on employees to meet the goals in a specified time frame.
- Employees are encouraged to meet targets by any means necessary, meaning that shortcuts could be taken and the quality of work compromised.
- If management solely relies on MBO for all management responsibilities, it can be problematic for areas that don't fit under MBO.



Benefits of Management by Objectives



- Management by objectives helps employees appreciate their on-the-job roles and responsibilities.
- The Key Result Areas (KRAs) planned are specific to each employee, depending on their interest, educational qualification, and specialization.
- The MBO approach usually results in better teamwork and communication.
- It provides the employees with a clear understanding of what is expected of them. The supervisors set goals for every member of the team, and every employee is provided with a list of unique tasks.
- Every employee is assigned unique goals. Hence, each employee feels indispensable to the organization and eventually develops a sense of loyalty to the organization.
- Managers help ensure that subordinates' goals are related to the objectives of the organization.



Limitations of Management by Objectives



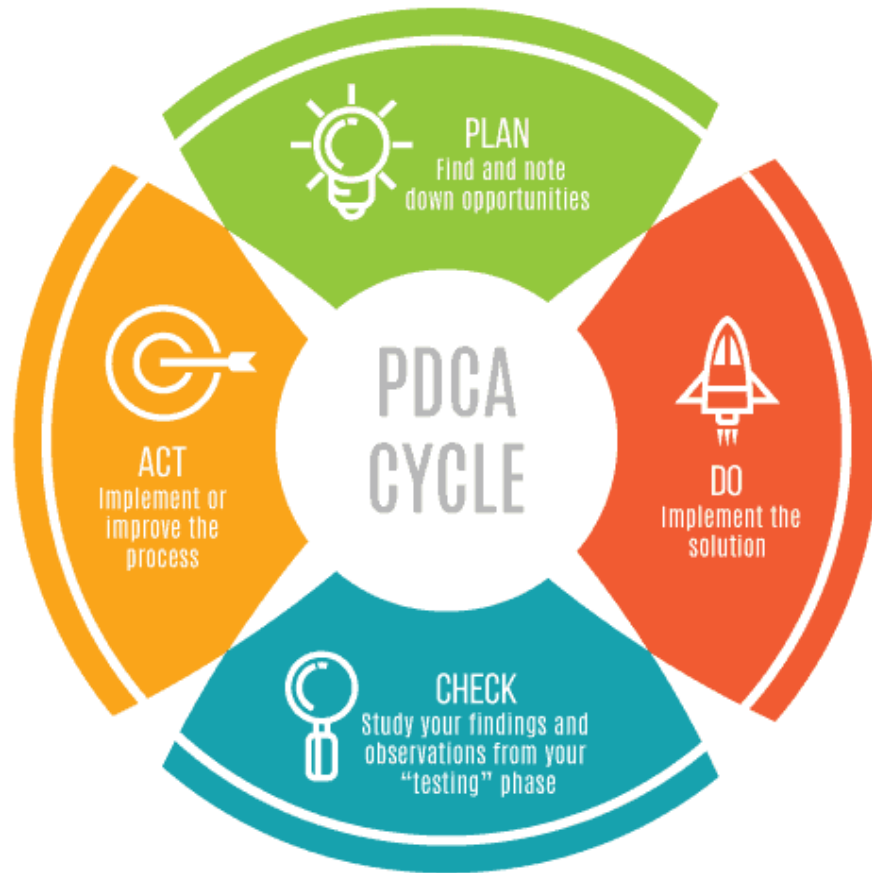
- Management by objectives often ignores the organization's existing ethos and working conditions.
- More emphasis is given on goals and targets. The managers put constant pressure on the employees to accomplish their goals and forget about the use of MBO for involvement, willingness to contribute, and growth of management.
- The managers sometimes over-emphasize the target setting, as compared to operational issues, as a generator of success.
- The MBO approach does not emphasize the significance of the context wherein the goals are set. The context encompasses everything from resource availability and efficiency to relative buy-in from the leadership and stakeholders.
- Finally, there is a tendency for many managers to see management by objectives as a total system that can handle all management issues once installed. The overdependence may impose problems on the MBO system that it is not prepared to tackle, and that frustrates any potentially positive effects on the issues it is supposed to deal with.





Deming Cycle (PDCA)

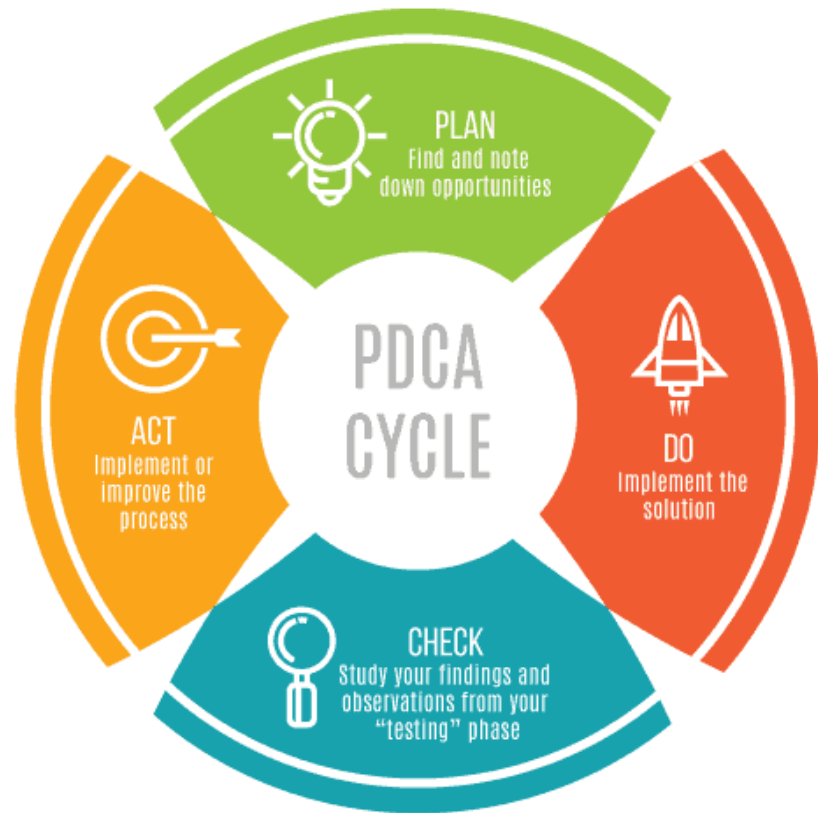
Deming Cycle (PDCA)



Deming Cycle can be defined as a set of four, logically connected, repetitive steps – Plan, Do, Check (Study), Act – that help in continuous quality improvement and learning.

The Deming Cycle is also known as the PDCA Cycle or PDSA (Plan, Do, Study, Act) Cycle and is an altered version of the Shewart Cycle – Plan, Do See – that had been around since it was introduced by statistics expert Mr Walter A. Shewart in the 1920s.

Deming Cycle (PDCA)



- **Plan:** Find and note down opportunities; Analyze problems that are present; Plan changes and steps to be made to your findings and problems
- **Do:** Implement the solution (ideally, on a smaller scale or a controlled testbed) & note down observations and findings
- **Check:** Study your findings and observations from your "testing" phase & make changes to the steps as necessary
- **Act:** Implement or improve the process

Deming Cycle (PDCA)

➤ Act

This is the final phase where the recommended changes and tested processes are finally implemented in their entirety.

But, though this is the final process the cycle does not end here. In case there are further changes to be made, observations from this step are to be taken and the cycle is to be restarted once again.

➤ Check

This stage involves checking the results obtained from your trial runs for changes and improvements. If there are still issues or problems arising, then find out the causes and come up with a better solution.

This might seem trivial at first but checking helps avoid further mistakes down the line and when the changes are implemented on a larger scale.



➤ Plan

This stage involves planning the end goal and the process to be followed to reach it. In case you are looking to improve or solve a problem in an existing process, this is where you gather all the necessary information and steps that might help resolve the issue.

This stage involves a lot of analysis to find out the causes and fixes for the issues you are currently facing.

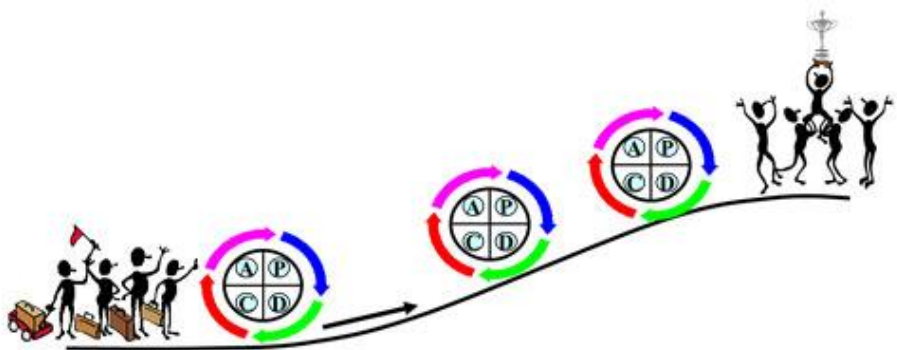
➤ Do

This stage involves implementing the fixes and solutions that materialized during the planning stage. As a precautionary measure, it is recommended to implement the changes on a smaller scale, as a test, to find out whether the solution proves to be useful or not.

This is where you can benefit from setting up and implementing your changes in a small, controlled test environment. This not only helps give provide insight into the effectiveness of changes but also better understand “why” the outcome improved.

Benefits of PDCA Cycle

- The PDCA Cycle (or Deming Cycle) helps reduce problems into smaller chunks, making it easier to tackle
- It helps in the development of new products, services, process and solutions
- It can be applied for most businesses and industries – however small or big it might be
- It is a flexible model – you are free to use the methods and process for coming up with results in all of the four steps
- It helps promote the continuous development of the established systems and processes



PDCA Cycle is a simple yet straightforward group of steps that can drastically help in improving your quality standards by either providing newer solutions or solving existing problems in your business or company.

Not only that, but the PDCA Cycle (or Deming Cycle) can also be applied to life as well – it can be used by one to improve on a personal basis too.



Lesson 6

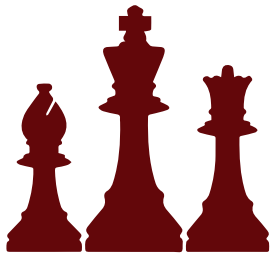
Team work & Team building



Team work & Team building

Team work & Team building

- Team building and team working bring colleagues together to work more effectively and accomplish goals. Companies can build strong teams by listening to employees' needs and understanding what their strengths and weaknesses are. Working together to meet similar objectives can increase job satisfaction, improve productivity and contribute to the growth of an organization.
- Team building and team working involve different aims, but they have similarities as well. Both activities help members within an organization reach specific goals, they just do it differently. Here are some similarities and differences between team building and team working



Team work vs. Team building

Purpose

- The purpose of team building is to create a team so that teamwork can take place. It allows organizations to develop diverse teams made up of members who can work together toward the same goals in different ways. Team-building activities serve the purpose of bringing team members together and boosting morale to increase motivation.
- Team working takes place once team building has already occurred. Once an organization establishes a team, members discuss solutions to current challenges and how each one can help. They then complete their own tasks independently, so their combined outcomes have a positive effect on the team and the company.



Team work vs. Team building

Structure

- The structure of a company's team-building exercises determines the structure of the assembled team. Activities companies use to build teams vary based on their primary goals.
- Team working structure depends on the results of the team-building exercises, why the organization created the team and the dynamics of the members. Some structures are organic or flat, with flexible roles that may overlap. Mechanistic structures have an established hierarchy with few leaders and defined positions.

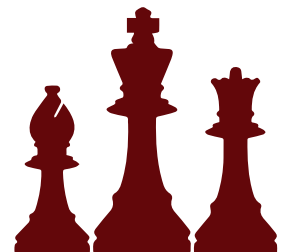


Team work vs. Team building

Strategy

○ The strategy for team building centers on developing a team that works together successfully. Ensuring a solid foundation for a team involves creating teamwork strategies that encourage team members to work together productively. Steps organizations can take to build strong teams include:

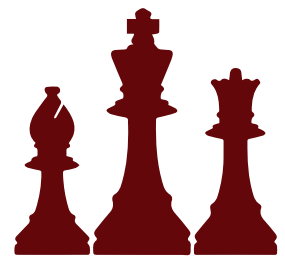
- Define the team's purpose.
- Assemble a team based on necessary roles.
- Build trust among team members.
- Be clear about expectations.
- Evaluate performance regularly.
- Provide constructive feedback.



Team work vs. Team building

Collaboration

- Collaboration between members is important in both team building and team working. To encourage collaboration during team working, organizations provide their teams with resources they can use to brainstorm, share and expand on ideas. Many companies use digital resources to help teams collaborate effectively. These may include video conferencing and messaging programs, work management software and cloud-based productivity tools.
- To encourage collaboration when building a team, organizations consider the roles the team needs to reach its goals.



Team work vs. Team building

Objectives

- Team working and team building objectives are different, and each relates to their purpose. The objectives of team building emphasize the interconnection between team members. They include communication, engagement, trust and bonding.
- Team working objectives focus on how well the team meets goals. They vary by team, but organizations typically have similar frameworks for measuring efficacy. They may include factors such as:
 - Productivity
 - Participation
 - Job satisfaction
 - Retention
 - Conflict resolution
 - Goal completion



Team building



- Team building is the creation of a team selected based on the members' individual skills and their ability to complement each other to create positive outcomes. It also involves engaging these team members in activities that increase their cohesiveness by teaching them to balance each other's skills.
- Team building has an important role in the workplace because it functions as the first step toward team working. Examples of team-building activities include office games, community service and company outings.



The characteristics of a successful team

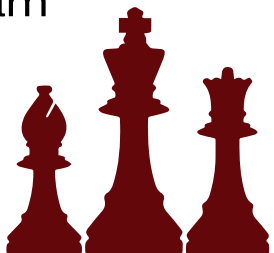
Successful teams encourage team members to share ideas, consider solutions and solve problems together. Good teams benefit individual members by offering added support and opportunities for development. Successful teams typically have the following characteristics:

- **Goal-oriented mindset:** The most effective teams set, implement and track goals together to increase efficiency and improve productivity.
- **Commitment to their roles:** Individuals working in roles based on their strengths and expertise are often highly motivated.
- **Open to learning:** Some teams may adjust roles and responsibilities due to the needs of a project or task. Team members who are interested in challenging their skills and learning to complete new individual tasks encourage professional growth.



The characteristics of a successful team

- **Diverse perspectives and experiences:** Since diversity tends to encourage creativity and innovation, teams with the largest spectrum of experiences and opinions have the potential to perform at their best.
- **Shared culture:** Whether it is a company culture or group culture, teams who are united by a singular mission or set of values are often more motivated.
- **Responsibility and accountability:** When teams share a set of values and goals, each team member can be held to the same standard.
- **Clear communication:** Good teams brainstorm solutions, provide status updates and complete tasks.
- **An effective leader:** Leaders who provide clear direction and encourage team members to succeed are typically managing successful teams.



Team working



- Team working is collaborating within a group to achieve common goals. Also known as teamwork, team working refers to the methods teams use to meet their objectives. When teams strategize well, they may accomplish more together than they could independently.
- Team working has an important role in organizations because many businesses rely on members of certain departments, such as marketing or accounting, to use their individual skills and knowledge to work toward the same goals. Teams that work well together have many features in common, such as:

- Clear responsibilities
- Open communication between members
- Minimal competition
- Inclusiveness in decision-making
- Support and respect for one another
- Accountability for roles and actions



Teamwork Skills

- Teamwork skills are essential to your success at work, no matter your industry or job title. Working well with clients, colleagues, managers and other people in your workplace can help you complete tasks efficiently while creating an enjoyable environment both for yourself and others. An organization that emphasizes good teamwork skills is typically a healthy, high-functioning workplace.
- Teamwork skills are the qualities and abilities that allow you to work well with others during conversations, projects, meetings or other collaborations. Having teamwork skills is dependent on your ability to communicate well, actively listen and be responsible and honest. There are many other additional soft skills that can help you be an exceptional teammate at work that we will discuss more below.



Teamwork Skills

- **Communication:** The ability to communicate in a clear, efficient way is a critical teamwork skill. When working with others, it is important that you share relevant thoughts, ideas and key information. There are many different types of communication skills including both verbal and nonverbal.
- **Responsibility:** Within the dynamic of teamwork, it is important that the parties involved both understand the work they are responsible for and make the effort to complete said tasks on time and up to the expected standard. With the entire team functioning properly by taking responsibility for their own work, they can work together towards a common goal.
- **Honesty:** Practicing honesty and transparency at work might mean working through a disagreement, explaining that you were not able to complete a certain task on time or sharing difficult updates. Without transparency, it can be difficult for a team to develop trust and therefore work together efficiently.



Teamwork Skills

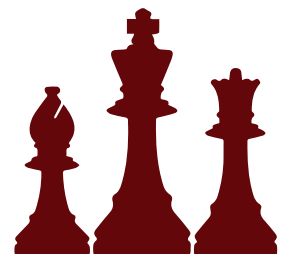
- **Active listening:** Much like communication, active listening skills can help a team to understand and trust each other. Active listening is the act of making an effort to focus intently on one person as they share their ideas, thoughts or feelings. You might also ask follow-up questions to dig deeper into what they are communicating.
- **Empathy:** Having empathy for your teammates can allow you to better understand their motives and feelings. Taking the time to listen and understand how others think and work can help you to communicate with them in the right ways.
- **Collaboration:** Teamwork exists so that a group of individuals with a diverse set of skills and talents can work together towards a common goal. It is crucial to work with other teammates to share ideas, improve each other's work and help one another to form a good team.
- **Awareness:** In teamwork, it is important that you hone your ability to be aware of the team dynamic at all times.



Collaboration Skills

- Collaboration skills are essential for nearly every role and industry. You can develop these skills in various ways to help you find increased success in your position. Understanding how to cooperate well with others can support workplace efficiency, aid your career advancement and help you and your team achieve better outcomes.
- In the workplace, collaboration occurs when two or more individuals work together toward a common goal benefiting the team or company. Collaboration skills are what enable you to work well with others. When people work together toward a common goal, they use their experiences and skills to solve problems, learn from each other and contribute to the goal's success. Collaboration occurs in many ways, and using your collaboration skills to connect your team can help them accomplish personal and company goals.

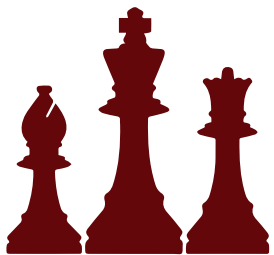
**TEAM
WORK**



Why are collaboration skills important

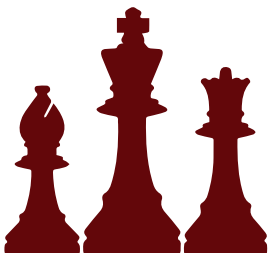
- Collaboration skills are one of the top skills employers are looking for today's workplace.
- When employees work together, they're often more effective than attempting the same projects alone. Working as a team can increase productivity and develop healthy relationships between employees.
- Successfully collaborating with your coworkers can also increase your motivation and level of engagement at work. Additionally, sharing ideas and brainstorming helps develop unique solutions.

**TEAM
WORK**



Personal collaboration skills

- **Written and verbal communication:** the ability to share your message with others in spoken and written words. When collaborating, you may discuss different strategies, processes and other topics to complete a task.
- **Active listening:** the ability to make a conscious effort to hear what someone is sharing with you. For example, if a team member shares their project idea during a meeting, you may nod to show you're listening.
- **Emotional intelligence:** understanding your emotions and identifying how others may feel. Using your emotional intelligence in collaboration can help you discover ways to work together better.
- **Trust:** Trust is believing in another person's character traits and strengths. Trusting others in a collaborative environment is when you can let them work on their tasks and know they can complete them by the deadline while following the guidelines to deliver quality work. Additionally, it can mean you trust others to ask for help when they encounter a challenge rather than trying to resolve it themselves.



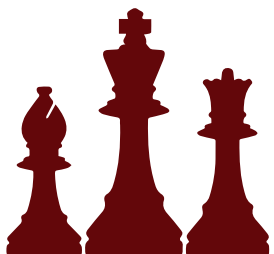
Personal collaboration skills

- **Interpersonal skills:** are traits you rely on when interacting and communicating with others. They cover a variety of scenarios where communication and cooperation are essential. Often called people skills, they tend to incorporate both your innate personality traits and how you've learned to handle certain social situations.
- **Diplomacy:** Diplomatic skills encompass a range of strengths and abilities that enable professionals to manage professional relationships. The approaches you take to build professional relationships, perform on the job and handle stressful situations can all relate to developing strong diplomatic skills.
- **Compromise:** allows you to work toward a solution that meets the collaborating team's needs. You may use this skill when the outcome of an issue is important to you, while you value the opinions of others in the workplace. You may prioritize finding an effective solution rather than being right in a situation.
- **Patience:** Some collaborations can take a long time to complete, occasionally involving compromise and flexibility. Rather than rushing toward a quick conclusion, you may need to practice patience to reach a common and effective conclusion or solution.



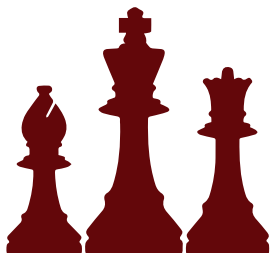
Personal collaboration skills

- **Open-mindedness:** the ability to be less judgmental and more inquisitive, introspective and considerate. It is one of the impactful skills regarding collaboration. The skill allows you to see differing opinions as valuable and thrive in diverse environments where you can interact with people with unique ideas and backgrounds.
- **Positive attitude:** A positive attitude makes you optimistic, motivated and enthusiastic about your work. In a collaboration, your attitude can help you improve others' moods, collaborate more effectively and increase your job satisfaction. Others will appreciate the passion and joy you bring into the work environment.



Teamwork collaboration skills

- **Organization:** Organizational abilities refer to how you can plan your daily tasks and time. It's beneficial to have organizational skills when collaborating with others because it can help you develop a schedule for the team to adhere to when working. You may find it helps keep the team on track and plan their days efficiently to complete high-quality work.
- **Decision-making:** Making decisions is a valuable skill demonstrating your ability to think objectively and weigh different options. With these skills, you can make informed decisions once you've collected all the relevant information and data and considered multiple viewpoints. All are important in collaboration at work.
- **Flexibility:** The ability to adapt to various situations and challenges is essential in collaboration. When you are flexible, you can understand various perspectives, find alternative solutions to problems and alter your work responsibilities or processes as needed.
- **Conflict resolution:** The ability to resolve conflicts is often seen as a leadership trait. This allows you to identify conflicts, pinpoint the cause, acknowledge different opinions and build a consensus. It also makes you more likely to set personal differences aside so collaborative work can continue.



Teamwork collaboration skills

- **Time management:** When decisions need to be made quickly in collaboration, you may benefit from time management skills to keep track of important deadlines. Time management will also help you deliver timely status reports to keep everyone updated on challenges and solutions. If you have complex issues with multiple decisions to make, time management can help you stay organized during each stage of the decision-making process.
- **Professionalism:** Professionalism refers to skills and behaviors that show you respect others. As an employee with a professional attitude, you show courteousness to others, take responsibility for your tasks and prove you're a dependable team member.
- **Leadership:** Whether you work in a supervisory position, leadership skills can be valuable assets in your career. Leadership abilities mean you can motivate, instruct and offer guidance to others. People with leadership skills are confident in their abilities to help others work, collaborate, problem-solve or succeed at their responsibilities.



Teamwork collaboration skills

- **Project management:** is an acquired skill that lets you apply professional information, expertise, tools and strategies to project activities to meet the organization's requirements and specifications. To be effective in project collaboration, you can help your team set a project objective and deadline and use all resources to meet this goal within the allotted time.
- **Critical thinking:** Critical thinking skills allow you to understand and address situations based on all available facts and information. The critical thinking process typically includes collecting information and data, asking thoughtful questions and analyzing possible solutions. These skills help your team work together for a common goal.
- **Self-motivation:** Self-motivation allows you to take the initiative. You typically need minimal supervision to start or complete your duties in collaboration or individual tasks. Self-motivation requires traits like independence, resilience, initiative and ambition.



GRPI Model



Goals

- Clear direction
- Shared values
- Sense of purpose



Roles

- Defined responsibilities
- Clear 'rules' for working together
- Understanding of what each other does



Processes

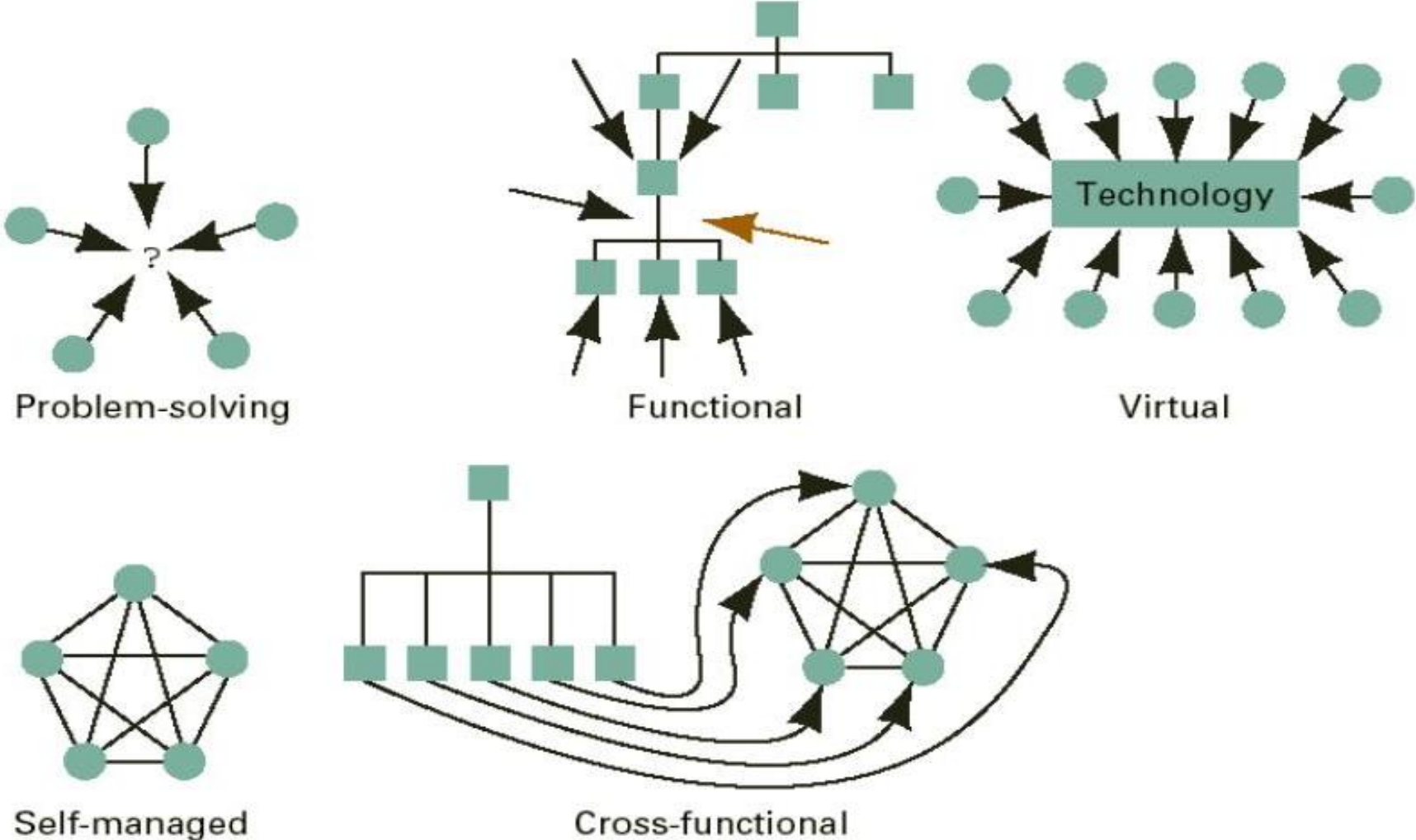
- Clear communication
- Decision-making authority
- Dispute management



Interpersonal Relationships

- Trust สร้างความเชื่อใจ
- Mutual support สนับสนุนซึ่งกันและกัน
- Genuine friendliness สร้างมิตรแท้

Types of Team in Organization





**Factors Affecting
Team
Effectiveness**

Organizational Context

Task Characteristics

Team Characteristics

Team Process



Team Characteristics

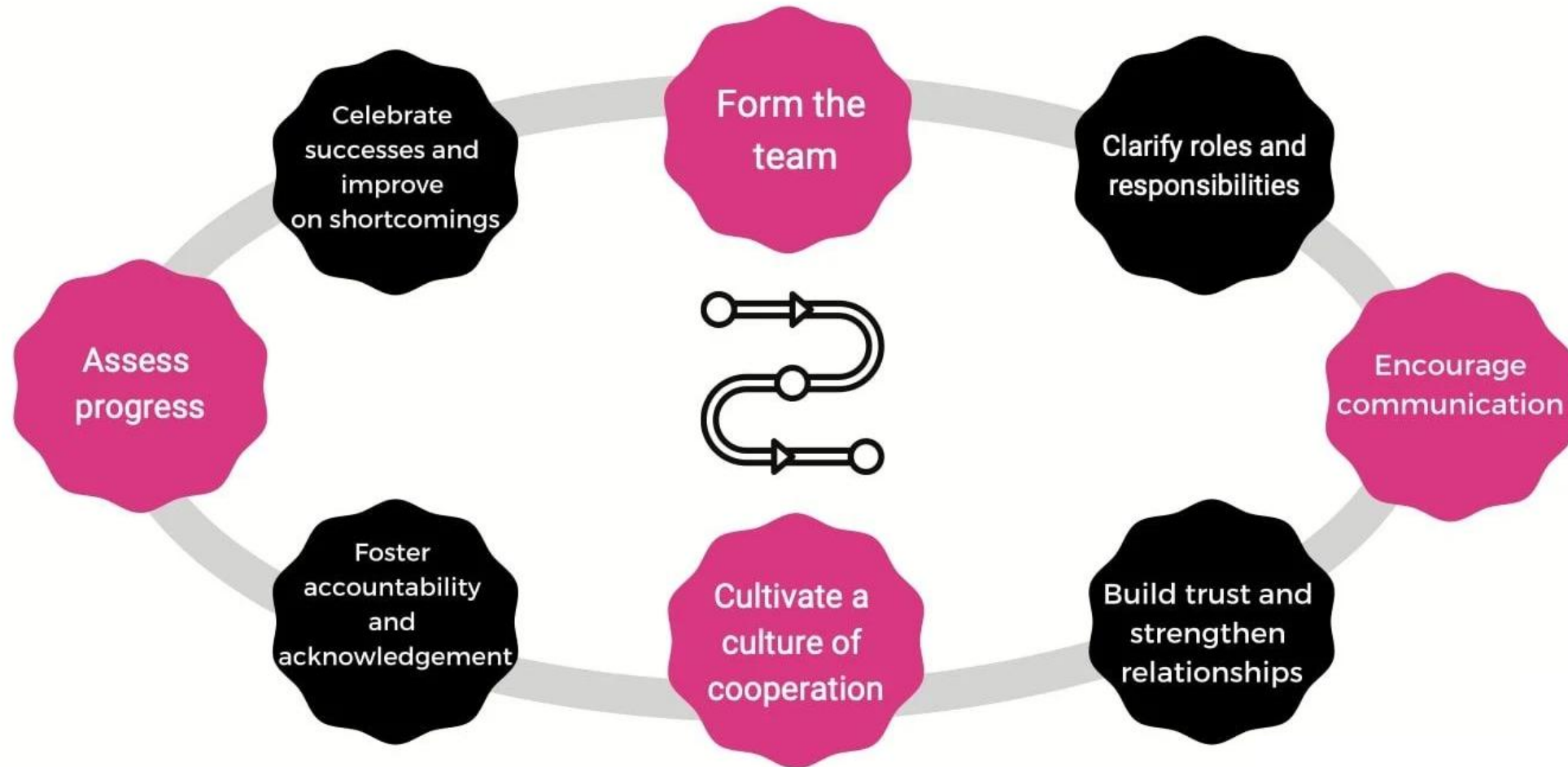
1
Team composition

2
Team goals

3
Team roles

4
Team norm

Team building process



Team building process

○ 1. Form the team

Step one is to form your team. Whether this step involves hiring, re-organizing current company structure, or a mixture of both, you should select team members of varying skills and experiences that compensate for each other's weaknesses and complement each other's strengths. Also, you should consider teammates' personalities and work styles. You want to minimize but not necessarily eliminate conflict. Teams that clash and bicker will make little progress, while teams that never disagree may fail to examine matters from multiple perspectives. You should aim for balanced teams.

○ 2. Clarify roles and responsibilities

Each team member has a role to play, but those roles must be clear for your teams to succeed. If every member of a baseball team chased after the ball, then a game would devolve into chaos. Similarly, if your team members are unsure of responsibilities, employees may duplicate work or miss tasks. Clarifying roles cuts down on conflict and eliminates stress and frustration. When teams understand the part of each individual player, teammates can confidently tackle tasks and produce timely results. As the Harvard Business Review notes, collaboration increases when roles are unambiguous.



Team building process

○ 3. Encourage communication

Communication is an important part of teamwork. Teams that communicate effectively waste less time and are more productive. Turnaround time improves when teammates respond quickly and concisely. When teammates can convey an idea or a vision, other teammates can follow instructions without circling back for clarification. Good conversation skills also decrease conflict, as employees are less likely to misunderstand or misinterpret clear messages. Discussion is also one of the most effective team building tools. Casual conversations build rapport and camaraderie among teammates, forming bonds and fostering trust among your team.

○ 4. Build trust and strengthen relationships

Trust is essential to teams. To achieve great performance, colleagues must depend on each other. Teammates must believe that other group members will complete the work quickly and correctly. Team members must also feel comfortable confronting other teammates and approaching teammates for help. Employees who feel comfortable with colleagues take more creative risks and report higher levels of satisfaction. Not to mention, trusting colleagues waste little time questioning teammate's intentions or second-guessing others' work.



Team building process

○ 5. Cultivate a culture of cooperation

Employees need to work together to achieve success. Organizations are not groups of individuals working solo, but rather teams collaborating towards a shared goal. Teams must adopt an “us” mentality to thrive in the modern workplace. Otherwise, employees will not utilize all the resources at their disposal. As a leader, you should acclimate your crew to a teamwork culture. Some of your employees may have always acted alone, and may need time to get used to depending on other group members. You can encourage cooperation by gently deferring questions and tasks to other team members.

○ 6. Foster accountability and acknowledgment

A team member must not only understand expectations and positions, but must also follow through on those duties. For a team to function effectively and maintain trust, each teammate must own individual contributions. When teammates fulfill promises and deliver consistent quality work, the team can reach goals without hitting slowdowns or snags. To foster accountability on your team, you should aim to create a safe environment where employees are not afraid to own up to mistakes and admit shortcomings.



Team building process

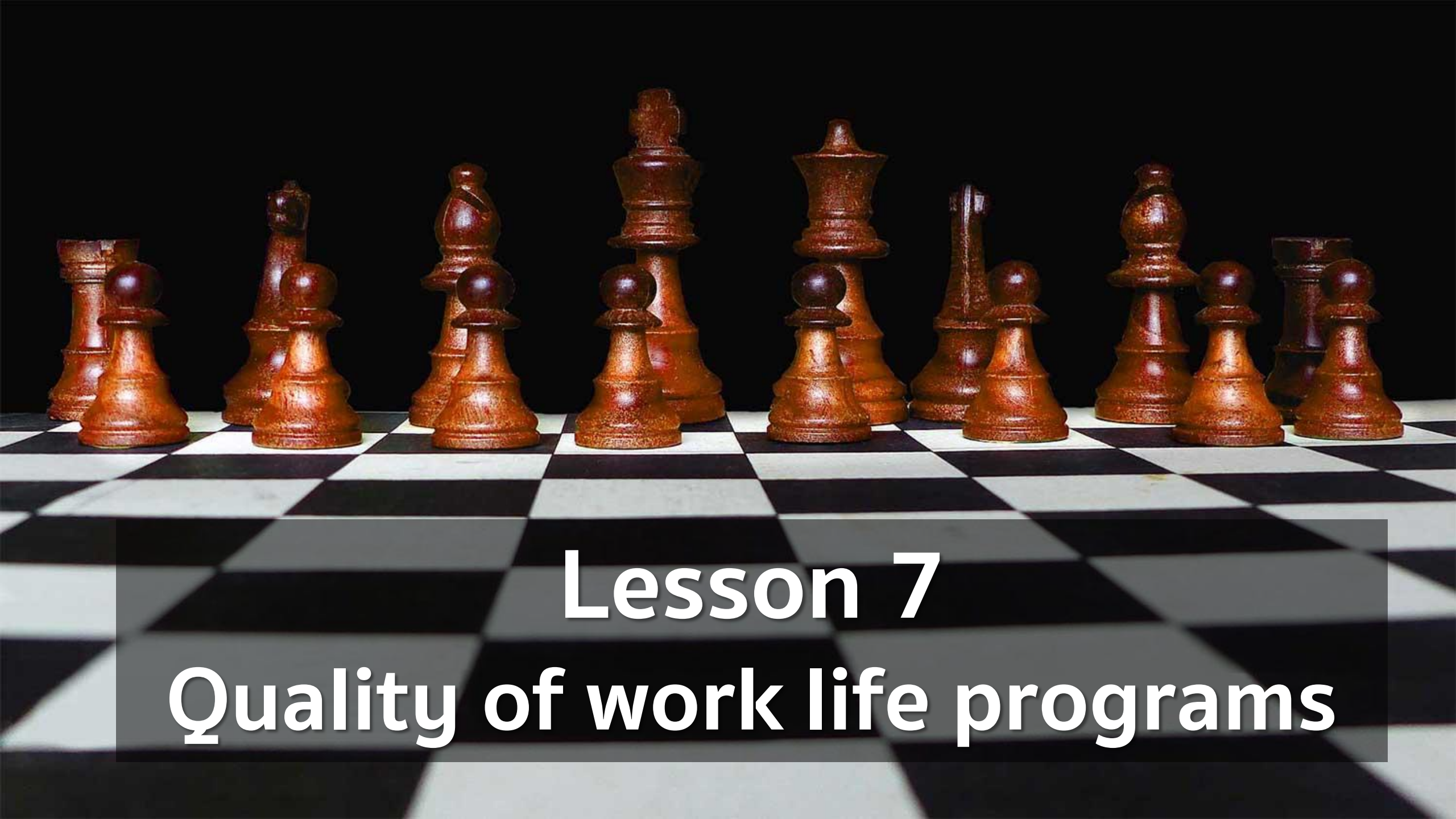
○ 7. Assess progress

As you progress through the team building process, you should periodically measure your team's growth. At this point, you may decide to revisit your baseline and assess which teamwork competencies your group mastered, and which could use more work. Feel free to reinforce any teamwork skills you feel your team could still enhance. You can assess progress by asking for feedback from your team.

○ 8. Celebrate successes and improve on shortcomings

Team building requires effort, and when you achieve success in any or many of the team building steps, you should take time to acknowledge the win. In fact, experts encourage you to celebrate small wins with the team consistently. Acknowledging headway re-energizes and motivates the team and helps prevent burnout. By recognizing that your hard work produces results, you inspire your employees towards continued excellence. However, you need to praise the achievements in a timely manner so that employees can feel the full benefits.





Lesson 7

Quality of work life programs



Quality of work life programs

Quality of work life programs

Security



Equity



Individualism



Democracy



“Quality of work life is a process (QWL) of work organizations which enables its members at all levels to participate actively and efficiently in shaping the organization’s environment, methods and outcomes.

Quality of Work-Life is a value based process, which is aimed towards meeting the twin goals of enhanced effectiveness of the organization and improved quality of life at work for the employees.”

Quality of Work-Life is a generic phrase that covers a person’s feelings about every dimension of work including economic rewards and benefits, security, working conditions, organizational and interpersonal relationships and its intrinsic meaning in a person’s life.



Quality of work life programs

Security



Equity



Individualism

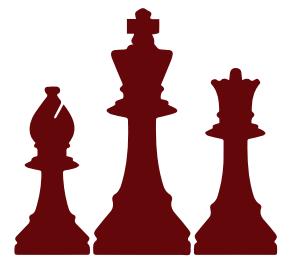


Democracy



- Quality of work life more specifically as a process by which an organization attempts to unlock the creative potential of its people by involving them in decisions affecting their work lives. A distinguishing characteristic of the process is that its goals are not simply extrinsic, focusing on the improvement of productivity and efficiency per se; they are also intrinsic, regarding what the worker sees as self-fulfilling and self-enhancing ends in themselves.
- Quality of Working Life (QWL) is a term that had been used to describe the broader job-related experience an individual has. It has been differentiated from the broader concept of quality of life.
- This consideration of quality of working life as the greater context for various factors in the workplace, such as job satisfaction and stress, may offer opportunity for more cost-effective interventions in the workplace. The effective targeting of stress reduction, for example, may otherwise prove a hopeless task for employers pressured to take action to meet governmental requirements.

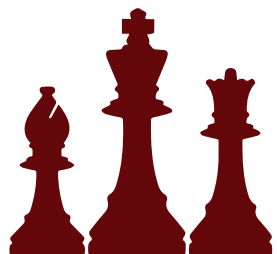
Scope of quality of work life



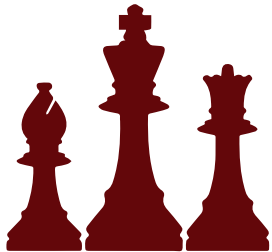
Objectives of quality of work life



Impacts of quality of work life



Difference approaches to quality of work life



คุณภาพชีวิตในการทำงาน

WORK

LIFE

Work-life balance is balancing the priorities of career goals and family goals. Career goals include promotions, employment status, monetary earnings and the like. Family goals include spending more time with family members for spiritual activities, pleasure leisure, health, education and careers of family members. This concept reduces the gap between work and family in the process of balancing the demands of both. Certain jobs like allow work-life balance.



Work-Life Balance

- In work-life balance, a person equally prioritizes the demands of their career and their life outside of it. In contrast to work-life integration, the boundaries between work and personal life are more clearly defined with designated “work hours.”
- However, in today’s remote work world, it can be difficult to maintain work-life boundaries in practice. For example, employees may be tempted to check their work email or answer a text from a colleague after they’ve “logged out” of their home office. Additionally, work-life balance may look different from day to day. Someone may need to spend more time at the office leading up to a big launch, or they may need to prioritize home responsibilities to take care of a newborn.



Work-Life Balance

In short, work-life balance is the state of equilibrium where a person equally prioritizes the demands of one's career and the demands of one's personal life. Some of the common reasons that lead to a poor work-life balance include:

- **Increased responsibilities at work**
- **Working longer hours**
- **Increased responsibilities at home**
- **Having children**



Work-Life Integration

Work-life integration: the next step in the new world of work

- Work-life integration and work-life balance are two distinct ways to think about the boundaries (or lack thereof) between personal and professional lives.
- Work-life integration involves blending both personal and professional responsibilities. Rather than viewing work and personal time as separate entities, busy professionals can find areas of compromise. This might look like completing household chores while on a conference call or bringing children into the office when schools are closed.



Work-Life Integration

- The largest advantage of work-life integration is flexibility. When employees are able to properly coordinate their schedules and responsibilities, they are more likely to experience satisfaction in all areas of their life. On the flip side, studies have shown that boundary violations — when work and personal life seep into each other — can also have negative consequences. When work-life integration is out of balance, employees may actually experience decreased satisfaction and productivity in both areas.
- Work-life integration seeks to bring work and life closer together. Rather than drawing lines between “work time” and “personal time,” professionals can tackle their responsibilities at the times that work well for them. Work-life balance involves having your work life and personal life coexist, but each thrives separately. Employees maintain firm boundaries between home and office, allowing them to devote their full attention to each at a given time.



How can companies encourage work–life integration for their employees?

- **Create a dialogue**

Work–life integration looks different for different employees. It varies from one person to the next, and even from one month to the next.

- **Be flexible**

Flexibility is the cornerstone of work–life integration. Employees need the freedom to meet their professional and personal responsibilities as they see fit.

- **Policies**

Wherever possible, give employees the flexibility to decide their own hybrid working split.

- **Working locations**

Again, how specific do you have to be when it comes to working location? Can employees work from home, from overseas, or from their local coffee shop?



How can companies encourage work–life integration for their employees?

○ **Forget “working hours”**

Workers have the flexibility to work when they feel at their most productive, whether that’s first thing in the morning, during traditional office hours, or later on in the evening. They can also adjust their schedule on a week–by–week basis depending on life events and work deadlines.

○ **Don’t let people overdo it**

Work–life integration isn’t without its risks. When work can be picked up in any place, at any time of day, some employees will find it hard to switch off. An “always on” mentality isn’t good for long-term employee mental health, wellbeing, or productivity. So watch out for signs of burnout.

○ **Find the right tech solutions**

You need great software (and great IT teams to support it), so you can keep your people connected no matter where or when they’re working. Think project management platforms, messaging apps, and workplace scheduling solutions. Hybrid work software helps you to maintain channels of communication and streamline workflows to allow seamless transition from home to office and back again.





Herzberg's Two-Factor Theory

Herzberg's Two-Factor Theory

- American psychologist Frederick Herzberg is regarded as one of the great original thinkers in management and motivational theory. Herzberg set out to determine the effect of attitude on motivation, by simply asking people to describe the times when they felt really good, and really bad, about their jobs. What he found was that people who felt good about their jobs gave very different responses from the people who felt bad.
- The results from this inquiry form the basis of Herzberg's Motivation-Hygiene Theory (sometimes known as Herzberg's "Two Factor Theory"). Published in his famous article, "One More Time: How do You Motivate Employees," the conclusions he drew were extraordinarily influential, and still form the bedrock of good motivational practice nearly half a century later. He's especially recognized for his two-factor theory, which hypothesized that there are two different sets of factors governing job satisfaction and job dissatisfaction: **"Hygiene factors"** or extrinsic motivators and **"Motivation factors"** or intrinsic motivators.



Herzberg's Two-Factor Theory



Motivator factors

- Motivation factors, or intrinsic motivators, tend to represent less tangible, more emotional needs—i.e., the kinds of needs identified in the “relatedness” and “growth” categories of needs in the ERG theory and in the higher levels of Maslow’s hierarchy of needs. Intrinsic motivators include challenging work, recognition, relationships, and growth potential. Managers need to recognize that while these needs may fall outside the more traditional scope of what a workplace ought to provide, they can be critical to strong individual and team performance.

Hygiene factors

- Hygiene factors, or extrinsic motivators, tend to represent more tangible, basic needs—i.e., the kinds of needs included in the existence category of needs in the ERG theory or in the lower levels of Maslow’s hierarchy of needs. Extrinsic motivators include status, job security, salary, and fringe benefits. It’s important for managers to realize that not providing the appropriate and expected extrinsic motivators will sow dissatisfaction and decrease motivation among employees.

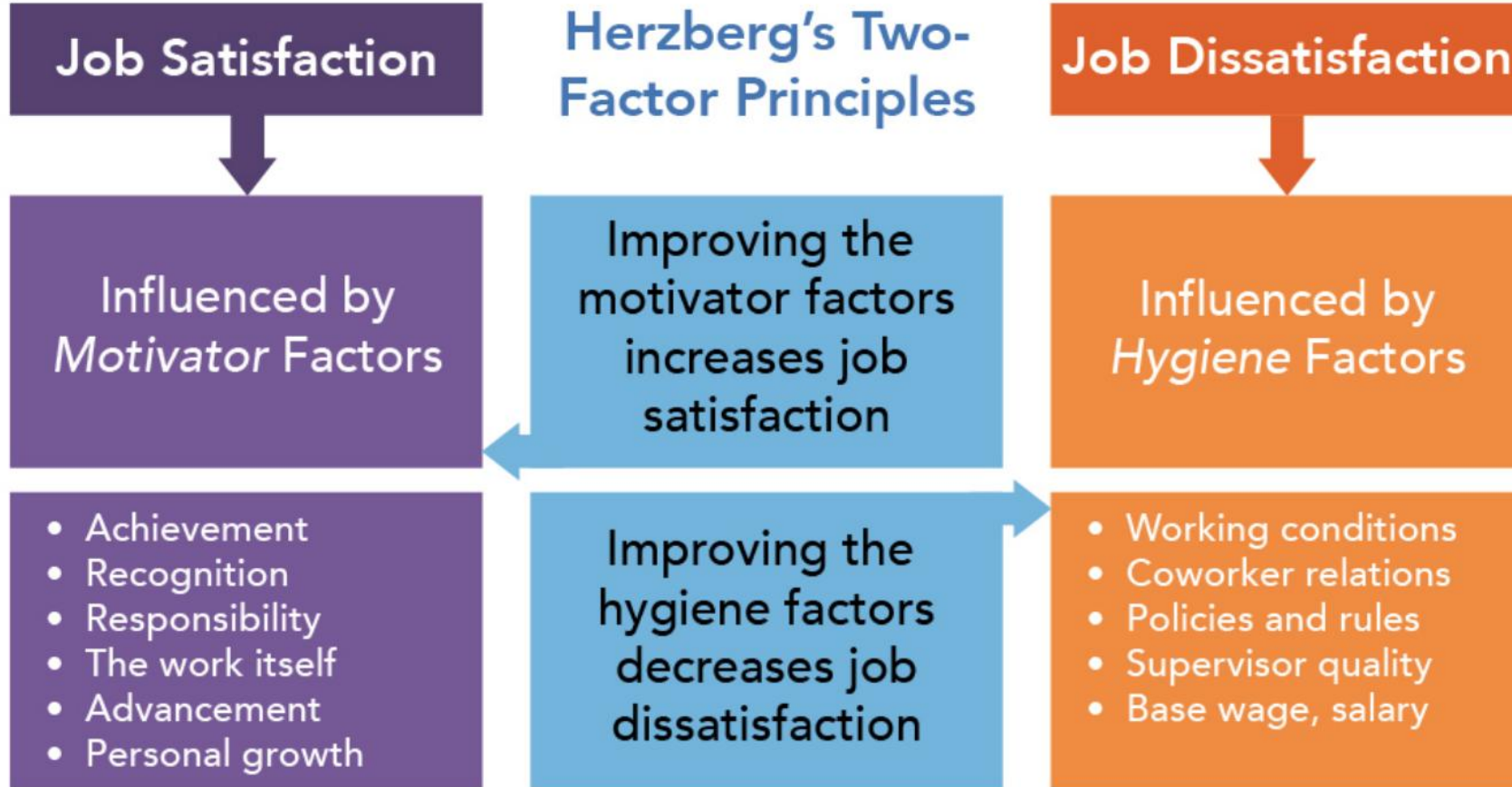


Herzberg's Two-Factor Theory

- The factor that differentiates two-factor theory from the others we've discussed is the role of employee expectations. According to Herzberg, intrinsic motivators and extrinsic motivators have an inverse relationship. That is, intrinsic motivators tend to increase motivation when they are present, while extrinsic motivators tend to reduce motivation when they are absent. This is due to employees' expectations. Extrinsic motivators (e.g., salary, benefits) are expected, so they won't increase motivation when they are in place, but they will cause dissatisfaction when they are missing. Intrinsic motivators (e.g., challenging work, growth potential), on the other hand, can be a source of additional motivation when they are available.
- If management wants to increase employees' job satisfaction, they should be concerned with the nature of the work itself—the opportunities it presents employees for gaining status, assuming responsibility, and achieving self-realization. If, on the other hand, management wishes to reduce dissatisfaction, then it must focus on the job environment—policies, procedures, supervision, and working conditions. To ensure a satisfied and productive workforce, managers must pay attention to both sets of job factors.



Herzberg's Two-Factor Theory



Herzberg's Two-Factor Theory

Motivating Factors

- ✓ Achievement
- ✓ Recognition
- ✓ The work itself
- ✓ Job advancement opportunities
- ✓ Growth opportunities

Hygiene Factors

- ✓ Relationship with peers
- ✓ Company policies
- ✓ Physical workspace
- ✓ Working conditions
- ✓ Salary
- ✓ Status
- ✓ Security
- ✓ Supervision





Lesson 8

Organizational Environment

Organizational Environment

- The organizational environment is the set of forces surrounding an organization. These forces may hamper or facilitate the organization's access to resources, which means they can both offer opportunities and pose threats. Moreover, while these resources are valuable for the organization, they are also scarce (Riggio, 2018). The forces encompassed by the concept of the organizational environment include, among others, competition between rivals to retain customers, fast-paced changes in technology, and an increase in the price of raw materials. All these factors may somehow erode an organization's competitive advantage. Consequently, the forces at play in the environment can influence the organization's behavior (Truxillo, Bauer & Erdogan, 2016).



Organizational Environment

- Environment influences organizations indirectly, facilitating or hampering access to valuable, scarce resources. Environmental factors or the restrictions imposed by the environment are, to a certain extent, external to the organization. In other words, these factors are outside the organization's and its managers' control. Why? Because these environmental factors reflect objective data which together constitute an unavoidable situation in which companies and their managers are forced to operate. Here, it is important to point out that organizations have a certain degree of influence on these environmental factors, although this influence is often limited and its impact is not always immediate.

- The environment does not just pose threats to an organization; it can also offer tremendous opportunities, such as the chance to exploit potential market niches in which to sell its products and services. The environment, therefore, includes all those factors which, while external to the organization, may provide it with opportunities, while at the same time posing threats and challenges.
- Although the idea of an organization's environment may at first seem fairly simple, it includes a number of different levels. Many different factors operate at each level, the most important being sociocultural, economic, and technological variables, as well as raw material suppliers, competitors, and, finally, the government.



Levels of the organizational environment



- All organizations try to control the forces that operate in their environment. They do so to obtain the resources they need to produce the goods and services they offer their users, beneficiaries, or customers. Organizational environments have two planes or levels: a general one and a specific one (also known as the organizational domain).

Levels of the organizational environment



➤ General Environment

The general environment encompasses the entire political-legal, economic and sociocultural framework in which the organization operates. Today, this environment can be extremely broad, since technology and globalization have expanded the boundaries within which organizations operate. Organizations try to adapt to the general environment through the transactions and exchanges they carry out with it

➤ Task Environment or specific environment

The specific environment or organizational domain includes the range of goods and services produced by the organization that is useful for customers and other stakeholders. Control of the specific environment is achieved providing the organization has the ability to create value for its customers, employees, and all other stakeholders.

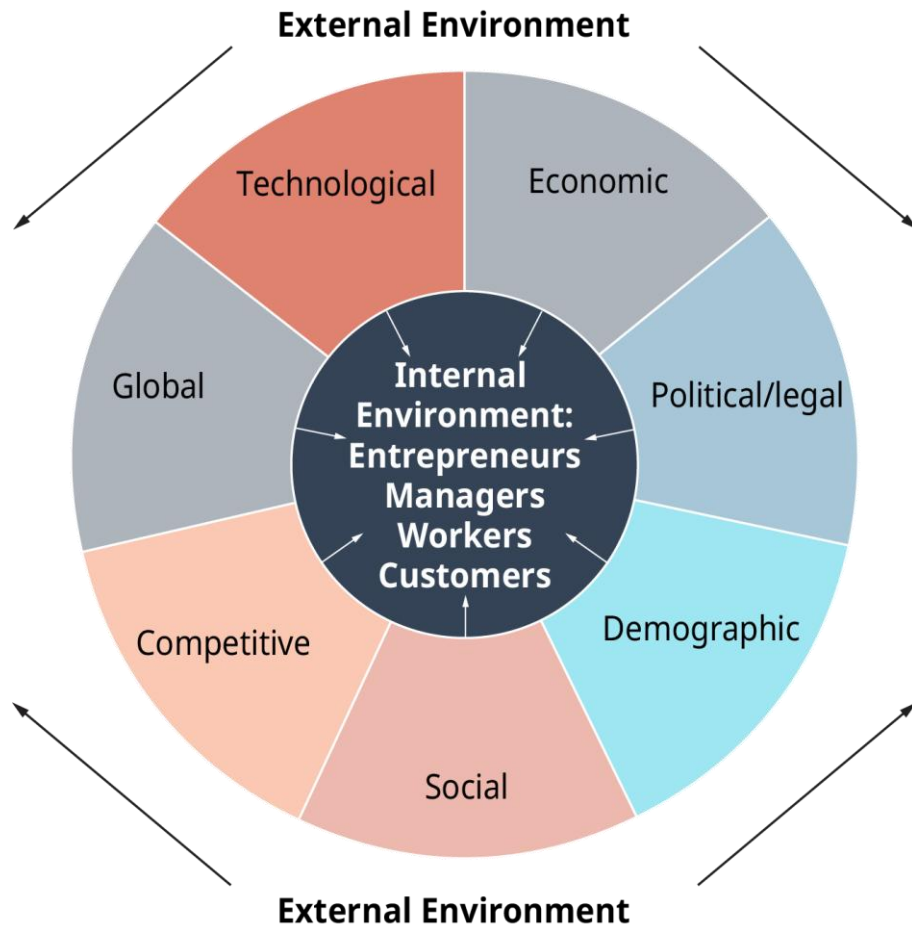
➤ Internal Environment

The internal environment of the organization comprises organizational-related factors which influence its capacity to achieve set objectives, develop and implement a viable plan, which consequently contributes to its performance. Internal environment is key internal aspects which need to be aligned within the organization for improved performance or effective change implementation. Internal environment can also be described as those internal controllable forces operating within the organization itself which have a direct impact on an organizational performance.

External Environment Analysis



External Environment Analysis



- External analysis, also called environmental analysis, is the process by which businesses objectively assess the changes in their industry and the broader world that could affect their current business operations. Companies do this to ensure they can adapt to changes and continue to succeed within an industry.
- Organization should complete individual analyses of the following elements to conduct an external analysis successfully:

- **Supply chain**
- **Industry**
- **Economic trends**
- **Competitors**
- **Market demographics**
- **PEST analysis**

External Environment Analysis

➤ Supply chain

Supply chain is a component of an external analysis because it focuses on the following factors:

- The source of raw materials
- The manufacturing process that turns raw materials into company products
- The transportation of the finished products to retail locations

These factors are external because they typically take place in a different area from the company headquarters. Therefore it is crucial for companies to monitor this process and look for ways to refine it to maximize efficiency while also adhering to laws and regulations.



External Environment Analysis

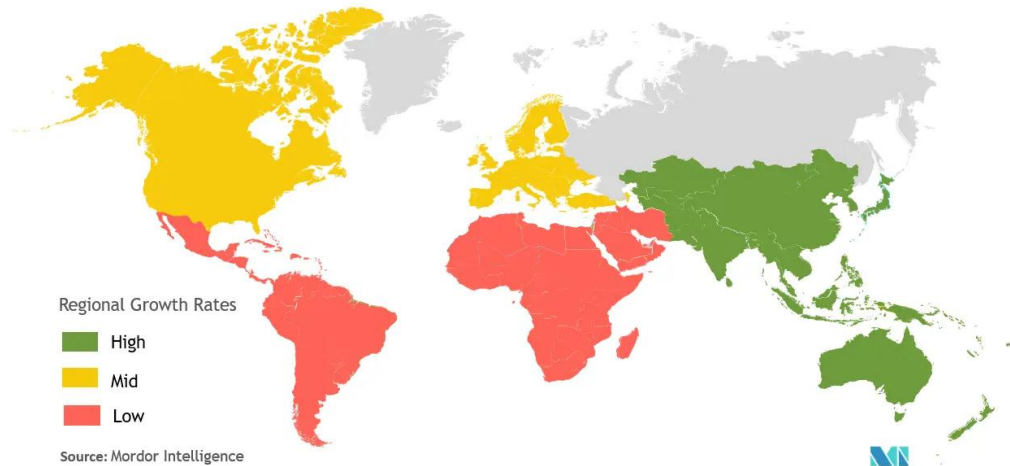
➤ Industry

Industry, or more specifically its market, is another essential component of external analysis. This component requires organization to consider the following factors:

- Present risks and opportunities within their industry
- Current size of the industry
- Projected growth of the industry
- Alternative industries to explore

By reviewing these factors, businesses can take proactive measures to ensure that their business continues to thrive, despite changes made to their industry.

Virtual Events Market - Growth Rate by Region (2021 - 2026)



External Environment Analysis

➤ Economic trends

Watching for potential changes in economic trends such as interest rates, inflation, trading laws and recession levels helps businesses adapt. More specifically, it helps a business owner determine how these elements could affect how much they profit during a given period.

Trend analysis is one technique that financial analysts can use to assess the performance of a business sector and make predictions about upcoming changes. Understanding this technique may help you when determining business strategies or investments.



External Environment Analysis

➤ Competitors

Another component to consider in a business's external analysis is its competitors. Focus on areas such as:

- Number of current industry competitors with similar products, prices, target audience and overall company size
- Potential barriers to entering a new industry such as government laws, product saturation or brand loyalty
- Acceptable pricing businesses can assign to goods that encourage sales while maintaining profit and staying on the same level as competitors
- Effects that competitors' goods will have on another business's sale of the same type of goods
- Results of complementary products or services on the business's success

Reviewing these factors concerning a business's industry competitors helps that business determine the best price points to use, alternative industries to pursue, measures to improve product quality and marketing tactics to maintain a successful business.



External Environment Analysis

➤ Market demographics

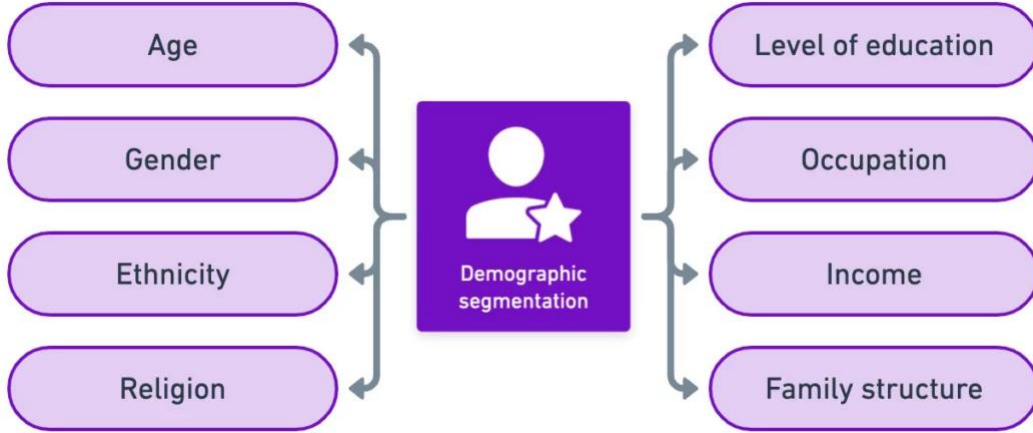
Market demographics

Market demographics help businesses determine if their current products and marketing tactics meet the needs of their target audience. Factors include:

- Age
- Income/economic status
- Location of residence
- Hobbies and interests

How your products or services help improve their life.

Considering these factors help businesses revise their current marketing campaigns and even the products or services they offer to provide their customers with messages that resonate with them and products that help them in their daily life.



External Environment Analysis

➤ PEST analysis

Another way to evaluate all of the external factors that could influence a business is by conducting a PEST analysis. This method allows business owners to look at the political, economic, social and technological influences on their success:

- Political: Laws, regulations and trade barriers
- Economic: Inflation, exchange rates and interest rates
- Social: Age and population
- Technological: New industry technology and R&D investments

A PEST analysis is an excellent way to give business owners an overview of these components to make sure they do not forget an essential factor in their external analysis of their business.



PESTLE ANALYSIS

P

Politics

- Government Policy
- Political Stability
- Corruption
- Foreign trade policy
- Tax Policy
- Labour Law
- Trade restrictions

E

Economy

- Economic Growth
- Exchange Rates
- Interest Rates
- Inflation Rates
- Disposable Income
- Unemployment Rates

S

Social

- Population growth rate
- Age Distribution
- Career Attitudes
- Safety emphasis
- Health Consciousness
- Life Attitudes
- Cultural Barriers

T

Technology

- Technology incentives
- Level of Innovation
- Automation
- R&D activity
- Technological Change
- Technological Awareness

L

Legal

- Discrimination laws
- Antitrust laws
- Employment laws
- Consumer Protection laws
- Copyright and patent laws
- Health and safety laws

E

Environment

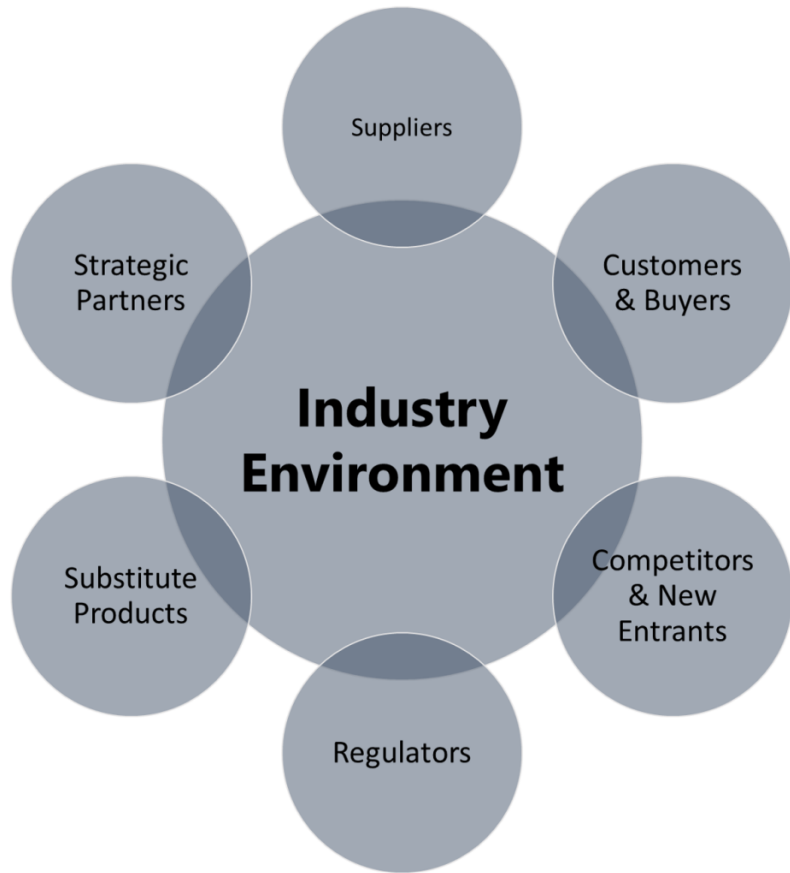
- Weather
- Climate
- Environmental policies
- climate change
- pressures from NGO's

DESTEP Analysis

DESTEP Analysis

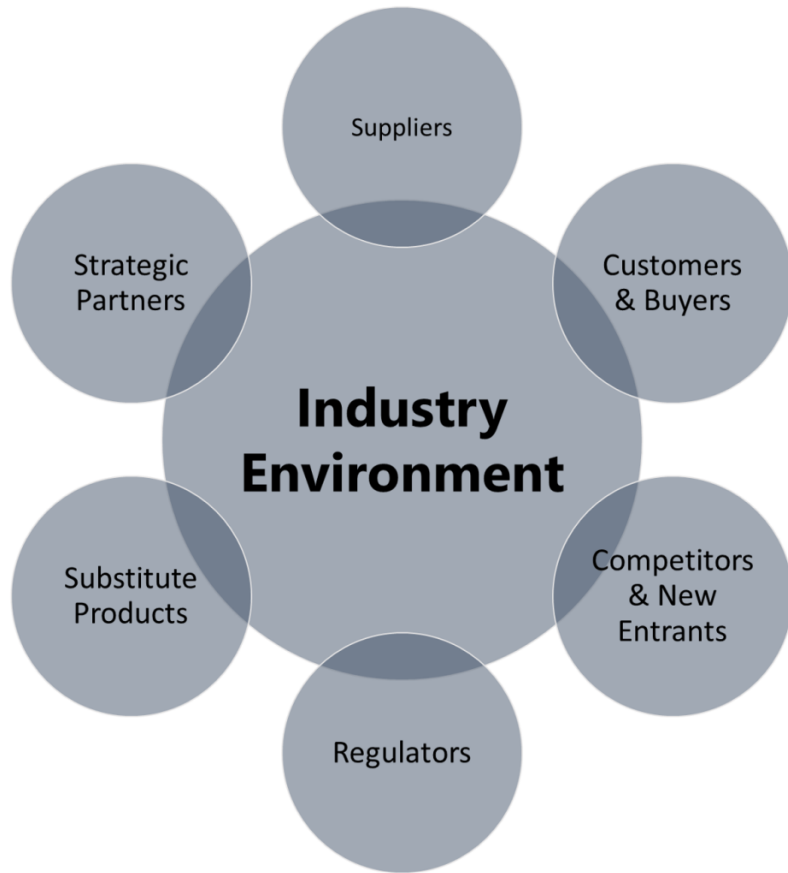
D Demographics Forces	E Economic Forces	S Socio-Cultural forces	T Technological Forces	E Ecological Forces	P Political Forces
<ul style="list-style-type: none">• Population Composition• Density• Geographical Characteristics And Difference• Infrastructure	<ul style="list-style-type: none">• Market Characteristics• Power Relationships• Financial Data• Economic Climate• Growth Perspectives	<ul style="list-style-type: none">• Standards & Values• Communication• Behavior• Lifestyle• Social Trends	<ul style="list-style-type: none">• Know-how• Innovation• Trends• Technical Problems• Probability Of Success	<ul style="list-style-type: none">• Nature Resources• Energy• Emissions• Waste• Safety	<ul style="list-style-type: none">• Legislation• Licenses• Subsidy Schemes• Political Climate• Political Plans

Task Environment Analysis



- The organizational specific factors have direct impact on the operations of the organization. The organization has no control over these factors. However, it is possible to manage to a certain extent, the organizational specific factors. The important organizational specific factors are suppliers, customers, designers and consumers, competitors and new entrants, substitute products, and strategic partners. Further, regulatory bodies have also an influence on the organization specific factors.
- The management is to makes the strategy for the organization is to understand the challenges and complexities of both the general environmental factors as well as the organization specific environmental factors. The management is required to appreciate that the general environmental factors are largely non-controllable because of their distantly located external nature. When the management take into cognizance of both the general (remote) and organization specific (operating) environments, it is likely to become more proactive in strategic planning.

Task Environment Analysis



➤ Suppliers

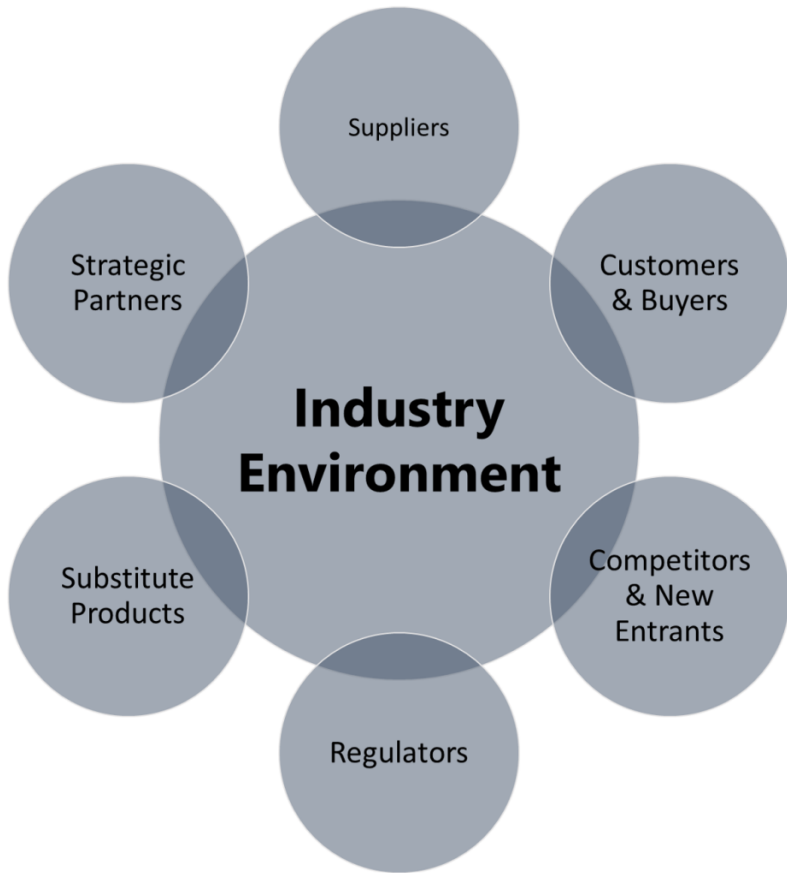
Suppliers are the providers of production or service materials. Dealing with suppliers is an important task of management.

A good relationship between the organization and the suppliers is important for an organization to keep a steady following of quality input materials. Suppliers are sources of resources such as raw materials, components, equipment, financial support, services, and Office Supplies.

To ensure a company's long-term survival and growth, it is essential to develop a dependable relationship between a business firm and its suppliers. Concerning its competitive position with suppliers,

Task Environment Analysis

➤ Customers & Buyers



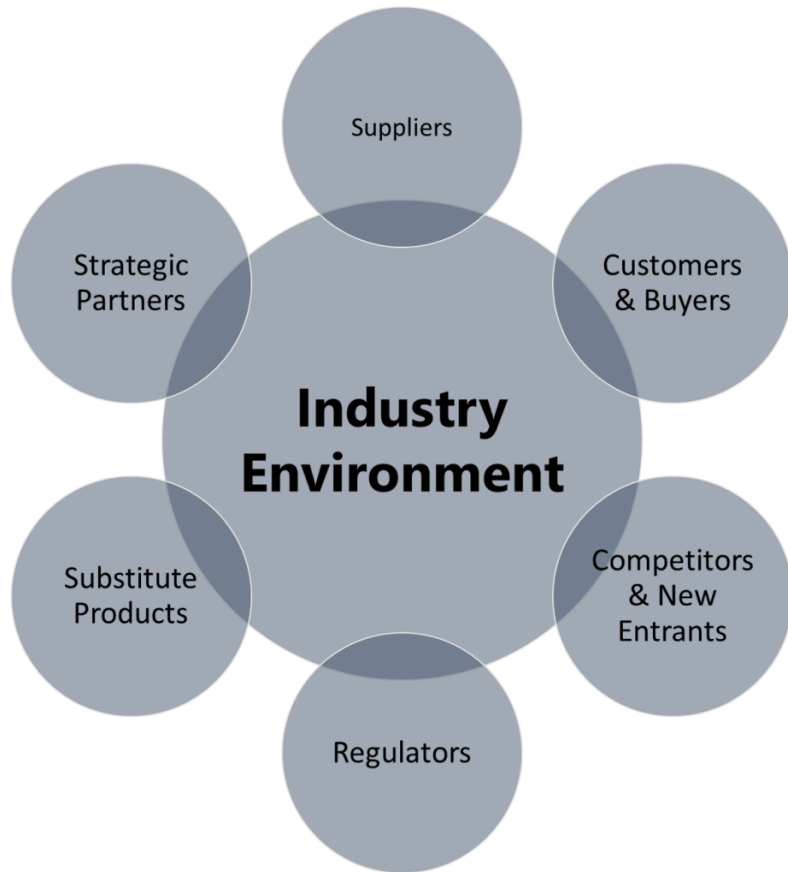
“Satisfaction of customer”- the primary goal of every organization. The customer pays money for the organization’s product or services. They are the peoples who hand them the profit that the companies are targeting.

Managers should pay close attention to the customers’ dimension of the task environment because its customers purchase what keeps a company alive and sound. Strategy managers must understand the composition of the company’s customers.

With this end in view, they need to develop an exhaustive customer profile of the present and potential customers. Managers will be in a better position to pragmatically plan the firm’s strategic operations, anticipate changes in the size of the markets, and anticipate demand patterns.

Task Environment Analysis

➤ Competitors & New Entrants



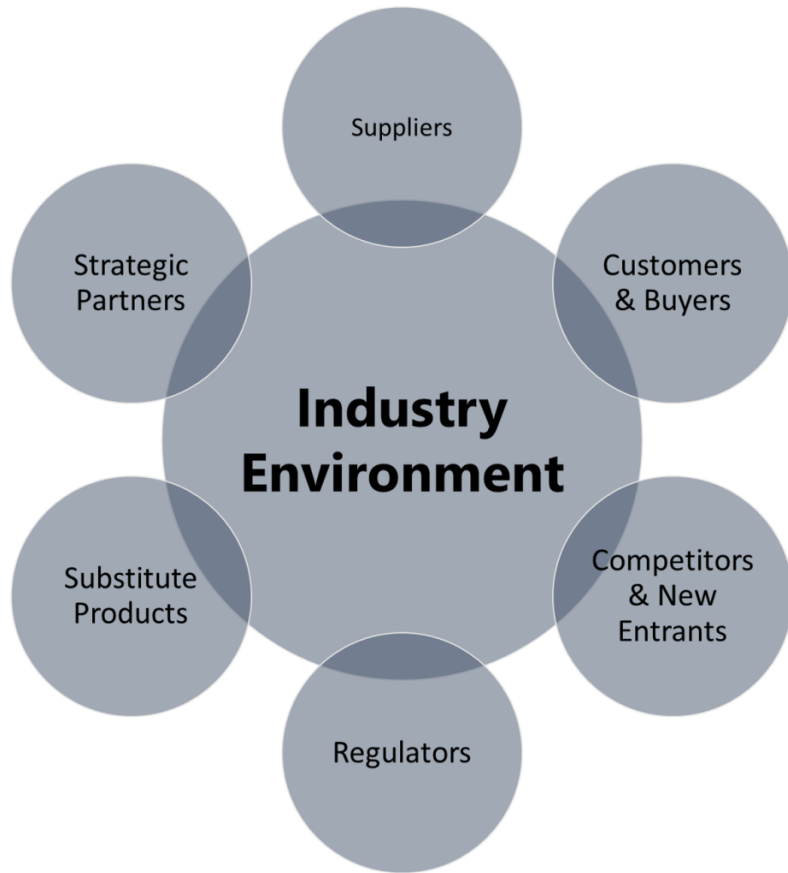
The competitors often influence the policies of the organization. Competitive marketplace companies are always trying to stay and go further ahead of their competitors.

In the current world economy, competition and competitors in all respects have increased tremendously. A firm needs to analyze the competitive intensity in the industry. It needs to understand its competitive position in the industry to improve its chance of designing winning strategies.

Many companies develop a 'competitor profile' to accurately forecast their short-and-long-term growth and profit potentials.

A competitor profile may include such variables as market share, product line, the effectiveness of sales distribution, price competitiveness, advertising and promotion effectiveness, location, and age of the facility, production capacity, raw material costs, financial position, etc.

Task Environment Analysis

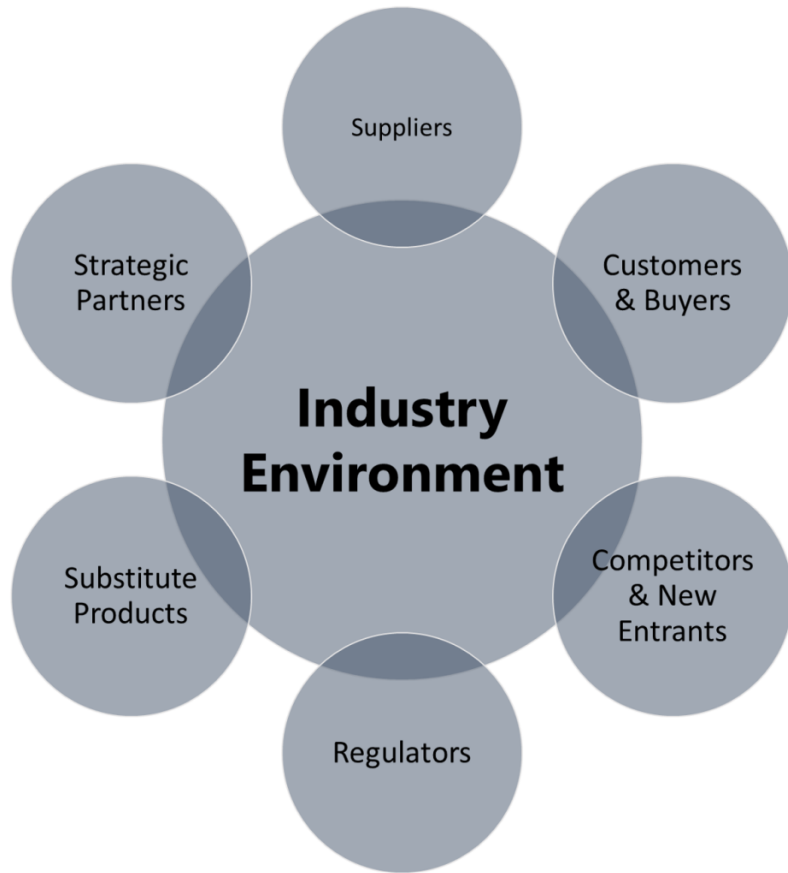


➤ Regulators

Regulators are units in the task environment that have the authority to control, regulate or influence an organization's policies and practices.

Government agencies are the main player in the environment, and interest groups are created by their members to attempt to influence organizations as well as the government. Trade unions and the chamber of commerce are common examples of interest groups.

Task Environment Analysis



➤ Substitute Products

The producers of substitute products are indirect competitors.

Substitute products serve the same categories of customers. They can meet the similar needs of customers and, therefore, emerge as threats.

For example, when the detergent powder is capable of meeting customer needs in a much better way, or even in the same way as the laundry soap does, the detergent powder becomes a strong indirect competitor of laundry soap.

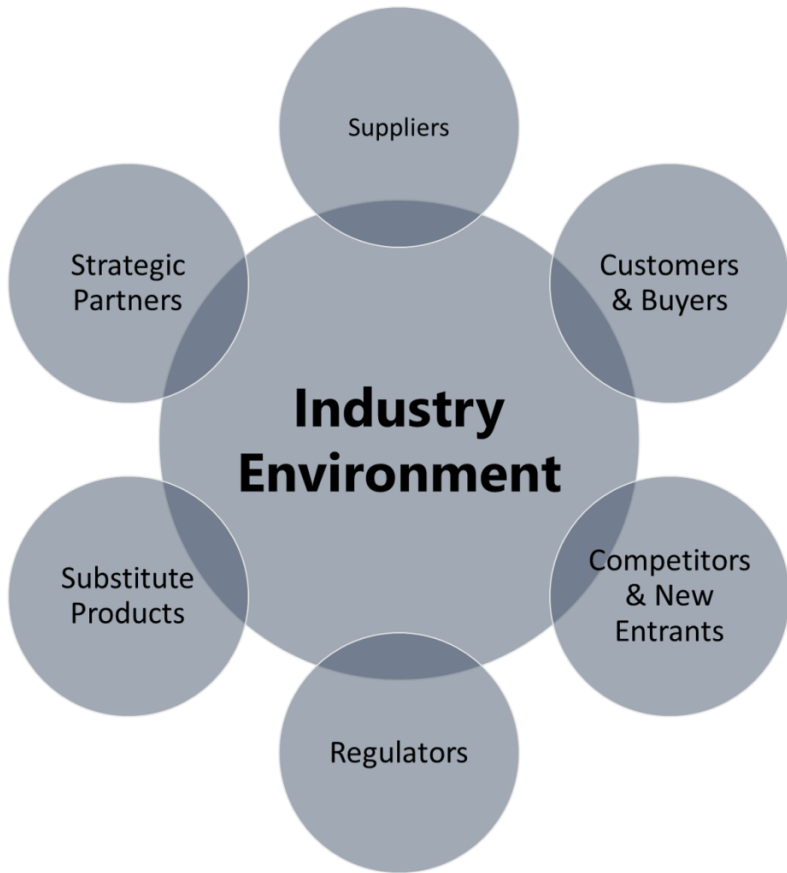
Task Environment Analysis

➤ Strategic Partners

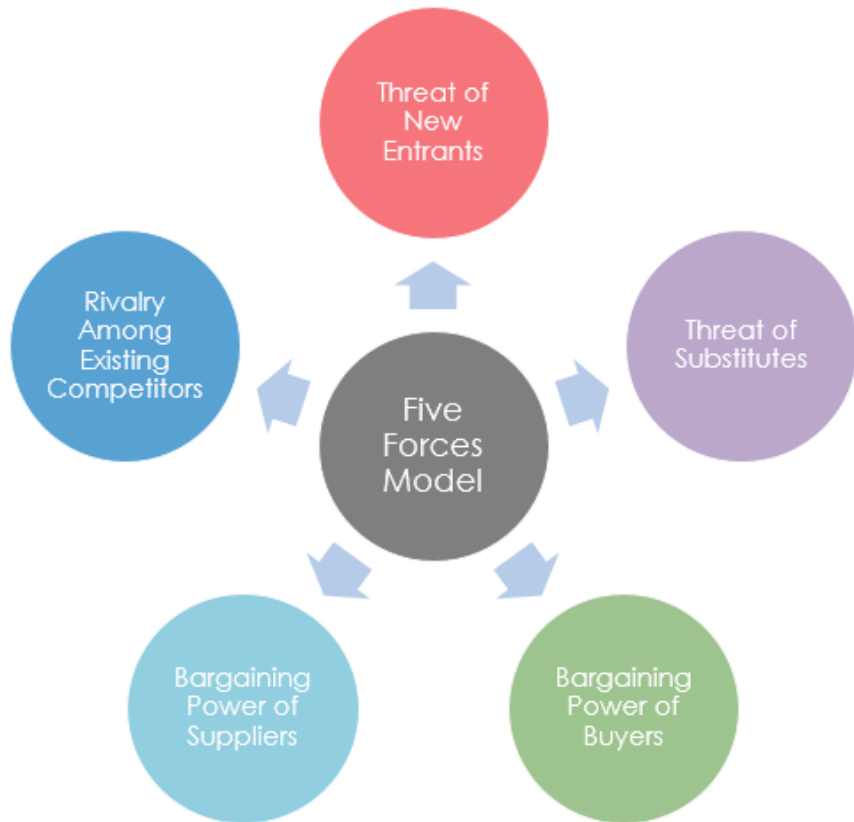
They are the organization and individuals with whom the organization is to an agreement or understanding for the benefit of the organization. These strategic partners, in some way, influence the organization's activities in various ways.

The industry environment is the competitive environment of a business organization. The industry environment substantially affects a firm's business operations because it is the 'immediate' external environment of the firm, also known as the 'immediate operating environment.'

Every firm operates its business in an industry. Therefore its activities are directly affected by any change in the industry, and therefore its activities are directly affected by any changes in the industry environment.



Task Environment of Organization



A business firm's strategy is affected by the structural characteristics of the industry, it is thus considered essential for a firm to make an elaborate analysis of the industry in which the firm operates its business.

Based on Michael Porter's research results, the Van industry structure consists of suppliers, buyers, direct competitors, new entrants, and substitutes. The strategy-makers of a firm need to be concerned with the impact of the industry structure on the firm's strategy.

Once the external environmental analysis has been completed, they should embark upon industry analysis. Industry analysis helps them have clear information about what is happening in the industry in which their companies are operating their businesses.

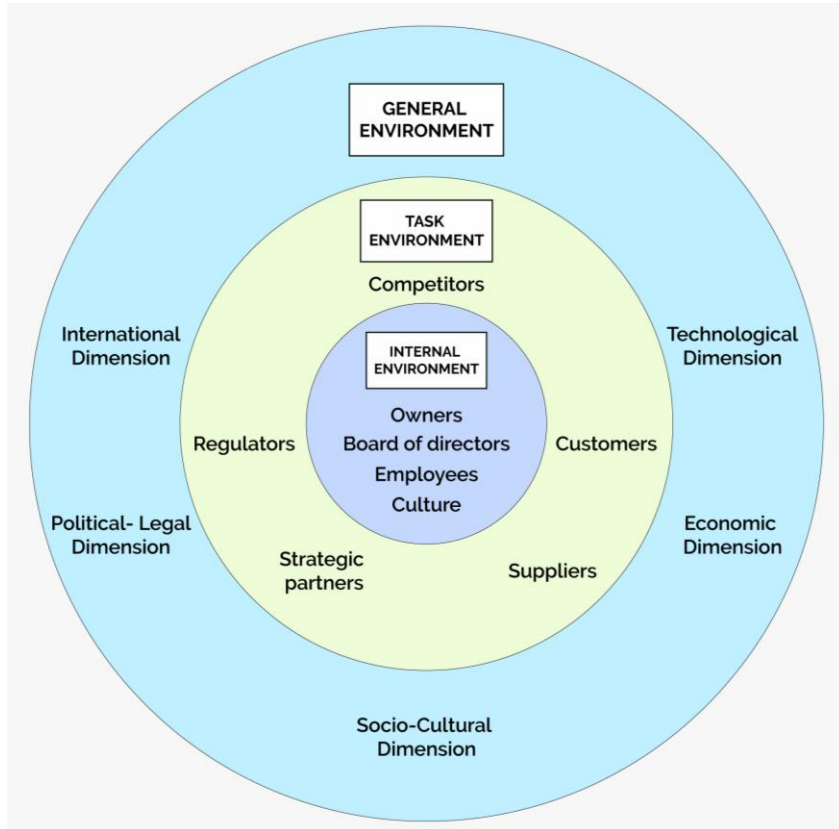
Five forces analysis



Internal Environment Analysis



Internal Environment Analysis



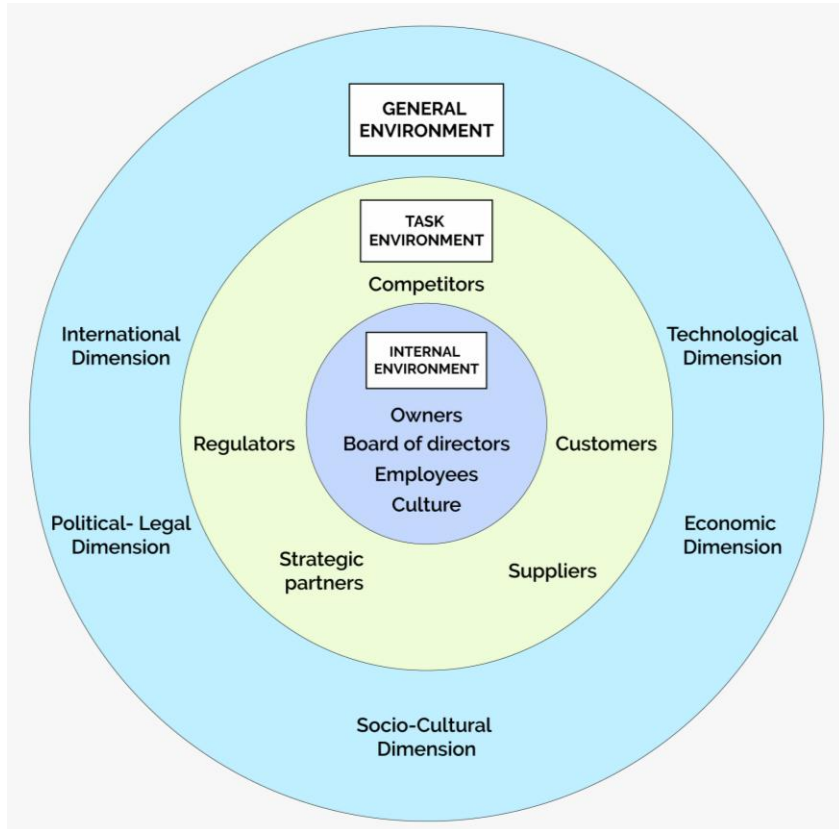
The internal environment generally consists of elements within or inside the organization, such as physical resources, financial resources, human resources, information resources, technological resources, the organization's goodwill, corporate culture, and the like.

The internal environment includes everything within the boundaries of the organization.

Some of these are tangible, such as the physical facilities, the plant capacity technology, proprietary technology, or know-how; some are intangible, such as information processing and communication capabilities, reward and task structure, performance expectations, power structure management capability, and dynamics of the organization's culture.

Based on those resources, the organization can create and deliver value to the customer. This value is fundamental to defining the organization's purpose and the premise on which it seeks to be profitable.

Internal Environment Analysis



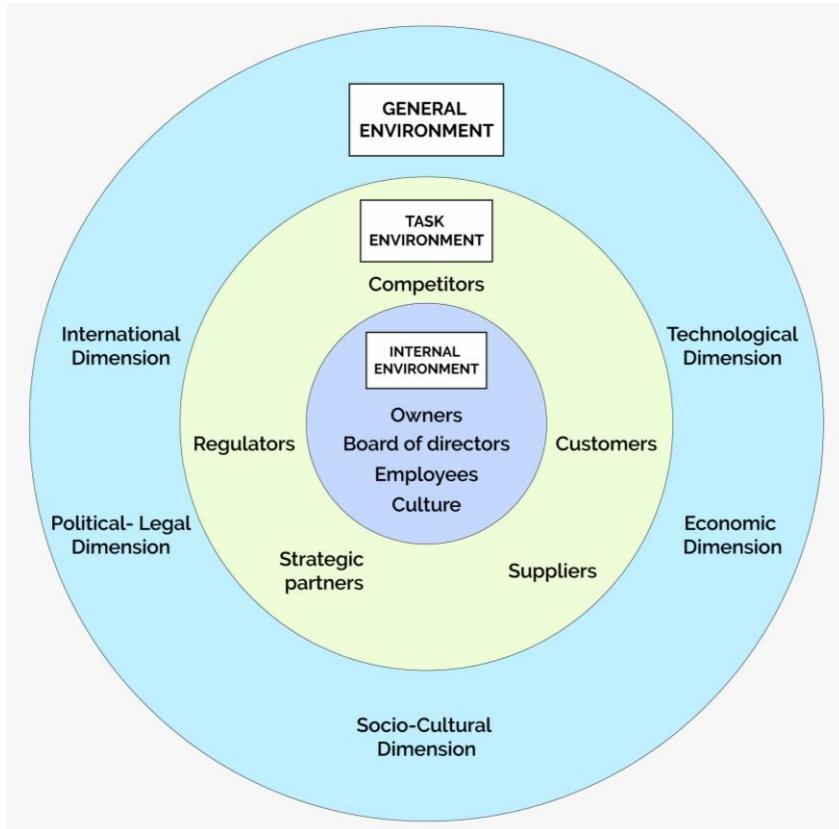
The manager's response to the external environment would depend upon the availability and the configuration of resource deployment within the organization.

The deployment of resources is a key managerial responsibility.

Top management is vested with the responsibility of allocating resources between the ongoing operations/activities and future operations of strategic nature. That is they might yield returns in some future time that require resources now to be nurtured and have some associated risks.

The top management has to balance the conflicting demands of both, as resources are always finite.

Internal Environment Analysis



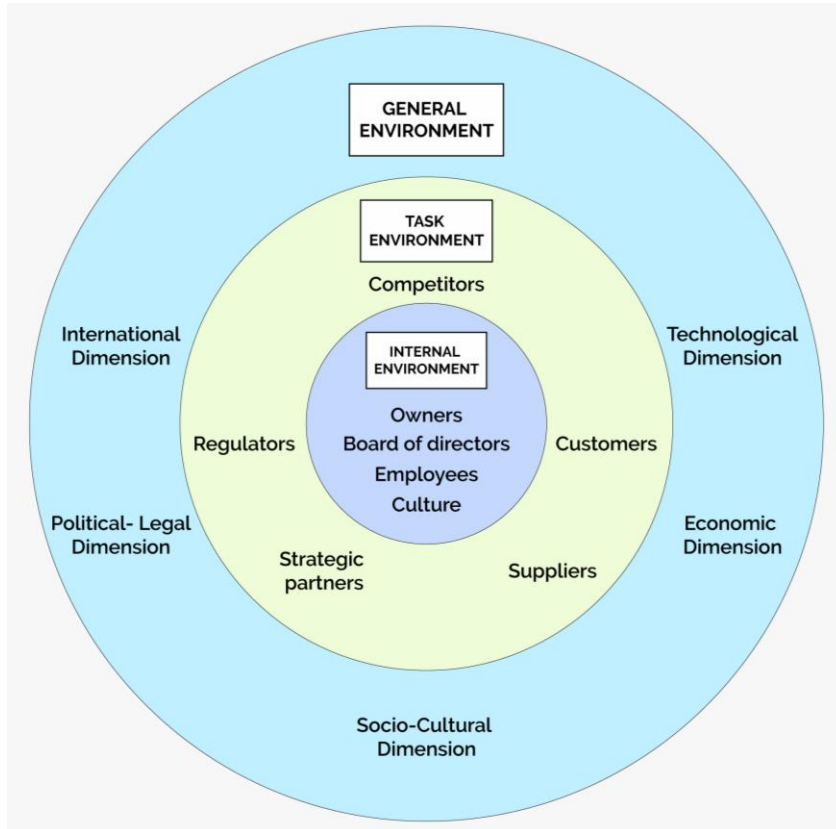
The internal environment of an organization consists of the conditions and forces that exist within the organization.

Internal environment {sometimes called micro-environment} portrays an organization's 'in-house' situations.

An organization has full control over these situations. Unlike the external environment, firms can directly control the internal environment.

The internal environment includes various internal factors of the organization, such as resources, owners/shareholders, a board of directors, employees and trade unions, goodwill, and corporate culture.

Elements of the internal environment



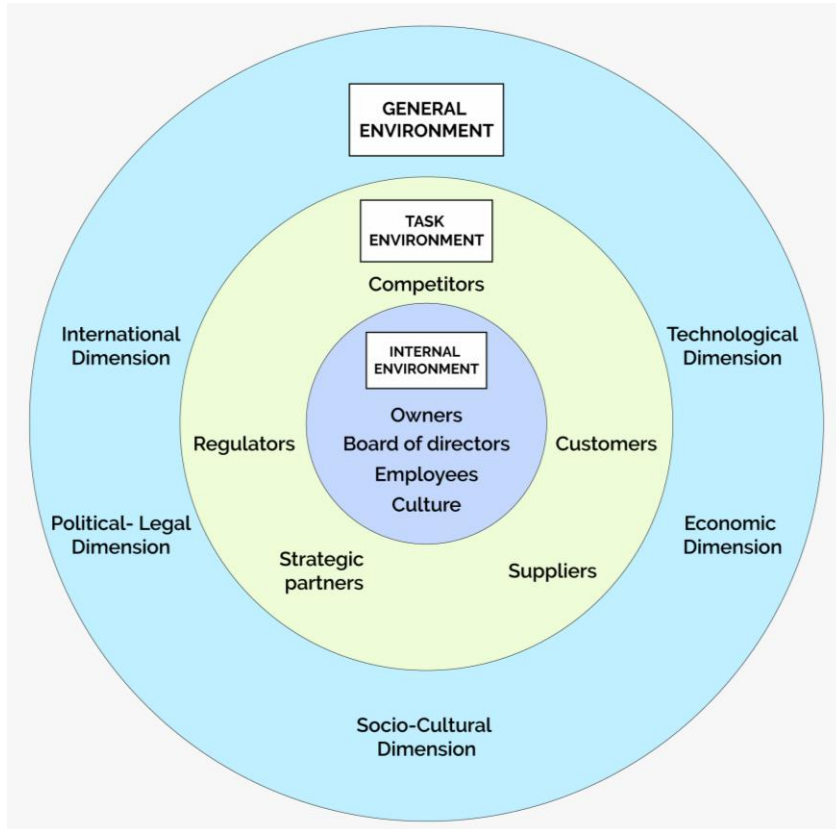
➤ Owners and Shareholders

Owners are people who invest in the company and have property rights and claims on the organization. Owners can be individuals or groups of persons who started the company; or bought a share of the company in the share market.

Owners of an organization may be an individual in the case of a sole proprietorship business, partners in a partnership firm, shareholders or stockholders in a limited company, or members in a cooperative society. In public enterprises, the government of the country is the owner.

Whoever the owners are, they are an integral part of the organization's internal environment. Owners play an important role in influencing the affairs of the business.

Elements of the internal environment



➤ Board of Directors

The board of directors is the company's governing body elected by stockholders. They oversee a firm's top managers, such as the general manager.

➤ Employees

Employees or the workforce, are the most important element of an organization's internal environment, which performs the administration tasks. Individual employees and also the labor unions they join are important parts of the internal environment.

If managed properly they can positively change the organization's policy. But ill-management of the workforce could lead to a catastrophic situation for the company.

Elements of the internal environment

➤ Organizational Culture

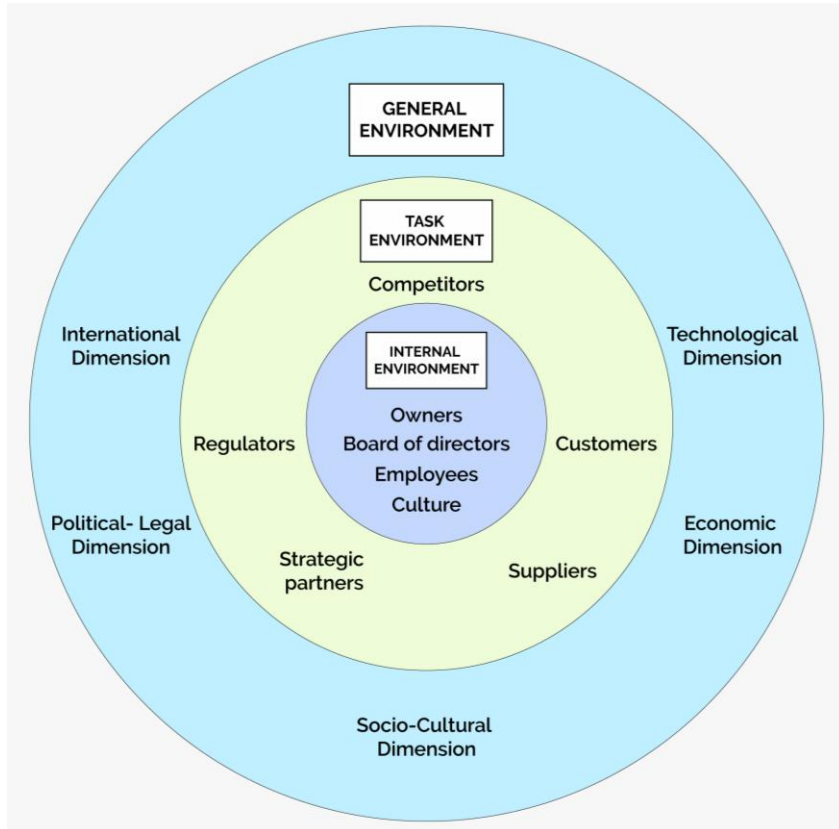
Organizational culture is the collective behavior of members of an organization and the values, visions, beliefs, and habits that they attach to their actions.

An organization's culture plays a major role in shaping its success because culture is an important determinant of how well the organization will perform.

As the foundation of the organization's internal environment, it plays a major role in shaping managerial behavior.

Culture is important to every employee, including managers who work in the organization. A strong culture helps a firm achieve its goals better than a firm having a weak culture.

Since culture is an important internal environmental concern for an organization, managers need to understand its influence on organizational activities.



Elements of the internal environment

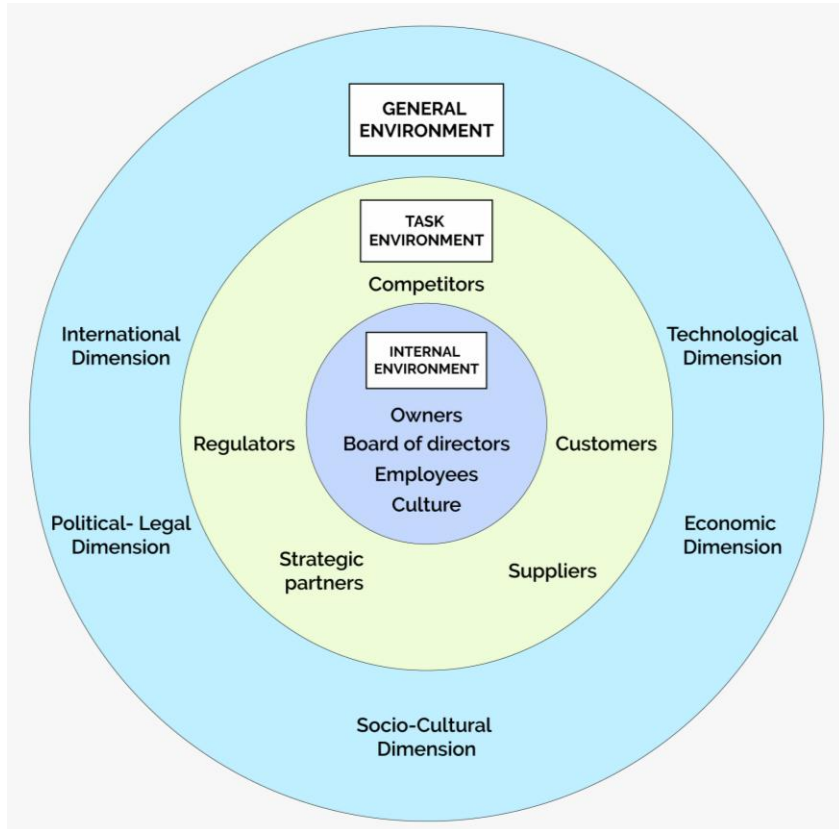
➤ Resources of the Organization

An organization's resources can be discussed under five broad heads: physical resources, human resources, financial resources, informational resources, and technological resources.

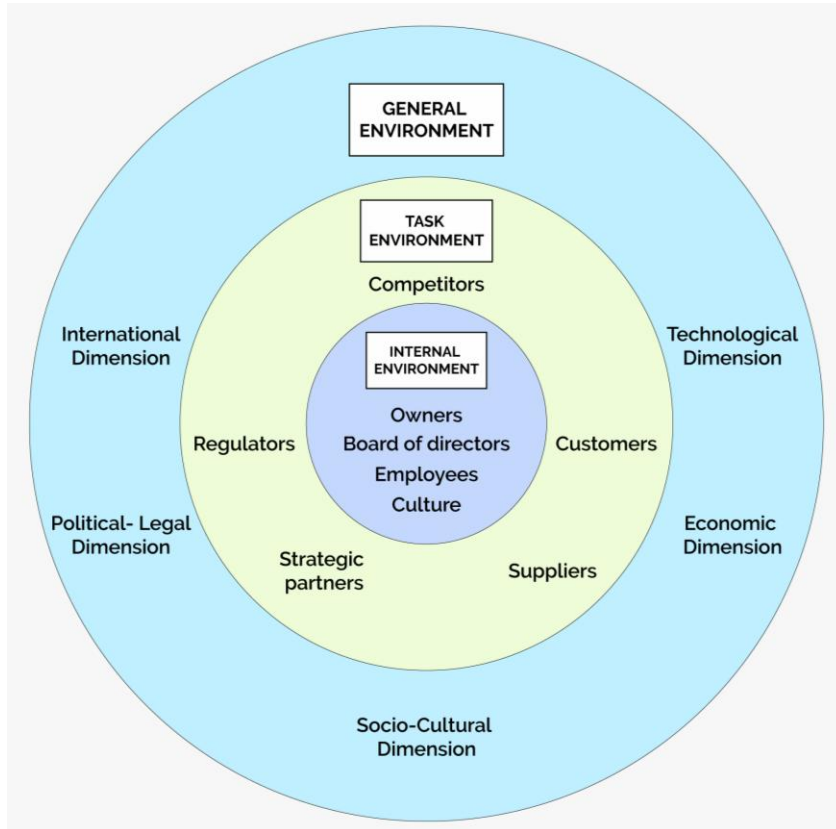
Physical resources include land and buildings, warehouses, and all kinds of materials, equipment, and machinery. Examples are office buildings, computers, furniture, fans, and air conditioners.

Human resources include all employees of the organization from the top level to the lowest level of the organization.

Financial resources include capital used for financing the organization's operations, including working capital. Examples are investments by owners, profits, reserve funds, and revenues received out of a sale. Informational resources encompass 'usable data needed to make effective decisions.



Elements of the internal environment

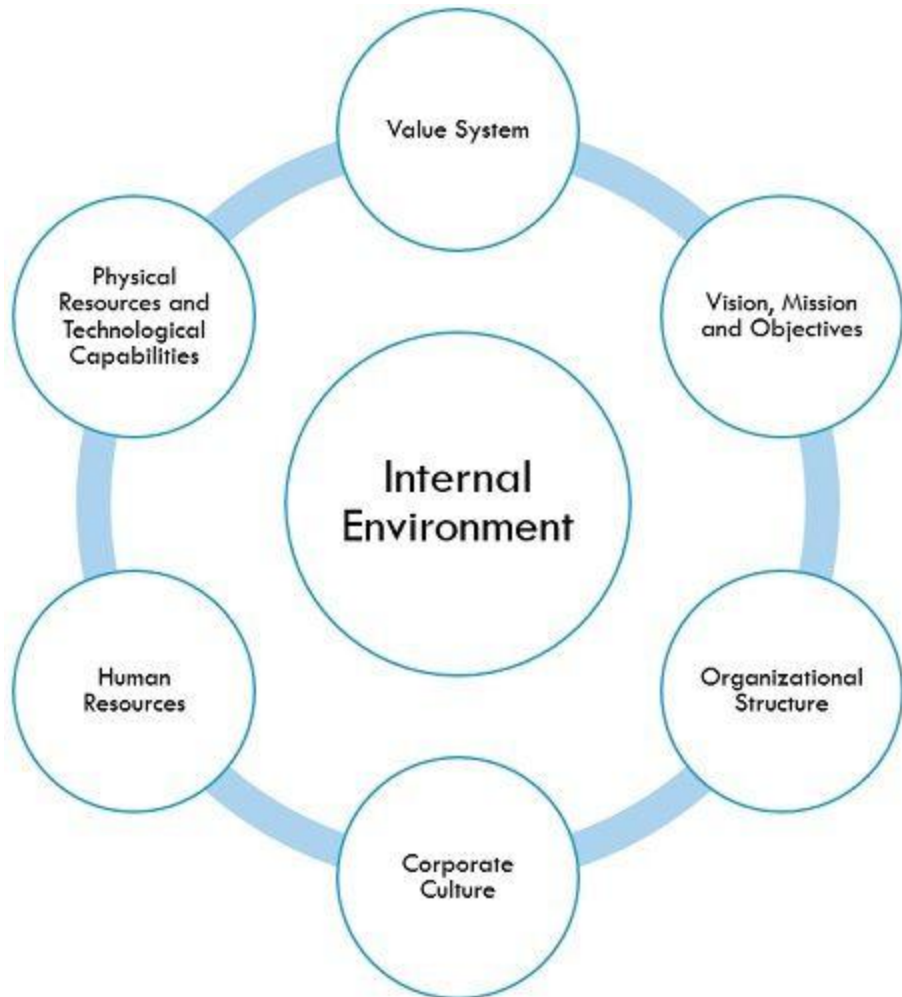


➤ Organization's image

The reputation of an organization is a very valuable intangible asset. High reputation or goodwill develops a favorable image of the organization in the minds of the public.

'No- reputation' cannot create any positive image. A negative image destroys the organization's efforts to attract customers in a competitive world.

Internal environment



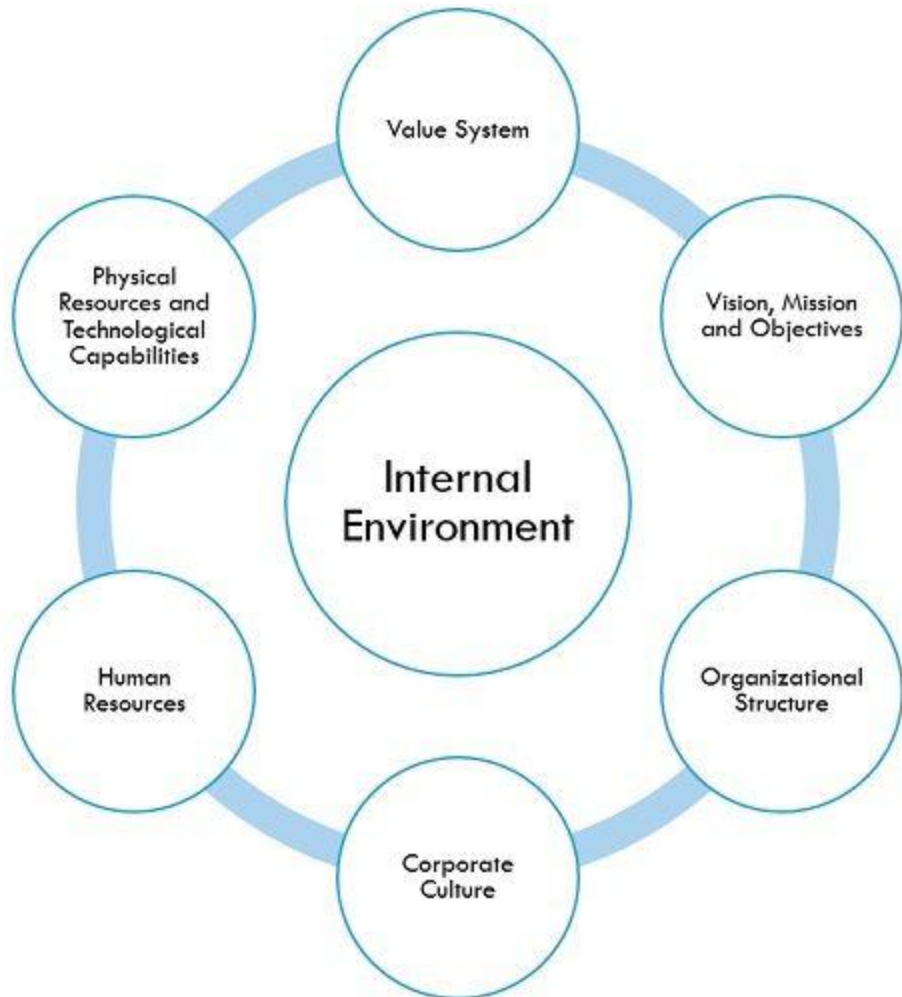
Internal environment analysis or internal analysis is the process of assessing of internal resources and capabilities of an organization to know its strengths and weaknesses.

The organizational internal factors such as goals, policies, resources, structure, culture, etc. are the source of strengths and weaknesses that resides in different functional units such as HR, marketing, finance, production, accounting, and R&D.

Internal strength and weakness together with potential opportunities and threats and a clear mission statement provide a base for a sound objective and strategy formulation.

The internal environment is controllable by the manager in the long run. It determines the relative strengths and weaknesses of the firm. Strengths are the positive internal characteristics of the firm which are helpful for achieving desired goals.

Internal environment



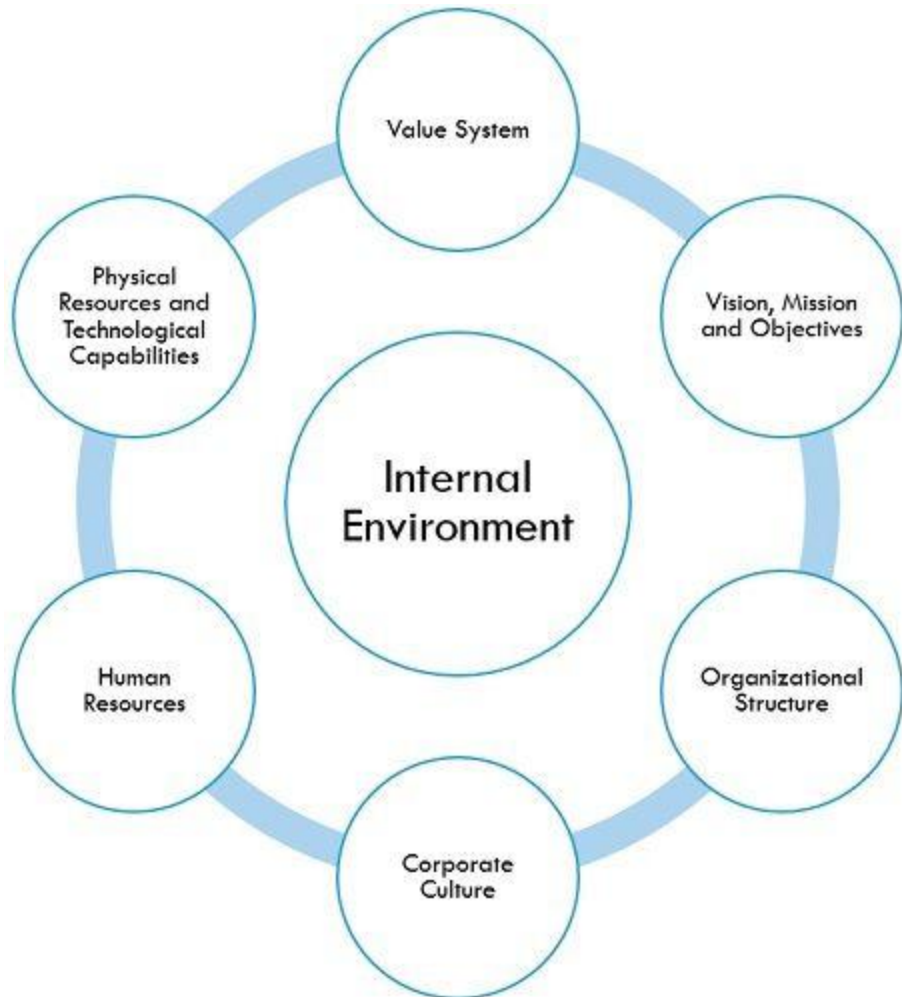
And, weaknesses are the negative internal characteristics that might restrict the organization's performance.

The primary responsibility of managers is to comprehend how to best utilize the important elements of the internal environment. A healthy internal environment aids in gaining a competitive advantage that directs a company in the direction of goal accomplishment.

The components of the internal environment include,

- **Organizational Goals and Policies**
- **Organizational Resources**
- **Organizational Structure**
- **Organizational Culture**

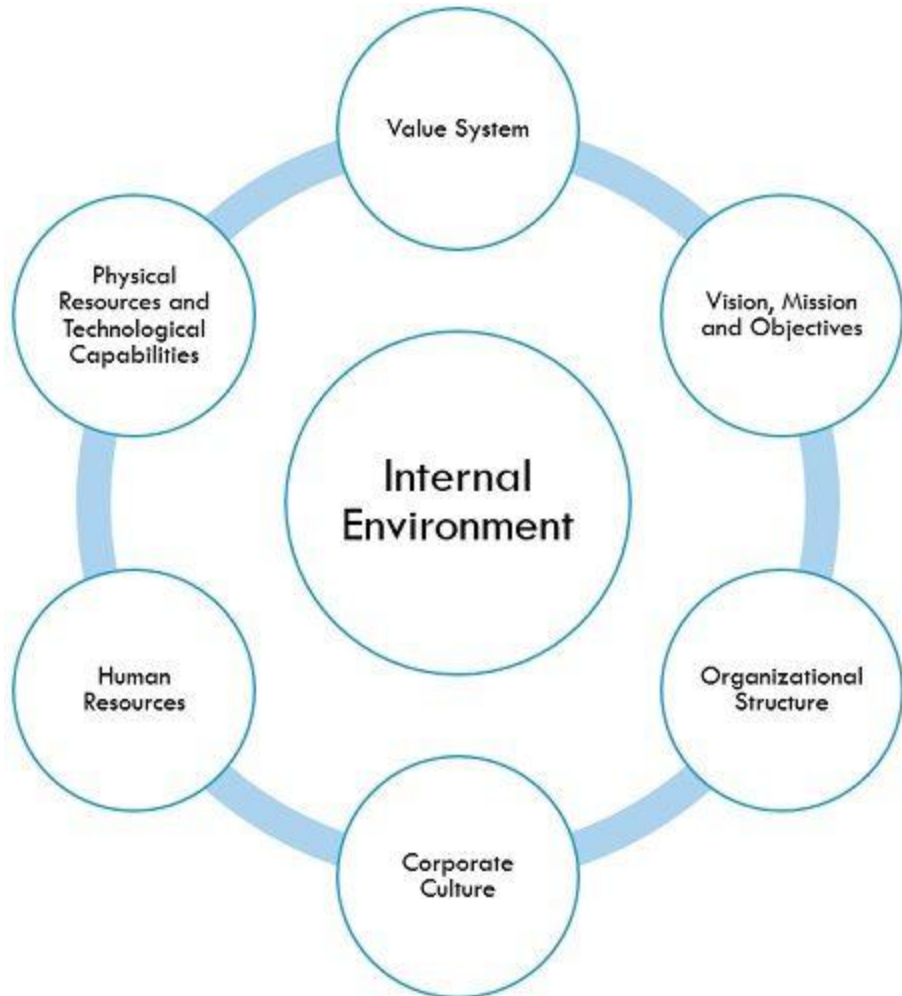
Importance of Internal Environment Analysis



Why internal environment analysis is important? Internal analysis is an effective approach to assessing organizational capability. The assessed information can be used in various ways. Some major ways internal analysis helps organizations are,

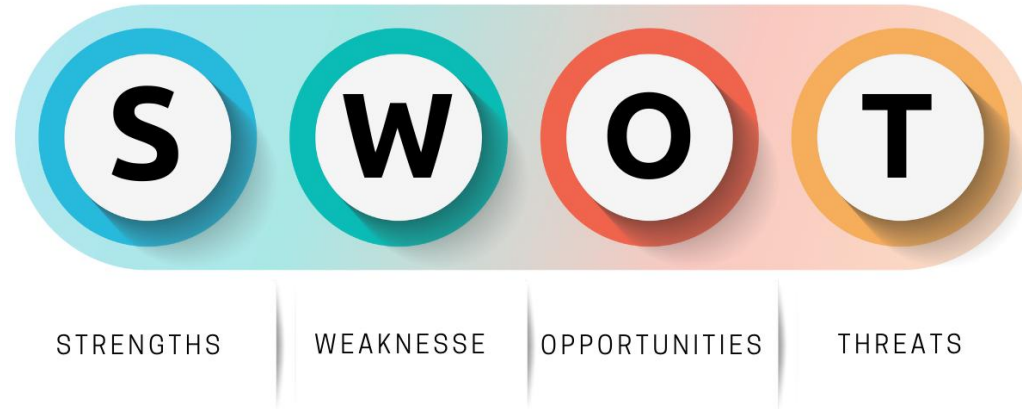
- The first importance of internal analysis we may consider is that it helps to identify the relative strengths of the organization. The organizational strengths may be in terms of resource availability, innovation, skilled manpower, uniqueness, brand, etc.
- Helps to Identify Weaknesses. Similar to the strengths, it also identifies the weaknesses of the organization which are weaknesses as compared to its competitors. Once identified, it further prepares the organization to reduce such weakening factors and mitigate external environment threats.

Importance of Internal Environment Analysis



- Helps to identify Unique Resources. To be competitive in the market, an organization needs to have unique resources. Unique resources are resources that make a firm different from its competitors.
- Identifies Core Competency. Along with the identification of unique resources, internal environment analysis also helps to identify and develop core competencies. A competency is that in which the firm is well. And, core competency is the sum of that the whole organization is exceedingly well in doing than competitors.
- Understanding every aspect of the organization makes the aware manager of capability, competencies, unique resources, strengths, and weaknesses and helps the manager formulate effective strategies.

Internal Environment Analysis

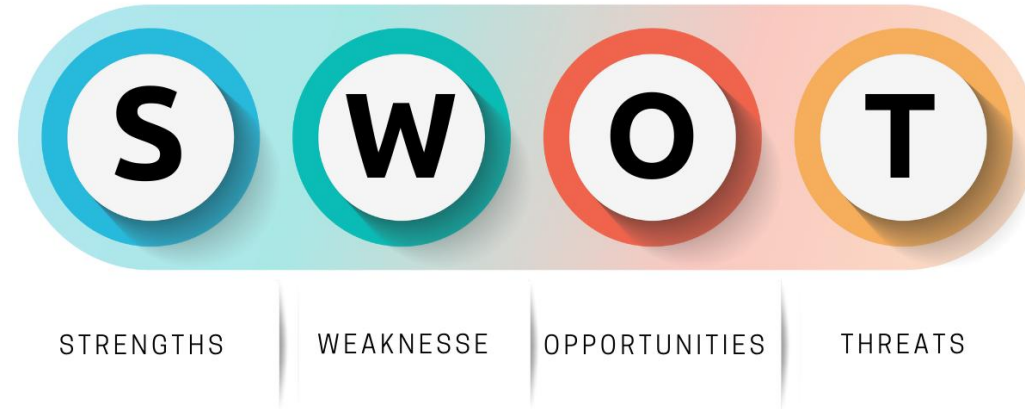


SWOT Analysis is a tool that can help you to analyze what your company does best now, and to devise a successful strategy for the future. SWOT can also uncover areas of the business that are holding you back, or that your competitors could exploit if you don't protect yourself.

A SWOT analysis examines both internal and external factors – that is, what's going on inside and outside your organization. So some of these factors will be within your control and some will not. In either case, the wisest action you can take in response will become clearer once you've discovered, recorded and analyzed as many factors as you can.

SWOT Analysis can help you to challenge risky assumptions and to uncover dangerous blindspots about your organization's performance. If you use it carefully and collaboratively, it can deliver new insights on where your business currently is, and help you to develop exactly the right strategy for any situation.

Components of SWOT Analysis



➤ Strengths

Strengths describe what an organization excels at and what separates it from the competition: a strong brand, loyal customer base, a strong balance sheet, unique technology, and so on.

➤ Weaknesses

Weaknesses stop an organization from performing at its optimum level. They are areas where the business needs to improve to remain competitive

➤ Opportunities

Opportunities refer to favorable external factors that could give an organization a competitive advantage.

➤ Threats

Threats refer to factors that have the potential to harm an organization.

SWOT Analysis

<h2>S</h2> <h3>STRENGTHS</h3>	<h2>W</h2> <h3>WEAKNESSES</h3>	<h2>O</h2> <h3>OPPORTUNITIES</h3>	<h2>T</h2> <h3>THREATS</h3>
<ul style="list-style-type: none">• Things your company does well• Qualities that separate you from your competitors• Internal resources such as skilled, knowledgeable staff• Tangible assets such as intellectual property, capital, proprietary technologies etc.	<ul style="list-style-type: none">• Things your company lacks• Things your competitors do better than you• Resource limitations• Unclear unique selling proposition	<ul style="list-style-type: none">• Underserved markets for specific products• Few competitors in your area• Emerging need for your products or services• Press/media coverage of your company	<ul style="list-style-type: none">• Emerging competitors• Changing regulatory environment• Negative press/media coverage• Changing customer attitudes toward your company

SOAR Model Analysis



Strengths, Opportunities, Aspirations, and Results (SOAR) Analysis is a strategic planning tool. It combines data about an organization's current position with people's ideas and dreams about its future, so that you can build an energizing vision to work toward.

You will almost certainly have come across SWOT (Strengths, Weaknesses, Opportunities, and Threats) Analysis, and you'll immediately see some similarities to SOAR Analysis. But SOAR differs from SWOT in two important ways.

How to Use SOAR



To begin, select a team of people to lead the analysis who have an external focus and who understand how your organization shapes up in your market. They will help you to make decisions at each stage of the process, and have a key role to play as the analysis develops.

Always remember, though, that SOAR is a collaborative tool, so be sure to consult people from all areas and levels of the business, and to bring their experiences and hopes into the process, as well.

How to Use SOAR



➤ Strengths

Start by brainstorming your organization's strengths with people across the business and with the analysis leadership team. These are the things that you're already doing really well, and the underlying characteristics of the business that support them.

An organization's strengths include its human and material assets, its technological and innovational abilities, its knowledge, skills and experience, and its achievements. And once you've identified them, you'll be in a better position to protect them, and to build on them to create your opportunities.

How to Use SOAR



➤ Opportunities

Begin thinking about your organization's future by brainstorming with people from across the business how you might make the most of your top six to 10 strengths. Then broaden the brainstorm to include any other opportunities that come to mind.

Consider, for instance, moving into new markets, meeting your customers' needs better, and making your organization more efficient.

This reframing is at the heart of SOAR analysis, and it helps to maintain people's positivity while stimulating their creativity.

How to Use SOAR

➤ Aspirations

This is all about imagining how your organization could be. The key here is to think far beyond day-to-day expectations and run-of-the-mill results.

Look back at your top six to 10 strengths and opportunities. Which of them really excite and inspire you? How could you build on them even more? And is there anything else that hasn't come up in your analysis so far that you'd love to achieve?

An organization's aspirations should be closely tied to its core values, so also invite thoughts such as:

What do we care deeply about?

What differences do we hope to make to our key stakeholders?

What projects, programs or processes will likely support our aspirations?



How to Use SOAR



➤ Results

Finally, it's time to brainstorm with everyone what practical changes they want to achieve, based on your analysis so far.

Once again, prioritize your findings to a shortlist of results that the organization should work toward first, as it won't be able to tackle everything at once. The analysis leadership team has a key role to play here in ensuring the good sense and rigor of the outcomes.

SOAR Model Analysis



Strengths

1. What do you excel at?
2. What are your greatest accomplishments?
3. What are you most proud of?
4. What makes you unique?



Opportunities

1. What partnerships would lead to greater success?
2. What changes and trends in the market align with your strengths?
3. What threats do you see?
4. Are there gaps in the market that you could fill?



Aspirations

1. What do you want to achieve in the future?
2. What should your future business look like?
3. How can you make a difference?
4. What are you passionate about?

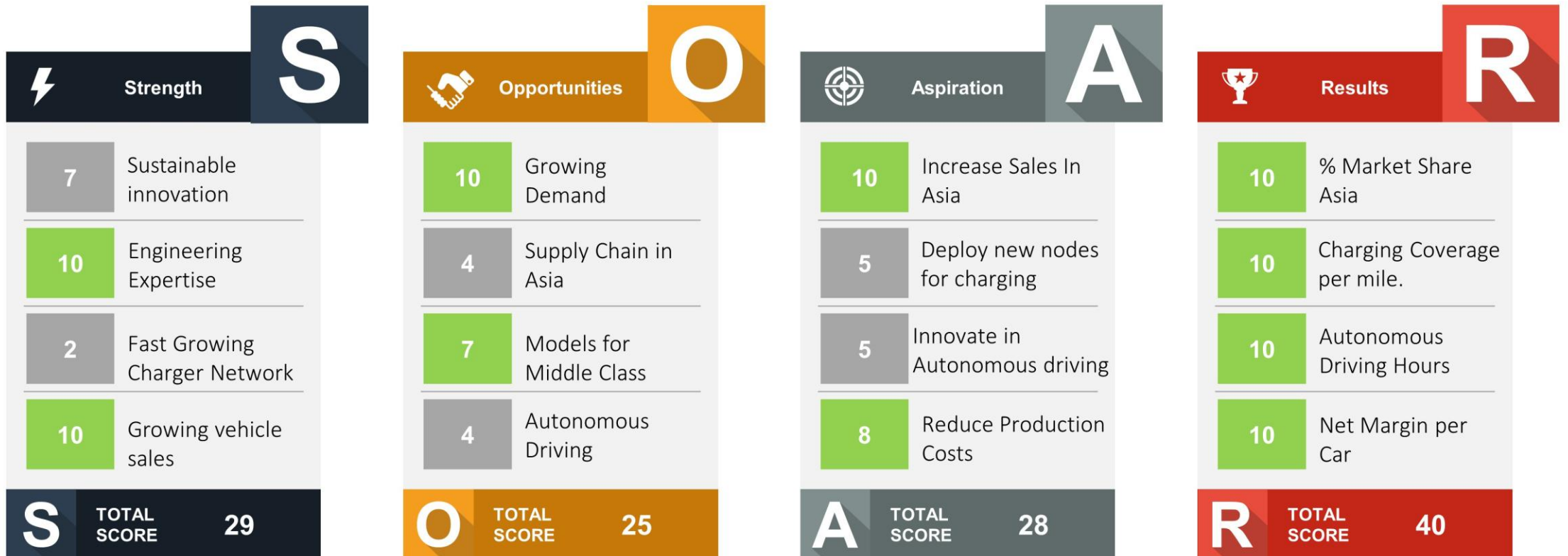


Results

1. What measures will tell you that you are on track to achieve success?
2. How do you translate your vision of success into tangible outcomes?
3. How do you know when you've achieved your goals?

For example SOAR Model Analysis

TESLA



TOWS MATRIX



SO Strategies

Strengths and Opportunities



WO Strategies

Weaknesses and Opportunities



ST Strategies

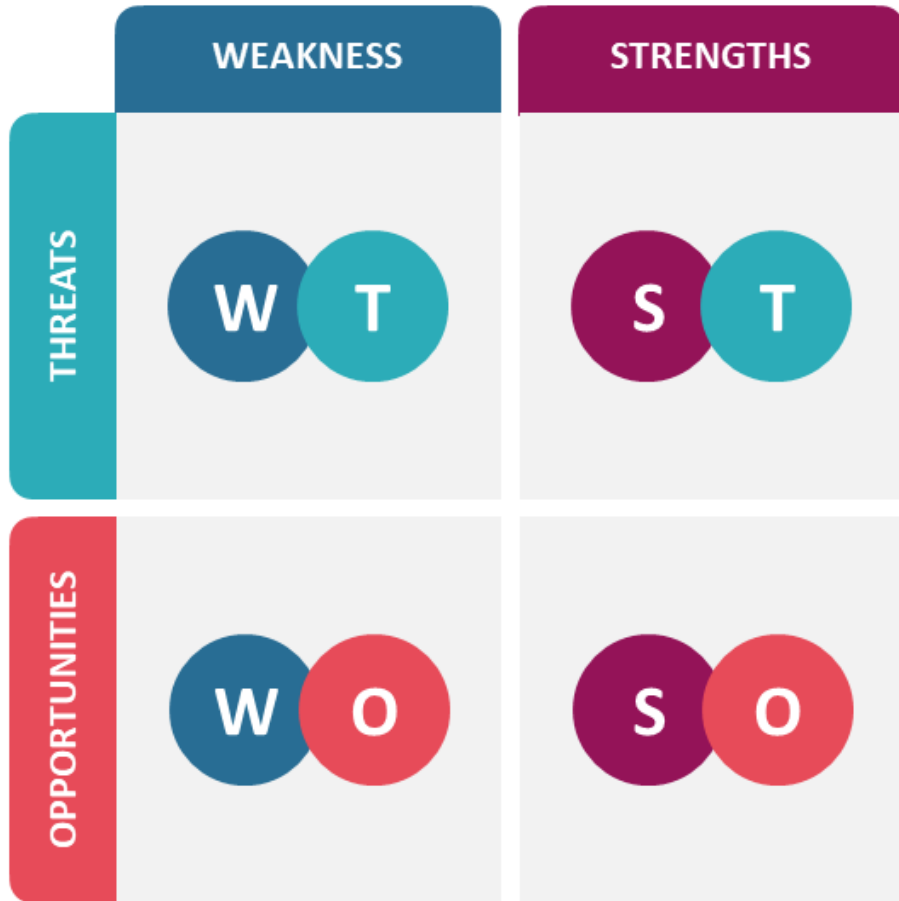
strengths and Threats



WT Strategies

Weaknesses and Threats

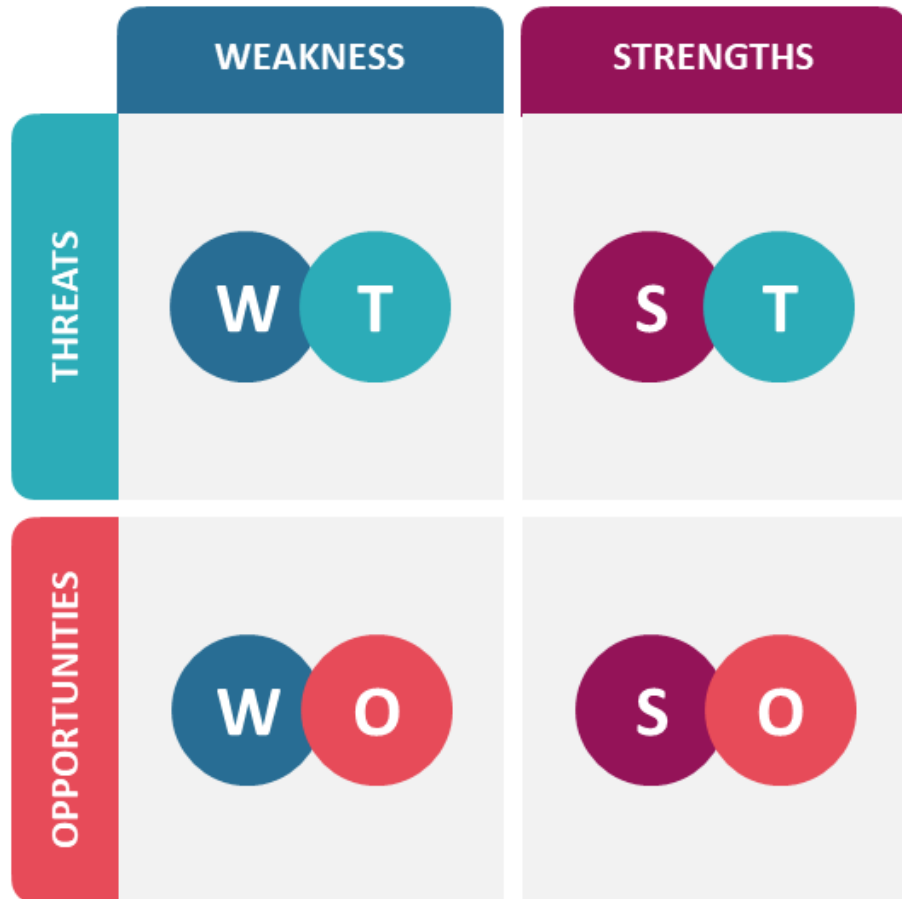
TOWS Matrix Analysis



A TOWS analysis is a planning tool and decision-making template that a company can use to identify potential threats and measure the strength of internal factors within an organization. Read on to learn how this useful tool can provide your organization with a competitive advantage.

A TOWS analysis is a strategic planning tool that considers your company's threats, opportunities, weaknesses, and strengths. It's a variation on a SWOT analysis. Businesses use a TOWS matrix when they want to take full advantage of opportunities in the external landscape—for example, to increase market share and profits for employees and stockholders.

What Is the Difference Between a SWOT and TOWS Analysis?

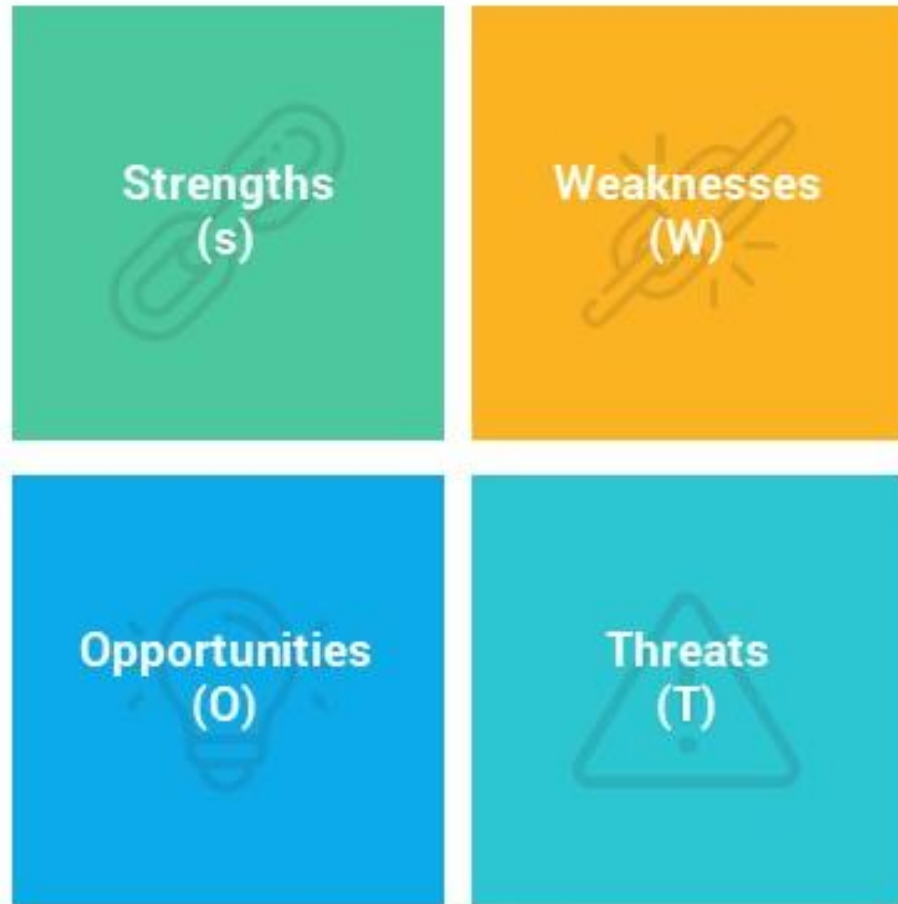


A TOWS analysis is a business strategy that uses the principles of a traditional SWOT analysis in a reverse-engineered approach. The letters in TOWS (and in SWOT) correspond to threats, opportunities, weaknesses, and strengths.

Since a TOWS analysis fits into the SWOT framework, knowing how a SWOT analysis works can help you compare the two. Using a conventional SWOT matrix, a company looks internally to identify its strengths and weaknesses before considering how those factors drive or give way to opportunities and threats.

In contrast, a TOWS analysis (or TOWS matrix) starts with identifying external threats and opportunities and works backward. Taking the external factors into consideration, decision-makers can strategize how the organization's internal strengths and weaknesses might be useful for addressing challenges and capitalizing on external opportunities.

SWOT to TOWS

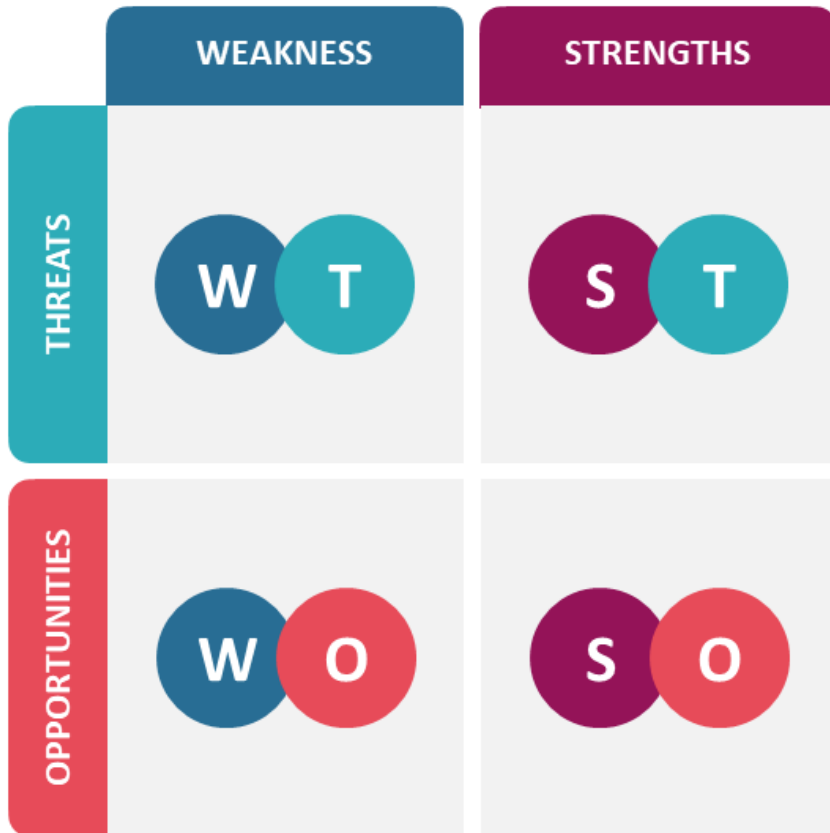


Traditional S.W.O.T



T.O.W.S Matrix

4 TOWS Analysis Strategies



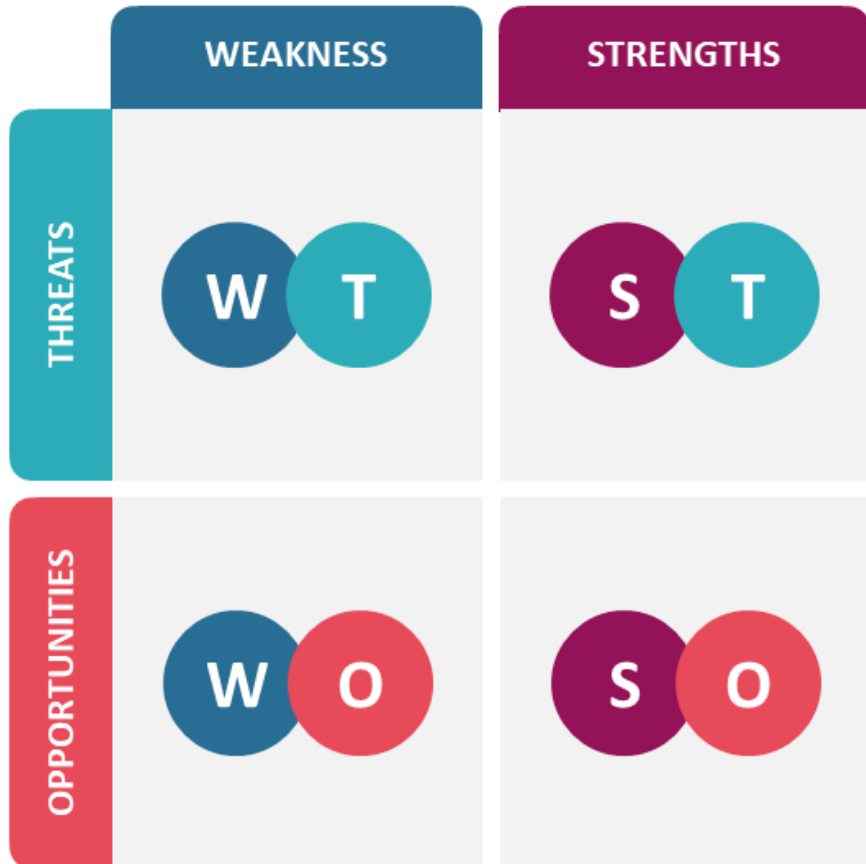
➤ 1. Strengths–opportunities (SO)

This TOWS strategy, also known as the maxi–maxi strategy, is a business plan that pursues opportunities through the sheer force of an organization’s strengths. It places less emphasis on a company's weaknesses. As an example, imagine a company with more robust customer service than its competitors. Using an SO strategy, this company’s marketing campaigns would tirelessly market their customer service to increase brand awareness among individuals who feel unhappy with a competitor’s subpar customer service.

➤ 2. Strengths–threats (ST)

Also known as the maxi–mini strategy, the ST strategy places a company’s strengths on the front lines of any organizational decisions. Like a sports team with exceptional scoring skills but a weak defense, this strategy forces a company to lean into its strengths to overcome competitors and future obstacles.

4 TOWS Analysis Strategies



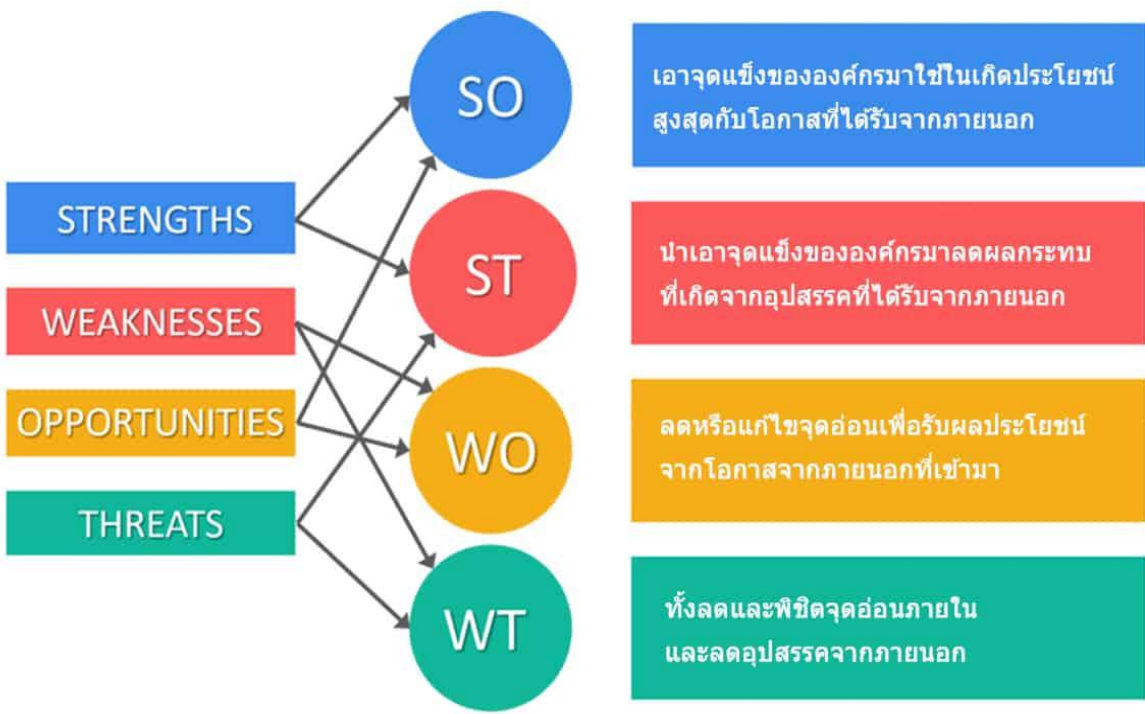
➤ 3. Weaknesses-opportunities (WO)

After a company has identified its weaknesses, it can use the WO strategy, also known as the mini-maxi strategy, to establish initiatives or plans to minimize these target weaknesses. In reducing vulnerabilities in marketing strategy or business processes, the company better enables itself to chase new opportunities, push into fresh markets, and create brand recognition among new demographics.

➤ 4. Weaknesses-threats (WT)

The WT strategy, or mini-mini strategy, aims to predict external threats before they appear and minimize any internal weaknesses that might leave the company vulnerable. Using this strategy, a company can start brainstorming strategic options for overcoming future hurdles.

ตัวอย่าง

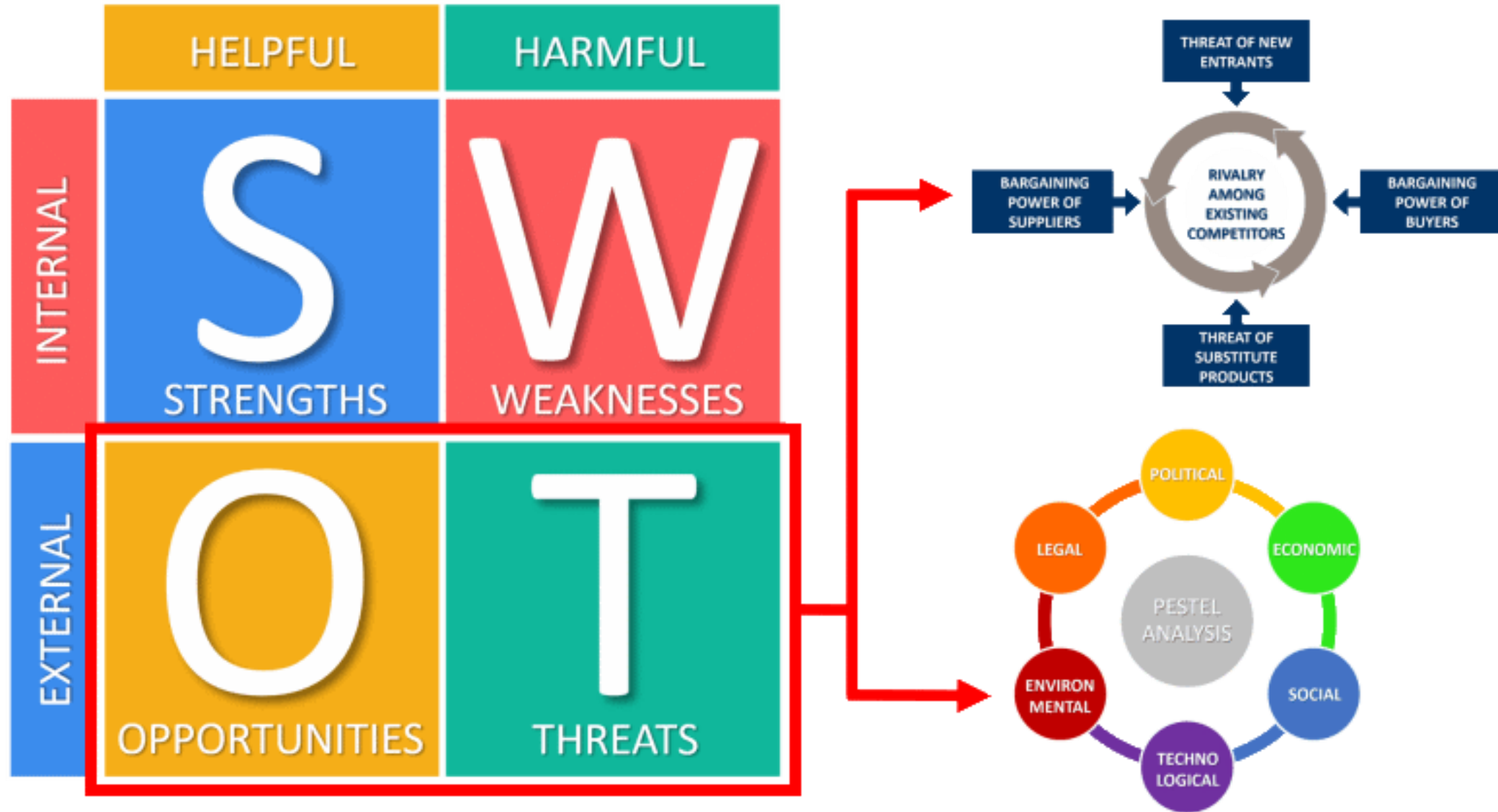


TOWS Matrix Analysis

ในธุรกิจเฟรนไชส์

	จุดแข็ง (Strengths)	จุดอ่อน (Weakness)
ปัจจัยภายใน	<ul style="list-style-type: none"> สำเร็จรูป ไม่เสียเวลา ความเสี่ยงต่ำ 	<ul style="list-style-type: none"> ขาดความรู้ไม่ได้ ลงทุนมาก ขาดอิสระ
ปัจจัยภายนอก	โอกาส (Opportunities) <ul style="list-style-type: none"> ความเชื่อมั่นของนักลงทุน การขยายไปต่างจังหวัด การขยายไปต่างประเทศ 	กลยุทธ์เชิงรุก (SO) กลยุทธ์เชิงแก้ไข (WO) <ul style="list-style-type: none"> เร่งพัฒนาธุรกิจ พัฒนาทีมงานให้แข็งแกร่ง
อุปสรรค (Treats)	<ul style="list-style-type: none"> การแข่งขันที่เพิ่มมากขึ้น บริษัทแม่ดูแลไม่ทั่วถึง คิดว่าประสบความสำเร็จแล้ว 	กลยุทธ์เชิงรับ (ST) กลยุทธ์เชิงป้องกัน (WT) <ul style="list-style-type: none"> เปิดร้านนอกห้าง / ปรับร้านเล็กลง ลงทุนต่ำ
	เปิดบริการ Food Delivery ตอบโจทยลูกค้าอยู่บ้าน	

Organizational Environment Analysis





Q & A