

*DEPARTMENT OF MANAGEMENT*

*COURSE TITLE: PRINCIPLES OF MANAGEMENT*

# **THE COURSE OUTLINE FOR THE PRINCIPLES OF MANAGEMENT**

**General Objective:** the learner should be able to distinguish management from other disciplines and be able to indicate position that management plays in organisations and the country at large

## **WEEK ONE**

- 1.0 Management
- 1.1 Definition of Management
- 1.2 History of Management
- 1.3 Management as a Science
- 1.4 Management as an Art

## **WEEK TWO**

- 2.0 Approaches to Management
- 2.1 Classical Approach
- 2.2 Behavioural Approach
- 2.3 Managerial Roles Approach
- 2.4 Systems Approach

## **WEEK THREE**

- 3.0 Theories of Management

## **WEEK FOUR**

- 4.0 Functions of Management
- 4.1 Planning
- 4.2 Elements of Planning
- 4.3 Importance of planning
- 4.4 Principles of Planning
- 4.5 Types of Plans

- 4.6 Steps in the Planning Process
- 4.7 Limitations of planning
- 4.8 How to Overcome the Planning Problems
- 4.9 Strategies Applied by Organisations

## **WEEK FIVE**

- 5.0 Organising
- 5.1 Principles of Organising
  - 5.1.1 Factors influencing the Span of Control
- 5.2 Types of Organisational Structures
- 5.3 Types of Power

## **WEEK SIX**

- 6.1 Controlling
- 6.2 Objectives of Controlling
- 6.3 Characteristics of Controlling
- 6.5 Importance of Controlling

## **WEEK SEVEN**

- 7 Leadership
  - 7.1 Leadership Roles
  - 7.2 Attributes of a Leader
  - 7.3 Characteristics of successful Leaders
  - 7.4 Theories of Leadership

## **WEEK EIGHT**

- 8 Group Formation
  - 8.1 Types of Groups
  - 8.2 Group Formation
    - 8.2.1 Factors that influences Group Formation
  - 8.3 Stages of Group Development

## **WEEK NINE**

- 9 Organisational Culture and Development
  - 9.1 Elements of Organisational Culture
  - 9.2 Types of Organisational Culture
  - 9.3 Organisational Development
  - 9.4 Characteristics of Organisational Development
  - 9.5 Goals of Organisational Development
  - 9.6 The Process of Organisational Development

## **WEEK TEN**

- 10.0 Human Resource Planning and Management
  - 10.1 Human Resource Planning
  - 10.2 Importance of Human Resource Planning
  - 10.3 Barriers to human Resource Planning
  - 10.4 Principles of Human Resource Management
  - 10.5 The Concerns of Human Resource Management
  - 10.6 Management By Objectives
    - 10.6.1 How MBO works

## **WEEK ELEVEN**

- 11.0 Staff Motivation
  - 11.1 Reasons for Motivation
  - 11.3 The Role of Non Financial Incentives

## **WEEK TWELVE**

- 12.0 Supervision, Leading and Controlling
  - 12.1 Principles of Supervision
  - 12.2 Roles of Supervision
  - 12.3 Types of Supervisors
  - 12.4 Coordination
    - 12.4.1 Characteristics of Coordination
    - 12.4.2 Principles of Coordination

12.4. 3 Advantages of Coordination

12.5 Techniques of Coordination

### **WEEK THIRTEEN**

13.0 Staffing

13.1 Steps in Staffing Process

13.1.1 Job Analysis

13.1.2 Limitations of Job Analysis

13.2 Recruitment

13.2.1 Internal Recruitment Methods

13.2.2 External recruitment Methods

13.3 Selection

13.4 Retention

### **WEEK FOURTEEN**

14.0 Decision Making Process

14.1 Characteristics of Decision Making

14.2 Types of Decisions

14.3 Steps in Decision Making

14.4 Barriers to Effective Decision Making

14.5 How to Overcome the Decision Making Problems

**BBM 122: PRINCIPLES OF MANAGEMENT CAT WEEK**

**SEVEN ANSWER ALL QUESTIONS**

1. Management is both a science and an art. Give reasons why management is an INEXACT science?
2. Discuss the managerial roles approach as given by Prof. Henry Mintzberg
3. Discuss the application of modern theory of management by Henry Fayol
4. Nelson Mandela is among the successful leaders in Africa. What are the some of the characteristics of successful leaders

## TABLE OF CONTENTS

THE COURSE OUTLINE FOR THE PRINCIPLES OF MANAGEMENT .....	i
TOPIC ONE .....	1
<b>1.0 MANAGEMENT</b> .....	<b>1</b>
1.1 Definition of Management.....	1
1.2 HISTORY OF MANAGEMENT .....	2
1.3 MANAGEMENT AS A SCIENCE .....	3
1.4 MANAGEMENT AS AN ART .....	4
<b>TOPIC TWO</b> .....	<b>5</b>
<b>2.0 APPROACHES TO MANAGEMENT</b> .....	<b>5</b>
2.1 CLASSICAL APPROACH (managing work and organization).....	5
2.2 BEHAVIOURAL APPROACH (managing people) .....	5
2.3 MANAGERIAL ROLES APPROACH .....	6
2.4 SYSTEMS APPROACH .....	6
<b>TOPIC THREE</b> .....	<b>8</b>
<b>3.0 THEORIES OF MANAGEMENT</b> .....	<b>8</b>
3.1 SCIENTIFIC THEORY OF MANAGEMENT .....	8
3.2 MODERN/ADMINISTRATIVE THEORY OF MANAGEMENT .....	10
3.3 BUREAUCRATIC THEORY OF MANAGEMENT .....	13
<b>TOPIC FOUR</b> .....	<b>16</b>
<b>4.0 FUNCTIONS OF MANAGEMENT</b> .....	<b>16</b>
4.1 PLANNING .....	16
4.2 ELEMENTS OF PLANNING / CHARACTERISTICS.....	16
4.3 IMPORTANCE OF PLANNING.....	17
4.4 PRINCIPLES OF PLANNING.....	18
4.5 TYPES OF PLANS .....	18
4.6 STEPS IN PLANNING.....	19

4.7 LIMITATIONS OF PLANNING.....	20
4.8 HOW TO OVERCOME PLANNING PROBLEMS.....	21
4.9 STRATEGIES APPLIED BY ORGANIZATIONS.....	21
<b>TOPIC FIVE.....</b>	<b>23</b>
<b>5.0 ORGANIZING.....</b>	<b>23</b>
5.1 PRINCIPLES of ORGANIZING.....	23
5.2 TYPES OF ORGANISATIONAL STRUCTURES.....	25
5.2.1 FUNCTIONAL STRUCTURE.....	25
5.2.2 PRODUCT – LINE STRUCTURE.....	26
5.2.3 GEOGRAPHICAL – BASED STRUCTURE.....	27
5.2.4 MATRIX OR ORGANIC STRUCTURE.....	27
5.2.5 Customer based structures.....	29
5.2.5 CENTRALIZATION AND DECENTRALIZATION.....	30
5.3 FORMS / BASIS OF POWER.....	30
<b>TOPIC SIX.....</b>	<b>32</b>
<b>6.0 CONTROLLING.....</b>	<b>32</b>
6.1 INTRODUCTION:.....	32
6.2 OBJECTIVES OF CONTROLLING.....	32
6.3 CHARACTERISTICS OF CONTROLLING.....	32
6.4 STEPS TO BE FOLLOWED IN CONTROLLING.....	33
6.5 IMPORTANCE OF CONTROLLING.....	34
<b>TOPIC SEVEN.....</b>	<b>35</b>
<b>7.0 LEADERSHIP.....</b>	<b>35</b>
7.1 LEADERSHIP ROLES.....	35
7.2 ATTRIBUTES OF A LEADER.....	36
7.3 CHARACTERISTICS OF SUCCESSFUL LEADERS.....	36
7.4 THEORIES OF LEADERSHIP.....	37



7.5 LEADERSHIP STYLES.....	39
<b>TOPIC EIGHT .....</b>	<b>42</b>
<b>8.0 GROUP FORMATION .....</b>	<b>42</b>
8.1 TYPES OF GROUPS .....	42
8.2 GROUP FORMATION.....	43
8.3 STAGES OF GROUP DEVELOPMENT .....	44
8.4 GROUP COHESIVENESS.....	44
<b>TOPIC NINE.....</b>	<b>47</b>
<b>9.0 ORGANIZATIONAL CULTURE AND DEVELOPMENT .....</b>	<b>47</b>
9.1 ELEMENTS OF ORGANIZATIONAL CULTURE .....	47
9.2 TYPES OF ORGANIZATIONAL CULTURE.....	48
9.3 ORGANIZATIONAL DEVELOPMENT .....	48
9.4 CHARACTERISTICS OF AN ORGANIZATION DEVELOPMENT .....	48
9.5 GOALS OF ORGANIZATIONAL DEVELOPMENT .....	49
9.6 PROCESS OF ORGANIZATIONAL DEVELOPMENT PROGRAM .....	49
<b>TOPIC TEN.....</b>	<b>51</b>
<b>10. HUMAN RESOURCE PLANNING AND MANAGEMENT .....</b>	<b>51</b>
10.1 HUMAN RESOURCE PLANNING .....	51
10.2 IMPORTANCE OF HR PLANNING .....	51
10.3 BARRIERS TO HUMAN RESOURCE PLANNING .....	52
10.4 PRINCIPLES OF HUMAN RESOURCE MANAGEMENT .....	52
10.5 THE CONCERNS OF HUMAN RESOURCE MANAGEMENT.....	53
10.6 MANAGEMENT BY OBJECTIVES (MBO) .....	53
<b>TOPIC ELEVEN.....</b>	<b>56</b>
<b>11.0 STAFF MOTIVATION.....</b>	<b>56</b>
11.1 REASONS FOR MOTIVATION .....	56
11.2 HOW TO MOTIVATE.....	56

11.3 THE ROLE OF NON FINANCIAL INCENTIVES .....	57
<b>TOPIC TWELVE.....</b>	<b>60</b>
<b>12.0 SUPERVISION / LEADING AND CONTROLLING .....</b>	<b>60</b>
12.1 PRINCIPLES / QUALITIES OF SUPERVISION .....	60
12.2 ROLES OF A SUPERVISOR.....	61
12.3 TYPES OF SUPERVISOR’S.....	61
12.4 CO-ORDINATION.....	62
12.5 TECHNIQUES OR METHODS OF CO-ORDINATION .....	63
<b>TOPIC THIRTEEN .....</b>	<b>65</b>
<b>13.0 STAFFING .....</b>	<b>65</b>
13.1 STEPE IN STAFFING PROCESS.....	65
13.2 RECRUITMENT .....	66
13.3 SELECTION .....	68
13.4 RETENTION .....	69
<b>TOPIC FOURTEEN .....</b>	<b>70</b>
<b>14.0 THE DECISION MAKING PROCESS .....</b>	<b>70</b>
14.1 CHARACTERISTICS OF DECISION MAKING .....	70
14.2 TYPES OF DECISIONS .....	70
14.3 STEPS IN THE DECISION MAKING PROCESS .....	71
14.4 BARRIERS TO EFFECTIVE DECISION MAKING.....	72
14.5 HOW TO AVOID THE DECISION MAKING PROBLEMS.....	72
<b>SAMPLE PAPER.....</b>	<b>74</b>

# TOPIC ONE

## 1.0 MANAGEMENT

*By the end of this chapter the learner should be able to:*

- a) define management*
- b) trace the history of management*
- c) state and explain the approaches to management*
- d) distinguish between management being an art and a science*

### 1.1 Definition of Management

1. Management is the process undertaken by one or more individuals to coordinate the activities of others to achieve results not achievable by one individual acting alone.

2. Management is a process of designing and maintaining an environment in which individuals working together in groups efficiently to accomplish the desired goals.

This definition can be expanded as follows:

**a)** Managers carry out the management functions of planning, organizing, staffing, leading and controlling

Planning is defining the future state of the department or organisation

Organizing is Putting similar tasks together to form a department

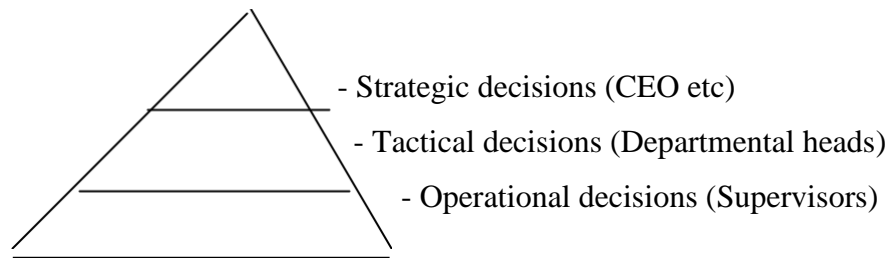
Staffing – Identifying who should do the tasks that are already identified

Leading – Showing them how to do what they should do

Controlling – Setting targets and objectives that should be pursued by the staff

**b)** Management applies to any kind of organization

**c)** Management applies to managers at all organizational levels



**d)** Management is concerned with effectiveness and efficiency (to be effective is to do right things and to be efficient is to do it correctly).

3. M.P Follet defines Management as an art of getting things done through other people. In it, managers achieve organizational goals by enabling others to perform rather than performing the tasks by themselves. This is done through delegation, communication and empowerment

4. J.F. Stonner defines Management as the process of planning, organizing, staffing, leading and controlling the efforts of workers and of using organizational resources. The definition suggests

- a) Management is a continuous process
- b) Several interrelated activities have to be performed by managers irrespective of their levels, to achieve desired goals.
- c) Managers use resources of the organization both physical as well as human, to achieve the goals of the company.
- d) Management aims at ensuring for effective use of organizational resources.

## **1.2 HISTORY OF MANAGEMENT**

1. The practice of management is as old as human civilization.
2. The progress of mankind over the centuries is attributed to the effective management of resources.
3. The irrigation systems, existence of public utilities, constructions of monuments e.g. Egyptian pyramids, Taj Mahal in India, demonstrates the practice of management in olden days.

4. The ancient civilization of Mesopotamia, Greece, Rome and Indus valley, displays the results of good management practices.

**NB:** The study of management in a systematic way as a distinct body of knowledge, is only of recent origin. It is therefore said that management is described as “oldest of the Arts and youngest of the sciences”.

### **1.3 MANAGEMENT AS A SCIENCE**

For any branch of knowledge to be considered a science, it should fulfill the following: a). Should have a systematic body of knowledge with its own principles (independent). b). The principles have to be evolved on the basis of constant inquiry and examination (research).

c). The principles must explain a phenomenon by establishing a cause-effect relationship. d). The principles should be available for verification to be universally acceptable. Management as a discipline fulfills the above because:

- i) It has emerged as a systematic body of knowledge with its own principles.
- ii) The application of these principles helps any practicing manager to achieve the desired goals.
- iii) (Management is dynamic because it has borrowed heavily from other disciplines to help solve management problems, disciplines e.g. Psychology, Sociology, Philosophy, Religion, Economics.

**NB:** Management cannot be viewed as an exact science but rather inexact science because of the following:-

- i) By definition, management involves getting things done through other people who are unique in respect of aspirations, attitudes, perceptions e.t.c. Their differences are so obvious that standard results may not be achieved in otherwise similar environment.
- ii) The behavior of human beings cannot be predicted accurately and therefore standards and ready made solutions cannot be prescribed.
- iii) Management is concerned with the future which is complex and unpredictable so that if there are changes in the environment, the management plans will be

affected.

- iv) Management plans are prone to change due to the changes in the external environment e.g. Technological changes, economic and socio-cultural changes.

#### **1.4 MANAGEMENT AS AN ART**

- i) The word Art refers to the know how or ways of doing to accomplish the desired results.
- ii) The focus is on the skill with which the activities are performed.
- iii) The constant practice of the theoretical concept (knowledge base) contributes to the formation and sharpening of skills.
- iv) Management as an art stresses the need for practice where in management graduate from the best institute may not be very effective and therefore requires creativity and practice.

#### ***Revision questions***

- a) Give various definitions of management*
- b) Management is as old as human civilization. justify this statement*
- c) Give reasons to show why management is inexact science and not an exact science*

#### **Further Reading**

1. George Terry and stephen g. franklin, "Principles of management", (AITBs, Delhi 1998)
2. Arthur G. Berden, "Management", Dryolen Press New york, 1993)

## TOPIC TWO

### 2.0 APPROACHES TO MANAGEMENT

*By the end of this chapter the learner should be able:*

- a) To describe the various approaches to management*
- b) To indicate how each approach is important in management*

An approach is a school of thought where the members share in a common belief.

#### **2.1 CLASSICAL APPROACH (managing work and organization)**

It was the first attempt to study modern management when managers were seeking answers to the basic and practical questions e.g. How to increase efficiency and productivity. Their concern was not about workers, but work in terms of tools and equipment. The second concern was about the organization which was to provide the necessary guidelines including procedures, policies, plans, methods e.t.c

#### **2.2 BEHAVIOURAL APPROACH (managing people)**

It was developed because the classical approach could not achieve the total efficiency and work place harmony.

The behavioral approach uses the concept of psychology, sociology, philosophy, religion, economics e.t.c, to help managers understand the human behavior at work place.

The emphasis in this approach is on the interrelationship workers, work and the organization.

For work place harmony to be realized, the following was recommended:-

- (a). Motivation – The workers performance will increase if they are motivated and managers should give it a lot of concern.
- (b). Communication – The organization should have open channels of communication for

free flow of information vertically and horizontally.

(c). Formation of groups – Workers should be allowed to form and join social groups to advance their interest. The managers should not condemn them but reach out to the perceived leaders of such groups for help.

## **2.3 MANAGERIAL ROLES APPROACH**

It was developed by Prof. Henry Mintzberg after studying 5 Chief Executive Officers, and came to conclusion that managers do not only perform the classical functions. They engage in a variety of other activities like:-

### **(a). Figure head roles**

Just the presence of the manager is enough. When the manager is around, everything is okay.

Leader role – a leader influence others into action.

Liaison – a leader negotiates on behalf of the workers and the department

### **(b) Information Roles**

Recipient role - receives information on behalf off.

Dissemination role – passes the information received to others

Spokesperson role – speaks on behalf off

### **(c). Decision Roles**

Entrepreneur role -seeks opportunities for the company

Disturbance handling role-settles disputes and dispences justice

Negotiator role-negotiates on behalf off

Resource allocator role- makes decisions on the use of the company's resources

## **2.4 SYSTEMS APPROACH**

This is a way of thinking about the management's problems because one part or department influences the other and therefore managers should not deal with individual parts but instead deal with the entire organization.



The organization being dynamic, the managers must anticipate the intended as well as unintended impacts of their decisions.

Managers in this approach therefore, do not deal with individual departments, but the entire company / organization.

***Revision questions***

***i. What are the main features of managerial roles approach***

***ii. What were the recommendations of the behaviouralists***

***iii. Indicate how managers prepare to fit into the contingency approach***

**Further reading:**

1. Bernard M. Bass, 'organisational decision making' homewood, III:Richard Irvin 1983
2. Richard m. Hodgers, "Management Theory, Process and Practice" ,Academic Press, New york 1990

## TOPIC THREE

### 3,0 THEORIES OF MANAGEMENT

**By the end of this topic the learner should be able:**

- a. To fully explain the different theories of management**
- b. To discuss the relevance of modern theory of management**
- c. To identify the disadvantages of bureaucratic theory of management**

#### 3.1 SCIENTIFIC THEORY OF MANAGEMENT

It was founded by Fredrick Taylor and it puts emphasis on scientific thinking where managers **MUST** give justification for decision making.

The aim of the theory was to change the attitude of the employees and the managers towards one another and work.

##### **Objectives of the Theory**

- i) To use a lot of skills and knowledge in the production process.
- ii) To revolutionize the whole process of production and marketing by having professionals in charge.
- iii) To standardize the plans, tools, materials and working conditions in order to increase production.
- iv) To reduce the possibility of slackness in production as a result of accidents.
- v) To help the workers through proper guidance.
- vi) To increase the level of wages, profits and customer service to the highest levels.

##### **Principles of the Theory**

###### **(i). The principles of task idea**

It states that favorable conditions at work will make the workers to perform miracles and increase productivity.

###### **(ii). The principle of standardization**

According to this principle, the work activities and method of production should be uniform to avoid biasness so as to achieve the quality product/service.

**(iii). The principle of selection and training**

It states that proper policies and guidelines be formulated to ensure that only qualified personnel are employed and those without the skills be trained. (iv). **The principle of division of work**

It states that division of work should be undertaken because it leads to specialization which further leads to increased production. (v). **The principle of proper use of plant**

It states that the organization's resources both human as well as physical should be put to proper use. The managers should minimize their misuse. (vi). **The principle of planning**

- It states that planning should be the first function for any manager because it helps to achieve the organizational goals with ease and without conflicts.

**(vii). The principle of healthy working environment.**

It states that the work environment should be worker friendly so as to achieve quality output.

**(viii) The principle of incentives**

It states that the organization should their employees reasonable salaries.

**Advantages of the theory**

**(i). Uniformity**

It gave birth to standardization of tools, working methods e.t.c which led to uniformity.

**(ii). Incentives**

Because of incentives, the workers performance increased greatly.

**(iii). Wastage**

It reduced the level of wastage in production process through scientific selection and training.

(iv). It puts emphasis on better utilization of available organization's resources.

(v). The system provides for the satisfaction of the needs of the customers by providing high quality product/services at lower prices.

- (vi). It puts emphasis on good harmonious relationships between workers and management.
- (vii). It puts emphasis on proper selection, training and promotion of employees.
- (viii). It has led to specialization which in turn led to increased productivity and job satisfaction.

### **Disadvantages of the theory**

1. It puts a lot of emphasis on employee incentives but less on compensation in an event of an accident.
2. It has overlooked the human desire for job satisfaction.
3. It assumes the social needs of workers such as forming and joining a trade union, welfare society e.t.c
4. The techniques of scientific management dehumanize the workers by making them to work like mindless machines.
5. It rules out any bargaining about wages by emphasizing on the manager setting salaries and wages.
6. It gives too much power to managers which cause conflict and resistance.

### **3.2 MODERN/ADMINISTRATIVE THEORY OF MANAGEMENT.**

It was formulated by H. Fayol, who said that managers who follow general principles of management and good management practices achieve the highest productivity.

#### **Principles of Management**

##### **1. Principle of division of labour**

According to it, when division of labor is allowed, it leads to specialization of workers which further leads to increased productivity and job satisfaction.

##### **2. The principle of authority and responsibility**

It states that for a manager to get work done in his/her development, she/he must adequately be authorized to be able to control the activities of the development. The

manager is equally held responsible and answerable to the proper use of the authority.

### **3. The principle of discipline**

It states that discipline is at the very core of administration and that managers should be disciplined first before they can think of disciplining the subordinate.

### **4. The principle of unity of command**

It states that commands should be well planned and thought out. Subordinate should not take instructions from more than one because they will be confused and frustrated.

### **5. The principle of unity of management**

It states that tasks that are similar should be placed under one manager for easy control.

### **6. The principle of suitable and adequate payment of personnel**

It states that workers should be paid a better salary at the market rate so as to perpetuate their race. This boosts their morale and efficiency.

### **7. The principle of centralization**

It states that power and authority should be put in the hands of few so that the image and culture of the company can be maintained and also control the type of decisions to be taken.

### **8. The principle of subordination of individual interests**

It states that workers of an organization should be able to sacrifice their interests and goals for the sake of organizational goals and objectives.

### **9. The principle of chain of communication.**

It states that an organization should have open channels of communication for free flow of information vertically and horizontally between the workers and workers, workers and managers, managers and managers.

**10. The principle of execution of orders.**

It states that orders and instructions should always come from the right places, departments and persons.

**11. The principle of equal treatment.**

It states that managers should treat everyone equally, to avoid conflicts and resistance.

**12. The principle of stability of personnel.**

It states that workers should be assured of their job security by formulating policies that govern dismissals.

**13. The principle of initiative**

Initiative is the freedom to think, plan and to execute. Therefore, managers should allow their subordinates limited autonomy to be creative but under their watchful eye, for that helps to build their confidence.

**14. The principle of Espirit de corpse (teamwork).**

According to this principle, unity is strength, and therefore managers should do away with divide and rule policy. Fayor came up with qualities that a manager should have to be able to practice the principles outlined e.g.

- Should have good physique
- Should be of good health
- Should be smart – dressing not offensive.

**(ii). Mental Qualities**

- Should be intelligent and wise - desist from making emotional decisions.
- Should be quick to act
- Should be able to extract the hurting feelings of the group.
  
- Should be respectful
- Should be honest

- Should have self determination and communication ability

(iv). **General knowledge and experience**

Should be well educated and experienced – should be able to understand what's going on and what people are talking about.

### **3.3 BUREAUCRATIC THEORY OF MANAGEMENT**

It was formulated by Marx Weber, who was reacting to the abuses of power by those in managerial positions.

He had interest in better management practices, and stressed that there is need for a strictly defined hierarchy of management, governed by clearly defined rules, regulations and lines of authority.

He believed that an organization is that one that entails beaurocracy whose objectives and activities are rationally thought out.

The theory puts emphasis on orders, rationality, uniformity and consistency.

#### **Principles / elements of Bureaucracy**

##### **1. Hierarchy of authority**

It states and shows the relationship between various managers, their areas of jurisdictions and their relationship with the subordinates.

##### **2. Division of work**

It states that work is divided into sections workers are allowed to specialize and hence increase their competence, efficiency and productivity.

##### **3. The principle of rules**

It states that rules and procedures should be followed if systematic control is to be realized.

##### **4, Standardization of methods**

This implies a system of work procedures where similar tools, equipment and materials are used irrespective of departments.

### **5. Selection and promotion of employees.**

It states that selection and promotion of employees should be based upon managerial and technical competence.

### **6. The principle of legal power and authority.**

It states that bureaucracy recognizes only legal powers and authority to each office and position.

Authority therefore does not belong to an individual; it is part of the office.

### **Advantages of bureaucracy**

1. It eases the top management's effort in controlling their organization.
2. It leads to consistency of employees' behavior which may lead to quality.
3. It eliminates the conflicting job duties because activities and responsibilities are well defined.
4. There is maximum utilization of resources, both physical as well as human.
5. The worker becomes a specialist through the principle of division of labor.
6. It helps to ease the goal attainment.

### **Disadvantages of bureaucracy**

1. It makes managers dictators because they have too much power.
2. There is too much paper work and therefore wastage of resources.
3. Employees end up thinking less and work like robots.
4. It may lead to high resistance to change because workers are not involved in decision making.
5. It does not give room to participating managers.
6. The overall goal attainment is hampered due to many rules to be observed.



***Revision questions***

- i. What are the advantages of democratic theory of management***
- ii. State the principles of scientific theory of management***
- iii. What are the similarities between Tailors and Fayols theories***

**Further Reading:**

1. George terry and Franklin, "Principles of Management", Delhi, 1998
2. Peter Drucker, "Management, Tasks, Responsibilities and Practice", Hauper and Row, 1987

## TOPIC FOUR

### 4.0 FUNCTIONS OF MANAGEMENT

*Objectives:*

*By the end of the topic you should be able;*

- a. To state the characteristics of planning*
- b. To discuss the importance of planning*
- c. To highlight the steps in the planning process*
- d. To explain by use of examples the methods that are used in the forecasting*

#### 4.1 PLANNING

It's the basic process by which we use to see our goals and determine the means to achieve them. It bridges between where we are and where we want to go. It involves setting missions, objectives and actions to achieve them.

#### 4.2 ELEMENTS OF PLANNING / CHARACTERISTICS

##### 1. OBJECTIVES

This specifies the future conditions that a manager hopes to achieve.

##### 2. ACTIONS

These are means or specific activities planned to achieve the objectives.

##### 3. FORECAST

A manager cannot plan without giving consideration to the future events and factors that affect what will be possible to accomplish.

##### 4. RESOURCES

These are constraints on the course of action.

A plan specifies all kinds and amounts of resources required, as well as the potential sources and allocations of those resources to causes of action.

## **5. IMPLEMENTATION**

A plan includes ways and means to implement the intended actions. It involves the assignment and direction of workers to carry out the plan.

### **4.3 IMPORTANCE OF PLANNING**

#### **1. To co-ordinate the efforts**

The work of individuals and groups must be co-ordinated and planning is an important technique for achieving the co-ordinated effort.

#### **2. Preparing for change**

Effective plan allows room for change by preparing those to be affected by the change and those to implement the changes

#### **3. Developing performance standards / setting**

As plans are implemented, specific set targets in the plans must be realized if performance is to be rated as good.

#### **4. Developing managers**

Planning involves high levels of intellectual activities because those who plan must be able to deal with abstract and uncertain ideas and information. Therefore, they must think about the present and the future and show their relationships. That enhances their analytical ability.

#### **5. A source of funding**

Plans are used by the donors and other financiers to determine the projects that they are willing to finance. They are therefore used by organisations to source for funding. Better plans easily attracts the funding.

#### **6. Budgeting**

Individual department will normally prepare their departmental plans which has the

costing part, which ultimately can be taken by the organisation in order to prepare the master budget. This is realized by adding up the budgets of different departments within the organisation

#### **4.4 PRINCIPLES OF PLANNING**

##### **1. Take time to plan don't be in a hurry;**

Enough time should be taken to carry out an accurate situation analysis so that all factors are considered.

##### **2. Planning can be top down or bottom up;**

Managers can formulate plans and pass on to the workers to implement them (top down).

##### **3. Communication**

Communication be done to those who are to implement the plans and those to be affected by the plans.

Communication should be done at the earliest possible time.

##### **4. Flexibility**

Plans should be flexible so that changes in the environment can be considered to ensure success of the plan.

##### **5. Evaluation**

A decision must be taken on how and when evaluation is to take place. If the plan is faced with hitches then it should be revised.

#### **4.5 TYPES OF PLANS**

##### **1. Strategic plans**

These are long range plans made by top level managers and give a guideline to other plans within the organization. They are the supreme plans within the company

##### **2. Operational plans**

These are plans made by departmental managers and affects day to day running of those departments.

They are derived from strategic plan. They are routine like plans which are made on daily basis

### **3. Policies**

These are general statements or understanding that guides the thinking in decision making. They define an area within which a decision is to be made and that it must be consistent to the objectives. They are the guidelines which are strictly followed for uniformity and consistency of the decisions taken and the actions undertaken

### **4. Procedures**

These are plans that establishes a required method of handling future activities. They are chronological sequence of required actions.

### **5. Budget**

It is a plan statement for a given period of time in future exposed in financial terms. It shows revenue and expenditure to be undertaken. Budget are never violated easily without the management's intervention

## **4.6 STEPS IN PLANNING**

### **1. Environmental analysis;**

This is where an accurate examination of the organization strengths and weaknesses is appreciated.

This assists in formulation plans that will be achievable.

### **2. Setting objectives**

This specifies the expected results and indicates the end points. It shows where we want to be and what we want to accomplish and when.

### **3. Consider the planning premise**

This is where the environment or place where the plan is to be executed is prepared.

This helps to reduce implementation problems. This includes acquiring of extra space and specialized equipments

### **4. Evaluate the alternative courses**

This is where an evaluation to identify the most fruitful, applicable, cost effective and

less risky alternatives are taken.

#### **6. Selecting a course of action**

This involves making a choice on which course of action to take. Is where the plan is adopted.

#### **7. Formulate the supporting plans**

This involves getting items and facilities to help in the implementation of the plan. It includes buying of equipment materials, hiring and training of workers e.t.c.

#### **8. Preparation of the budgets**

This shows the overall costs for the plan where the resources will be got and how they will be allocated or used.

### **4.7 LIMITATIONS OF PLANNING**

1. Planning is costly and time consuming process. Time is required when forecasting is done but sometimes there is limited time and the outcome is hard to implement.
2. Its a future oriented activity based on forecast. There is unreliable and inadequate data on the future thereby making planning difficult.
3. Planning becomes rigid due to internal inflexibility which in turn reduces personal initiative and freedom and causes delay in decision making. Internal inflexibility includes
  - Rigid policies
  - Procedures and limited resources.
4. External factors beyond the control of an organization affects its planning process the factors includes;
  - Government control and legislation
  - Technological changes
  - Trade unions pressure e.t.c.
5. Planning fails due to incorrect plans being formulated because of lack of commitment, delegation and excessive reliance on past experience.

## **4.8 HOW TO OVERCOME PLANNING PROBLEMS**

1. Set realistic and achievable goals.
2. Communicate the assumption on which plans are formulated to all departments and people.
3. Encourage participation of all stake-holders so as to ensure their right commitment.
4. Ensure there is proper co-ordination of the plans.
5. Reconcile both short term and long term plans.
6. Encourage creativity in planning. Creativity helps to identify the best alternatives.
7. Consider the company's financial position.
8. Reduce the level of internal flexibility so that changes in the environment can be considered.

## **4.9 STRATEGIES APPLIED BY ORGANIZATIONS**

### **1. CONCENTRATION STRATEGIES**

This is where the focus is on one line of business. The strategy is used by firms to gain a competitive advantage through efficiency and specialization.

### **2. STABILITY STRATEGY**

It is where a firm maintains one line of business for a long time because growth or expansion cause for an extra cost.

### **3. GROWTH STRATEGY**

#### **(a). Vertical integration**

This is where one firm acquires another that is in the same business and process of production. If the acquired firm is a head in the process of production and nearer to the consumer the process is called forward vertical integration e.g. Kenya Breweries buys all restaurants so that they can be able to deal with the consumers. But if the acquired firm is behind in the process is called Backward vertical integration.

#### **(b). Horizontal integration**

This is where one firm buys another that is in the same industry and level of production e.g Mumias Sugar Company buying Sony Sugar Company.

**(c). Diversification strategy**

This is where a firm engages or starts producing other products to be able to minimize chances of making losses.

**(e). Mergers**

This is where two or more companies dissolve and come together to do business under a new name or identity.

**(f). Joint venture**

This is where two or more firms continue existing and doing their initial businesses but come together and starts a new common business under a new name.

**4. LEVERAGE – BUY OUT**

This is where shareholders are given money for their shares at a higher rate by the company. Then later the company resales those shares at a very high price to raise capital.

**5. RETRENCHMENT STRATEGY**

This is the last option resort by companies if their survival is threatened and its not competing effectively therefore it lays off some workers.

***Revision questions:***

- i. What are some of the growth strategies that can be applied by an organisation***
- ii. Discuss the importance of planning***
- iii. What are the steps that are followed in the planning process***
- iv. Highlight the principles of planning***

**Further Reading:**

1. George terry and Franklin, "Principles of Management", Delhi, 1998
2. Peter Drucker, "Management, Tasks, Responsibilities and Practice", Hauper and Row,1987



## TOPIC FIVE

### 5.0 ORGANIZING

*By the end of the topic you should be able to:*

- 1. State the principles of organizing*
- 2. Discuss the organizational structures that are easily available in companies*
- 3. State the factors that are considered in choosing the span of management*

Organizing is a process of identifying the overall tasks and responsibilities to be performed in an organization and then put together those that are similar to form a department. Therefore, an organisational structure refers to the forms of departments.

#### 5.1 PRINCIPLES of ORGANIZING

##### 1. Unity of objectives

Every part or department must contribute towards attaining the enterprise objectives

##### 2. The principle of continuity

The departments created should be those that will be in existence for a long time, to allow for long term planning.

##### 3. The principle of flexibility

The structures created should be flexible to allow for restructuring where some departments would be dissolved and merged with others.

##### 4. The principle of simplicity

The structures chosen should have minimum number of levels for easy decision making and to avoid confusion.

## **5. The principle of delegation**

It states that authority and tasks can be shared with the subordinates. Delegation is from top to bottom.

## **6. The principle of unity of command**

It states that subordinates should not take instructions and orders from more than one person because that causes conflicts and frustrations

## **7. Scalar principle**

It states that at least one manager should have ultimate authority to overrule decisions taken by other managers and solve interdepartmental conflicts.

## **8. The principle of span of control**

This is where an organization plans on how many people or workers can one manager effectively manage.

### **5.1.1 Factors influencing the span of control or management**

#### **1. The manager's personality**

If they have a strong need for power they will prefer a wider span but those who are threatened because they can't oversee the activities of many workers and therefore a narrower span would be chosen.

#### **2. Manager's capability**

Experienced, well brained and knowledgeable managers are able to handle large groups and therefore a wider span and vice-versa.

#### **3. Subordinate's capability**

Experienced and well brained subordinates will resolve difficulties by themselves and there's no need for a manager and hence a wider span will be chosen.

#### **4. Fatigue tolerance**

Physical and mental fatigue may lead the managers' capacity for control and therefore a narrower span and vice-versa.

#### **5. Non supervisory Activities**

If managers spend more time on non-supervisory activities like long range planning and outside assignments that make them have less time to supervise the workers, that limits span hence a narrower span and vice-versa.

#### **6. Similarity of Activities**

If the tasks are routine-like then a manager can manage more subordinates and therefore a wider span and vice-versa.

#### **7. Location**

If subordinates are widely dispersed and more time is required in traveling, a narrower span will be chosen and vice-versa.

### **5.2 TYPES OF ORGANISATIONAL STRUCTURES**

#### **5.2.1 FUNCTIONAL STRUCTURE**

This is where a department is named from the function it executes e.g. Marketing, HR, purchasing. Examination e.t.c

#### **Advantages of functional structure.**

- i) It leads to specialization.
- ii) It reduces conflicts within the organization.
- iii) It leads to better utilization of resources.
- iv) Career and promotion paths are created.
- v) It reduces confusion to the clients who want to see and have their problems sorted out by different departments.

### **Disadvantages of Functional Structure**

- i) Departments might deviate from organizational goals and act independently.
- ii) Decision making takes a long time (if somebody is not there).
- iii) There is lack of coordination.
- iv) Specialization can lead to breakdown particularly if one department is not functioning.
- v) There are functional conflicts especially if departments are competing for scarce resources.

### **5.2.2 PRODUCT – LINE STRUCTURE**

This is where a department is named after a particular product particularly in a company where more than one product is produced e.g. Coca-Cola Company has many departments:

- Fanta - Dept - Coke dept etc      -Krest dept      - Sprite dept

### **Advantages of product line structure**

- i) There is good coordination within a specific product group.
- ii) It leads to innovation and creativity that they keep improving on the product.
- iii) There are fewer communication problems.
- iv) It enables product groups to concentrate on their products and improve on quality and marketing.
- v) It leads in specialization of men and machines.

### **Disadvantages of product line structure**

- i) If one product lets down a consumer, all other products will be rejected.
- ii) Individuals division could be in conflict due to competition of scarce resources.
- iii) Wastage levels are high due to duplication of resources, for instance, each section having a marketing manager and advertises differently.
- iv) Inefficiency by one division head may cause the whole production line to

come down.

- v) It is difficult to maintain coordination among the product areas.

### **5.2.3 GEOGRAPHICAL – BASED STRUCTURE**

This is where goods and services are provided over a wide area and a communication channel justifies this form of departmentation. It is where more branches are opened within more geographical locations.

#### **Advantages of geographical based structure**

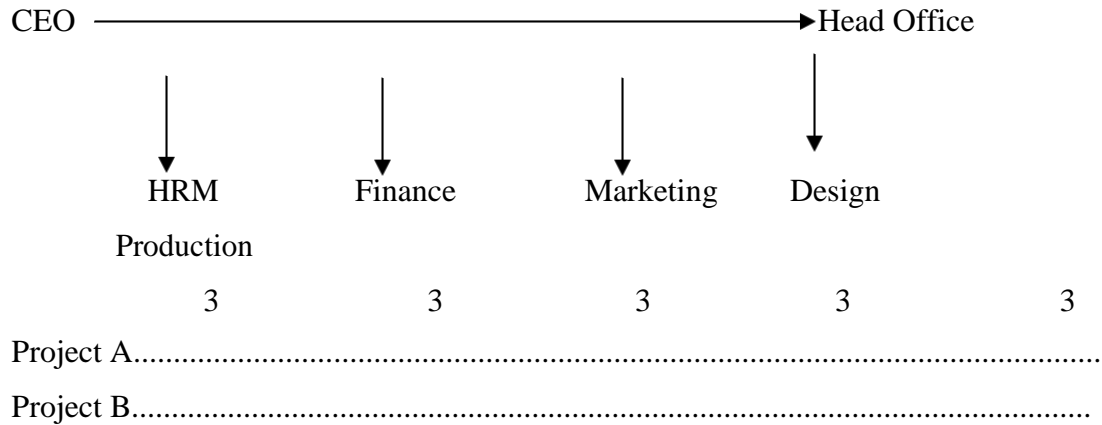
1. The company is able to cater for wide markets.
2. The customers get what they really want because the organization is involved in the local environment.
3. The cost of operation are low.
4. It provides a good training ground for managers.
5. The knowledge of local conditions helps in decision making and therefore helps the company to earn good will.

#### **Disadvantages of geographical based structure**

1. It is costly to implement.
2. It is difficult to coordinate.
3. Some branches may deviate from original goals and act independently
4. It is difficult to maintain the original culture of the head office.

### **5.2.4 MATRIX OR ORGANIC STRUCTURE**

This is where departments contribute few workers who are relocated far away from the office to the site where the project is taking place until it is completed. It is common in NGO's and project related organizations.



The project manager coordinates the project and is the accounting officer and reports directly to the CEO. The workers working for the project report to their departmental heads.

The project manager provides the technical expertise and ensures the success of the project.

**Advantages of matrix structure**

1. It reduces bureaucracy in the organization where procedures are not strictly followed
2. It leads to proper utilization of human resources.
3. There is better control of the project – the project is controlled well.
4. It clarifies who is responsible for the success of the project.
5. There is short project development time.
6. It aids in the development of managers. A training ground for managers.
7. It develops employees' skills by allowing them to handle different projects with different projects with different challenges. It acts like job rotation.
8. Workers are fully motivated because of the fringe benefits they derive.
9. Employees are able to identify with the end products.
10. The top echelons are left free to plan and strategize for they are not involved directly in the running of the project.
11. It enhances teamwork and cooperation. A bonding develops.

### **Disadvantages of Matrix structure**

1. The functional managers may neglect their duties and let the project manager do everything.
2. Too much shifting of staff from project to project may hinder training of new employees. (You do not abandon or change a winning team).
3. There is conflict because the workers at the site are at loss on whom to pay their allegiance between the project manager and their functional heads.
4. The staff morale is affected after completion of the project because they are socially re-arranged e.g. they have to move far from the newly acquired friends at the end of the project.
5. The structure only works only where interpersonal relationships are well developed.

### **5.2.5 Customer based structures**

This is a structure prepared with a particular client in mind. It is common in service industry e.g.

Hospitals, hotels and automobile firms

#### **Disadvantages of customer based structure**

1. If the customer rejects a product because of its quality, the entire organization is threatened.
2. It is costly to implement because specialised departments have to be set up
3. It requires only specialized and skilled workers

#### **Advantages of customer based structure**

1. It offers personalized services.
2. They satisfy the customer's needs.
3. It is easy to get feedback which enables an organization to make necessary changes.

## **5.2.5 CENTRALIZATION AND DECENTRALIZATION**

It is the transferring of the authority from supervisors to the subordinates. It is where power is dispersed and shared.

### **Advantages of decentralization**

1. It speeds up the decision making.
2. The echelons (top management) are left free to plan and strategize.
3. It helps in development of professional managers.
4. It enables for multi-skilling and development of junior staff.

### **Disadvantages of decentralization**

1. There is lack of consistency because more people are involved in decision making.
2. Customers are not subjected to the same treatment.
3. There is misallocation of resources especially if controls are not established.
4. Senior managements must do a lot of coordination to avoid units working contrary to the organizational goals.

## **CENTRALIZATION**

It is the concentration of power and authority in the hands of few people. It takes place in bureaucratic structure. (Authority is legal and given-comes with the position).

Authority - is bestowed on an individual and it's legal. It is a right in a position to give orders and expect the orders to be obeyed.

Power – It's the ability to influence behavior of others and it's not given but rather it is acquired

## **5.3 FORMS / BASIS OF POWER**

### **(a) Coercion power**

This is power that is exercised by causing fear and threatening e.g. A thug having a gun.



**(b) Reward power**

This is where people's behavior are influenced through reward and incentives.

**(c) Legitimate power.**

This is power that comes from one's position e.g. DO's, Managers e.t.c.

**(d) Expert power**

This is power that's exercised through one's knowledge, skills and expertise e.g.

Doctors, engineers

e.t.c.

**(e) Referent power**

This is where one identifies with a person who has desirable resources, personal traits that are good or feared.

***Revision questions;***

- i. What are the advantages of a matrix structure*
- ii. Which is the most commonly used in kenya*
- iii. Discuss the principles of organising*
- iv. Distinguish between a wider span and a narrower span*

**Further Reading:**

1. George terry and Franklin," Principles of Management", Delhi, 1998
2. Peter Drucker," Management, Tasks, Responsibilities and Practice", Hauper and Row,1987

## TOPIC SIX

### 6.0 CONTROLLING

*By the end of the topic you should be able:*

*a. To state the characteristics of controlling*

*b. Highlight the objectives of controlling*

*c. Discuss the importance of controlling*

#### 6.1 INTRODUCTION:

It's a manager sets targets and objectives and measures to find out how far they have been achieved. Its meant to find out whether there are deviations so that a corrective action is taken to ensure everything is on course.

#### 6.2 OBJECTIVES OF CONTROLLING.

The following are the objectives that any controlling effort is meant to achieve:

To keep checks on the expenses both direct and indirect expenses

To find out whether the objectives set are achievable

To ensure the company moves to the highest level possible To

find out what is happening, why and by whom it happens To

ensure all activities are carried out according to plan

#### 6.3 CHARACTERISTICS OF CONTROLLING

##### 6.3.1 It is forward looking

It seeks to correct the future actions happening in an organisation. It is based experience of control which guides the future actions of a manager

##### 6.3.2 It is a continuous process

Its where the organisation continually evaluates its systems in terms of targets , objectives, goals and so forth to find out if everything is fine

### **6.3.3 It is a management function**

It is only carried out only by managers because it involves taking corrective action which includes, mobilising for additional resources, employment of new staff, changes in the company's operations. These are issues that cannot be delegated

### **6.3.4 It is carried out at all level**

Manager's irrespective of their level carry out controlling. This is so because they have targets and objectives that they are pursuing. They often ensure operations in their areas of jurisdiction is smoothly running according to plan

## **6.4 STEPS TO BE FOLLOWED IN CONTROLLING**

### **6.4.1 ESTABLISHMENT OF THE STANDARDS**

This is a basis of measurement of performance which can be in quantitative and non quantitative terms. A standard is a benchmark on which the results are measured.

There are many standards that can be made including:

**Cost standards**-this ensures that costs anticipated are not surpassed

**Revenue standards**-this ensures that the expected revenue from an activity is indeed realized if performance is to be rated as good

**Physical standards**-these are countables like the number of working hours, units of production per machine etc

**Capital standards**-this includes, rate of return on capital invested

**Intangible standards**-such as competency of workers and customer care success

### **6.4.2 MEASUREMENT OF PERFORMANCE**

It is the measurement of the actual performance in order to know what has happened or what is likely to happen. The measurement can be done through observation of the workers performance. It can also be in terms of reports, charts and any management summaries. Its purpose is find out if there is anything a miss at the earliest time possible

### **6.4.3 COMPARISON OF THE ACTUAL PERFORMANCE WITH THE STANDARD**

This is finding out what was set out at the beginning of the controlling period in terms of targets and objectives and what has been realized at the end of the period.

### **6.4.4 FINDING OUT FOR DEVIATIONS**

While comparing the actual and the standard performance, any deviations are identified. A positive deviation means the targets were surpassed and the management requires to identify the contributing factors so that everything can be maintained. A negative deviation means that the targets set out were not realised and therefore a corrective action must be under taken in order to put everything back on course. This could include transfers of workers to other departments, re-doing the plans and increasing the funding of the projects.

### **6.5 IMPORTANCE OF CONTROLLING**

It is a basis for the future action because the planning is based on what has happened in the past

It helps in facilitating of coordination because everything is set out clearly in the procedures

It helps to reduce the possibility of the results not conforming to the set standards

It simplifies the supervision for the managers

It is a form of delegation within the organisation

### **Further Reading**

1. Geert Hofstede, "The poverty of management control philosophy", Richards 1988
2. David C. McClelland, "Readings in Management", South western Publishing Company 1966.

## TOPIC SEVEN

### 7.0 LEADERSHIP

*By the end of the topic you should be able:*

- a. Identify the characteristics of successful leaders*
- b .discuss the roles of leaders*
- c. Describe the leadership styles that are used world*
- over d. Explain the theories of leadership*

This is the ability to influence people's behavior. It is the ability to influence people to willingly follow one's guidance and adhere to one's decisions. A leader is the one who obtains followers and influences in setting and achieving of objectives.

#### 7.1 LEADERSHIP ROLES

##### 1. Educator role

- A leader will teach employees job skills, acceptable behavior and organizational values.
- Managers work habits, attitudes and behaviors serve as a role model.
- A leader is also responsible for formal training.

##### 2. Counselor role

- This role involves listening, giving advice, preventing and helping employees to develop solutions to their problems.
- A leader is expected to show an awareness and concern for the employees.

##### 3. Judge role

It involves

- Appraising subordinates' performance.
- Enforcing policies, procedures and regulations.
- Setting disputes and dispensing of justice.

##### 4. Spokesperson role

- A leader speaks on behalf of the subordinates, the department and the organization.

## **7.2 ATTRIBUTES OF A LEADER**

### **1. Emotional appeal**

- A manager should be a rational decision maker, problem solver and is expected to use his/her analytical skills in the process of decision making.
- S/he should have a great vision which can alter the mood of the followers.

### **2. Needs of followers**

A leader should meet the needs and fulfillment of his/her followers. This helps in securing voluntary compliance.

### **3. Personal traits**

- A leader should have the following traits:-
  - a). Positive attitude and perception towards people.
  - b). **Self motivated.**
  - c). Should have self confidence and communication ability.
  - d). Have trust in other people and also be trustworthy.

### **4. Leadership matches**

- A leader should match his/her personal traits and the situational demands e.g. dancing when they are dancing.

### **5. Leadership effectiveness**

- A leader aims at realizing and achieving the goals of the department and to satisfy the employees' needs.

## **7.3 CHARACTERISTICS OF SUCCESSFUL**

**LEADERS** They should have the following:

- A strong desire for task accomplishment; want to perform.
- Persistent pursuit of the organizational goals.
- Creativity and intelligence to solve problems.
- Willingness to accept to their behavioral consequences i.e. accepting their mistakes.
- High tolerance for other people.
- Ability to influence other people.
- Ability to structure social interactions.

- Devote more time to supervisory activities than in doing the work itself.
- Willingness to permit employees to participate in decision making.
- High intelligence than the subordinates.
- Gives recognition for good work by subordinates.

## **7.4 THEORIES OF LEADERSHIP**

### **7.4.1 TRAIT THEORY**

It is the first theory of leadership and it asserts that the ability to lead is dependent on the innate (inborn) characteristics. It states that leadership is natural and cannot be learnt.

- The natural characteristics that one should have include:

- a). Personal initiative
- b). Self assurance
- c). Decisiveness
- d). Assertiveness
- e). Compassionate
- g). Intelligent
- f). Compassionate
- g). Tall (ability to think and see far)
- h). Good looking (well groomed)
- i). Melodious voice
- j). Should be wise.

**NOTE:** There are extremely large numbers of personal traits and it is not known how many should one have to qualify to be a leader.

### **7.4.2 THEORY X and Y**

It states that leadership style is influenced by the type of subordinates in the organization.

#### **Theory X**

It stipulates the following:

- i). The average worker dislikes work and must therefore be coerced into making maximum efforts with inducements, sanctions and threat.

- ii). Workers are naturally reluctant to take responsibility preferring the security of being controlled..
  - iii). Workers are happy with clearly defined tasks than broadly defined objectives. iv). Employees are normally resistance to change (they always want to maintain status quo) so that change must be imposed on them by those in authority e.t.c.
- NB:** The leader to manage workers in this category, s/he must take on board dictatorial tendencies.

### **Theory Y**

It stipulates the following:

- i). Workers will usually work hard without being coerced.
- ii). Employees can be relied upon to exercise self direction and control.
- iii). Workers like work and are always seeking responsibilities.
- iv). Most employees possess substantial potential for creative work.

They can sort out any technical issues no matter how technical the tasks are.

**NOTE:** A manager to influence the above workers will embrace democratic and laissez-faire (free reign) type of leadership.

### **7.4.3 CONTINGENCY THEORY**

It stipulates that leaders should be able to adapt to specific situations as they arise.

Therefore, a leader must be prepared to change his/her behavior as circumstances change.

#### **Advantages of contingency theory**

- A leader is allowed to make his/her decisions appropriate to the situation at hand.
- A leader is encouraged to analyze logically the characteristics of the situations to deal with.

#### **Disadvantages of contingency theory**

- A leader may appear to his/her subordinates as inconsistent and insincere because of frequently changing.
- Individual managers may not be sufficiently skilled to change decision and



leadership styles to match different situations.

#### **7.4.4 PATH GOAL THEORY**

- It is where a leader is seen as source of goal on reward, the leaders' major task is to clarify the path to be followed by subordinates. A leader changes leadership styles according to :

- a). Characteristics of subordinates
- b). Clarity of organization's formal authority system
- c). The physical environment in which work is done.
- d). Maturity of subordinates

- It stipulates that leadership is dependent on maturity of subordinates. 4 styles are identified in this theory.

- i). Telling only – this is where a leader gives instructions to the subordinates and they follow as expected.
- ii). Telling and setting – a leader gives instructions to the subordinates and persuades them to accept his/her position.
- iii). Participating – it is where a leader shares ideas, opinions and involves the subordinate who are willing and unwilling.
- iv). Delegating styles – a leader allows subordinates to make decisions and their own with minimum interference.

#### **7.5 LEADERSHIP STYLES**

1. **AUTHORITARIAN STYLE** – a leader has all the authority and responsibility in an organization and communication moves from top to bottom. A manager assigns tasks to specific workers and expects orderly and precise results.

A manager sets goals, tells workers to do and how and when to do it. Workers just implement.

2. **AUTOCRATIC** – It involves close supervision and a leader issues precise and detailed instructions to cover every task.

##### **a) Dictatorial leadership style**

- A leader tells workers what to do without comment or discussion.

- There are rewards and penalties for success or failure.
- There is strict control and no respect is shown by the leader to the subordinates.
- Descent is not tolerated.

**b) Paternalistic leadership style**

- There is presence of close supervision, detailed instructions and a highly structured leader / subordinate relationship.
- A leader attempts to gain respect and allegiance of the workers.
- Limited decent is tolerated and rewards are given to those who follow the instructions.

**Advantages of Autocracy**

- i) Managers adequately coordinate work thereby facility its completion.
- ii). Decision making is faster.
- iii). It assists the subordinates to achieve their goals at work.

**Demerits of Autocracy**

- i). Employee' skills and knowledge is not fully utilized.
- ii). It suppresses the workers' initiative and therefore they cannot develop to their full potential.
- iii). Workers may not be capable of working without close supervision.
- iv). Resentment by subordinates may occur if they are only involved in minor issues and excluded from major ones.

**4. FREE REIGN (Laissez-faire)**

- A leader allows workers to work as they choose with minimum interference.
- Employees make decision and structure their own activities.
- They consult with the leader but s/he is not directly involved in decision making.
- A leader tells them what to do and when it should be accomplished and the workers decide on how to accomplish it as they wish.

Communication flows horizontally among the group members



### **Revision questions**

- i. What are the advantages of democratic style of leadership*
- ii. Describe the attributes of a leader*
- iii. Name and explain any **THREE** theories of leadership*
- iv. Discuss the sentence that leaders are **BORN and NOT MADE***

### **Further Reading**

- i. Fred E. Fielder, "A Theory of Leadership effectiveness", New York; McGraw Hill Book Company
- ii. John B. Miner, "Theories of Organisational structure and Process", Hinsdale; The Dryden Press

## TOPIC EIGHT

### 8.0 GROUP FORMATION

*By the end of the topic you should be able:*

- a) Identify the various types of groups*
- b) State reasons for group formation*
- c) Discuss the stages for group development*
- d) List the advantages of group cohesiveness*

#### 8.1 TYPES OF GROUPS

##### 8.1.1 INFORMAL GROUPS

Groups and societies that are started either by accidents or unconsciously by the members of the group.

They are also started by purpose.

At the beginning they don't have guidelines to govern their behavior.

##### **Functions / Advantages of informal groups**

1. Assist to maintain and strengthen to work and values of their member.
2. Give members a feel of social status and security.
3. Help their members to some personal problems.
4. They act as reference points to the members.
5. Assist management in disciplining its workers.

##### **Disadvantages of informal group**

1. Difficult to manage because of mixed abilities and different background.
2. They may cause problem of conformity.
3. They may cause a problem to management through resistance.
4. They are time consuming and expensive to maintain.

### 8.1.2 FORMAL GROUPS

These are groups created by management and are sometimes contained in the mission statements e.g. training committee, disciplinary.

#### Advantages of formal groups

1. Help ease managements' work.
2. Help to implement policies and decisions of an organization.
3. Help in formation of organizational objectives.
4. Help to alleviate conflicts between groups and departments.

#### Disadvantages of formal groups

1. They are expensive to maintain
2. They cause biasness if constituted unfairly.
3. Causes fighting and division among members who would wish to be elected.
4. It is time consuming – takes long to make decisions.
5. Competition for scarce resources.

## 8.2 GROUP FORMATION

### 8.2.1 Factors that influences Group Formation

- a). **Physical proximity**, people who are close to one another finds it easy to work together as opposed to those who are far apart
- b). **Common values / interests**. It's easy for people with common values to work together for they have something in common for instance those who are smokers will easily work together.
- c). **Institutional backgrounds** e.g. colleges. Those who share the same institutions of learning easily trusts each other and are likely to be partners
- d). **Age / peers**. Members of the same age finds it appealing to work together as opposed to those who age brackets are far from one another
- f). **Similar jobs and professionals**. Members of the same profession organizes

themselves in groups such as merry-go rounds, co-operative societies etc. This is because they understand each other and have almost similar ambitions

g). **Psychological reasons** i.e. social, esteem, self actualization

h). **Common threats.** Those who are facing a common threat will naturally come together to protect themselves and end up having a group formed

## **8.3 STAGES OF GROUP DEVELOPMENT**

### **8.3.1 Formation Stage**

It is known as an orientation and testing stage because members attempt to determine behavior to be gained by being a group member.

### **8.3.2 Storming Stage**

It is a stage marked with conflicts and interpersonal differences as members vie for group leadership and task roles.

It/s characterized by a lot of disagreement because some members want to dominate others.

### **8.3.3 Norming stage**

It is a stage where values have been accepted and it's marked with a lot of solidarity, cohesiveness and team spirits.

### **8.3.4 Performance stage**

A stage where group performance had increased and all objectives has been realized.

### **8.3.5 Adjourment stage**

Tasks have completed and the group ceases to exist. It stops to exist and group members form new groups with new tasks and objectives.

## **8.4 GROUP COHESIVENESS**

This is a situation where members are willing and ready to stick together and support one another i.e. they have high solidarity level.

#### **8.4.1 Factors for group cohesiveness**

- i). Friendly group atmosphere
- ii). Similarity among the members.
- iii). Interdependence among members
- iv). Attractive goal
- v). Small group size (size of the group).
- vi) A common threatening environment.

#### **Advantages of Group Cohesiveness**

- 1. It leads to better group interaction
- 2. There are less inter-member conflicts
- 3. Greater interpersonal coordination
- 4. Members can achieve what would have not been achieved as an individual.
- 5. Members are socially satisfied because of being able to identify themselves with the group.

#### **Disadvantages of group cohesiveness**

- 1. Likelihood of disagreement between members.
- 2. Poor image particularly if a group is involved in illegal activities (poor image).
- 3. Lead to unhealthy competition among the members.
- 4. Conflicts may lead to collapse of the group.
- 5. Increase resistance to change.

#### **8.4.2 Advantages of Group Decision Making**

- 1. There is easier coordination.
- 2. Communication levels are high.
- 3. Greater number of alternatives will be presented.
- 4. More information will be processed.
- 5. Help to distribute authority
- 6. It saves as a training ground because members learn from one another.
- 7. Boosts employee morale.

### **Disadvantages of group decision making**

1. Takes long (time consuming)
2. Some members can dominate
3. It is expensive to manage a group.
4. Risky decision can be taken by members because nobody will be held responsible.
5. It may lead to premature decision being implemented.

#### ***Revisions questions:***

- i. Distinguish between formal and informal groups*
- ii. Discuss the stages of group development*
- iii. What are the advantages of group cohesiveness?*
- iv. What are the disadvantages of informal groups?*
- v. Identify the factor that causes groups to easily form*

### **Further Reading**

- i. John B. Miner, "Theories of Organisational structure and Process", Hinsdale; The Dryden Press
- ii. Penning J. M., "Decision making: An organisational Behaviour Approach", Bridge,com weiner1993



## TOPIC NINE

### 9.0 ORGANIZATIONAL CULTURE AND DEVELOPMENT

*By the end of the topic you should be able:*

- 1. To identify the characteristics of an organizational culture*
- 2. To state the types of organizational culture*
- 3. To distinguish between organizational culture and organizational development*
- 4. To state the goals of organizational development*

Culture is how things and activities are done in a particular organization. Its their way of operation or an identity. It ranges from rules, procedures and dressing code

#### 9.1 ELEMENTS OF ORGANIZATIONAL CULTURE

1. **Perception of an organization** and its environment. How the society view the organisation, that becomes its culture.
2. **Accepted manner** of reacting to new situations and challenges such as competition.
3. Its accepted dressing pattern / code and attire for its members. Its where anybody without the uniform is supposed not to be on duty
4. **Projected image** – winner or loser
  - Profit maker – Notable employee developer.
  - A frustrator of labor turnover (nobody leaves the organization). This helps in attracting quality workers

## 5. **Recognized identify**

- Quality of product and its services
- Efficiently customers handling and caring.
- Known product or service.
- This is where the product is known in quality, appearance and economy.

6. **The do's and dont's** – The rules and regulations that govern the organization. This includes the accepted norms and directed by rule.

## 9.2 **TYPES OF ORGANIZATIONAL CULTURE**

1. **Power Culture** – it involves a small number of senior executives who have power to give direction and make decisions. All important matters must get their approval and support to become

2. **Role Culture** – it is concerned with bureaucratic process where roles are clearly specified. Its where the roles are well spelt out and hence there are no chances of conflicts and confusions

3. **Support Culture** – This is where management purchases the right tools and equipment to support the workers and equally workers support management decisions.

4. **Achievement Culture** – Where recognition of and reward for positive contributions done. It encourages self expression and independence.

5. **Task Culture** – Its where activities to be performed are matched with the skills that one should have to be able to perform.

## 9.3 **ORGANIZATIONAL DEVELOPMENT**

It refers to long range efforts to improve an organization problem solving capacities and its capability to cope with changes in the external environment.

## 9.4 **CHARACTERISTICS OF AN ORGANIZATION DEVELOPMENT**

1. Educational strategy which attempts to bring about planned change.
2. It relates to real daily problem instead of hypothetical instances.

3. It is an external change agent because it seeks to reconcile the organization with external commitment.
4. It puts emphasis on group and organization process it uses committees.
5. It uses action research to solve organizational problems.

## **9.5 GOALS OF ORGANIZATIONAL DEVELOPMENT**

1. To develop a self renewing viable system this might be helpful to the organization in a variety of ways depending on the tasks to be performed.
2. To create an environment in which authority assigned role is performed.
3. To increase the openness and communications within an organization.
4. To create conditions in which conflicts are effectively managed.
5. To build team work through collaborations nobody is being coercive.
6. To increase the level of trust & support for non-organization members.

## **9.6 PROCESS OF ORGANIZATIONAL DEVELOPMENT PROGRAM**

### **9.6.1 PROBLEM RECOGNITION**

A manager or CEO should recognize that is a problem e.g. through low morale and customer complaints.

### **9.6.2 ORGANIZATION AND DIAGNOSIS**

Finding out the actual problem by finding out facts and information about it.

### **9.6.3. FEEDBACK**

After the data is analyzed it's given to the authority managers with a view of getting reasons for implementations.

### **9.6.4. DEVELOPMENT OF CHANGE STRATEGY**

These are resolutions rendered to be problems which are ultimately implemented.

### **9.6.5. MEASUREMENT & EVALUATION**

After a specified period of time, a selected group meets again to measure & evaluate the effectiveness of the OD efforts.

***Revision Questions:***

- i. Discuss the process the process of organisational development*
- ii. what are the characteristics of organisational culture*
- iii. Describe the types of organisational culture*
- iv. What are the goals of organisational development*

**Further Reading**

1. John B. Miner, "Theories of Organisational structure and Process", Hinsdale; The Dryden Press
2. Richard M. Hodgets, "Management Theory, Process And Practice", Academic Press, New York

## TOPIC TEN

### 10. HUMAN RESOURCE PLANNING AND MANAGEMENT

*By the end of this topic you should be able:*

- i. To state the characteristics of MBO*
- ii. To highlight the importance of human resource planning*
- iii. To discuss the barriers to HRP*
- iv. To state the principles of HRM*
- v. To explain by use of examples the concerns of HRM*

#### 10.1 HUMAN RESOURCE PLANNING

-It is a process whereby one looks at the present composition of the workforce within an organization with a view of changing it.

- It is a process of forecasting an organization's future demand for and supply of the type of workers in the right number.

#### 10.2 IMPORTANCE OF HR PLANNING

##### 10.2.1 Future personnel needs

It helps an organization in identifying the future personnel needs and therefore an organization is prepared to realize the need.

##### 10.2.2 Coping with change

It enables an organization to cope with changes in competitive market, technology, product & government regulations.

The changes generate changes in the job contents skills demand member and type of personnel.

### 10.2.3 **Creating highly talented personnel**

Helps to prevent a vacuum of the required personnel by ensuring for constant training and replacing those who have left.

### 10.2.4 **Protection of weaker sections**

It protects the interest of the handicapped, backwards, oppressed, by giving them special considerations in recruitment.

### 10.2.5 **International strategies**

Helps local organization fill jobs with foreign nationals as the internationalize and expand e.t.c

## **10.3 BARRIERS TO HUMAN RESOURCE PLANNING**

1. People don't see the need for HR future planning and therefore they do not cooperate.
2. HR practitioners are not business experts and some of their accommodations may not suit in the business strategies making their implementation impossible.
3. Conflicts may exist between the short term and long term HR.
4. Sometimes records are defective, not updated making HR planning impossible to carry out.
5. If the departmental managers are not used in HRP, its implementation is difficult.

## **10.4 PRINCIPLES OF HUMAN RESOURCE MANAGEMENT**

**Workers as an asset-care** should be given to them because without them nothing can take place even with the presence of money , materials , machines and plans

**Principle of integration**-workers be made to work harmoniously to realize the intended goals

**Principle of involvement**-workers be involved in decision making in order to receive their total support

**Principle of cooperation culture**-managers should provide the right environment to support the workers activities

## **10.5 THE CONCERNS OF HUMAN RESOURCE MANAGEMENT**

### **1. A concern for People:**

a) **Respect for individuals**-this is where the workers are given a voice by being allowed to form and join a trade union in order to question on how they are managed and by whom they are managed.

b) **Mutual respect**-its where the workers are expected to respect the management's decisions that are made including the procedures for working. Its realized by establishing both formal and informal committees to sort out the differences between the management and the workers

c) **Transparency**-this is where the management explains the proposals, procedures and decisions that are taken to the workers well in time

### **2. A concern for the Performance of the Workers**

The managers motivate the workers by improving the working conditions in order to realize the right commitment into the workers. This in turn enhances their performance. Manager's duty is to ensure the company gets the very best from the workers

### **3. A concern for the Performance of the Management's Procedures**

This is where the management's evaluates their provisions in terms of plans, working conditions, procedures, methods of production etc to ensure that they are indeed helping the workers in their performance. At times the workers performance is affected by what has been provided by the managers like having faulty plans and equipments.

## **10.6 MANAGEMENT BY OBJECTIVES (MBO)**

It is also known as management by results

- This is a modern method of setting organizational goals which subordinates work as a team in a collaborative manner in setting the organizational goals.

### **MBO is based on two assumptions**

- i). Goals should start at the top then flow downwards to the rest of the organization.
- ii). Through the process of collaboration, subordinates would become more accommodated and more committed in achieving organizational goals without any resistance.

### **10.6.1 HOW MBO WORKS**

1. Top management scans through the environment and comes up with the overall goals and objectives.
2. The top management also identifies the organizational resources.
3. The overall goals and objectives are well communicated to all employees through their supervisors.
4. The subordinates each meets with their supervisors to discuss the superior goals as given and come up with the critic and how the subordinates will assist in achieving the goals.
5. The subordinates are asked to set their individual goals in relation to the general objectives and available resources.
6. Subordinates are then provided with resources and given time to pursue their goals at their own pace.
7. Each time the superior holds periodical meetings with the subordinates to evaluate the degree of goal attainment.
8. At the end of the preferred period of time, the management and the subordinates meet to assess the extent of goal attainment.
9. Those subordinates who have attained / achieved their goals are rewarded and asked to set other goals. Those who have failed to attain their goals are given remedial action and then told to go back again.

### **Advantages of MBO**

1. It leads to high motivation.
2. It leads to high performance and efficiency.
3. It is a basis of training.



4. It reduces high staff turnover.
5. It reduces conflicts and resistance that is related to change.
6. It acts as a basis for improving communication.
7. It saves to p management for self evaluation of both the management and subordinates.

### **Disadvantages of MBO**

1. It is time consuming.
2. It is costly in terms of paper work.
3. It may lead to conflicts and resistance by the lazy workers.
4. Individual goals are very difficult to set.
5. It tends to overemphasize the short term goals at the expense of the long term ones.
6. It leads to a lot of rigidity and avoidance of divergent thinking or creativity.
7. Environmental changes and conditions may weaken MBO e.g. changes in technology.
8. It may make the top managers and the management in general to be lazy.

### ***Revision Questions***

- i. Discuss the concerns of human resource management*
- ii. Highlight the importance of HRP*
- iii. Discuss MBO as a tool of management*
- iv. what are the characteristics of an organisational culture*
- v. Highlight the barriers to HRP that can be witnessed in any organisation*

### **Further Reading**

1. John B. Miner, "Theories of Organisational structure and Process", Hinsdale; The Dryden Press
2. Richard M. Hodgets, "Management Theory, Process And Practice", Academic Press, New York

## TOPIC ELEVEN

### 11.0 STAFF MOTIVATION

*By the end of the topic the you should be able;*

- 1. Discuss the types of motivation that an organisation can choose to apply*
- 2. What is the importance of motivation to an institution*

**Motivation** is the process of causing a drive in the individual to give the best performance. It's the psychological process that gives behavior, purpose and direction. It's a decision making process through which individuals chooses outcomes and sets in motion the behavior

#### 11.1 REASONS FOR MOTIVATION

To improve performance

To increase the workers morale To  
enhance commitment

For change acceptance

Confidence provision and  
trust Team building  
communication

#### 11.2 HOW TO MOTIVATE

Recognition, workers be appreciated for any achievement realized

Involvement in decision making. this makes workers to own and defend the  
decisions taken

Recommend for promotion, when workers know that there are chances for  
promotion, they will remain loyal, committed and motivated

Challenging tasks, tasks that are challenging are those that reduces boredom and

monotony. They include job enlargement

Delegation, it communicates trust and confidence in the skills possessed. It from the top to the bottom and it starts with communication

Good working environment, a conducive working conditions if provided enhances performance and love for work

Security. The need for economic security i.e the desire to be free for fear of such things like job loss, demotion and loss of income. Physical security may also be important

Status, naturally people want their status to be recognized. Status symbols include cars, big titles, corner offices, club membership, reserved parking places, carpeting etc

Responsibility and power. Many people want more responsibility and may be motivated by the prospect of getting it.

Opportunity for personal growth. This includes training and development opportunities

Communication. There should be open channels of communication for free flow of information vertically and horizontally

Teamwork. An organization is a system consisting of many parts which are interdependent. Managers should recognize all workers as being important in making contribution as members of the team. People are likely to work harder if they regard themselves as members of a team

Informal group.

Management styles. The styles that are used either motivates or demotivates and therefore the right styles be chosen.

## **11.3 THE ROLE OF NON FINANCIAL INCENTIVES**

### **11.3.1 OPPORTUNITY FOR GROWTH**

If the workers of an organization are given chances for upward growth and advances, they will feel much satisfied and the feeling will cause in them the right commitment

### **11.3.2 PRAISES**

They work on ones ego. The individual becomes satisfied. Praising should only apply to competent employees in order to encourage the incompetent employees

### **11.3.3 FEEDBACK**

The knowledge of the results leads workers into satisfaction. Naturally workers will like to know about their performance from their managers

### **11.3.4 THE WORKERS PARTICIPATION IN MANAGEMENT**

Their participation in the management assures them and builds trust and satisfaction is ultimately achieved. It is also a show that their voice is also heard and considered

### **11.3.5 COMPETITION**

It's a non financial incentives which allows a healthy competition among the workers as individuals and as groups. The incentive makes them to realize the goals as individuals and as groups

### **11.3.6 SUGGESTIONS SCHEMES**

Its where the workers are appreciated for their good performance by for instance publishing their names in the company's new letters and magazines. This boost the workers morale when they discover that names are been read by the new letter readers and ultimately boost their image and their personal commitment and performance

#### ***Revision questions***

- 1. Discuss the types of motivation that managers can choose from***
- 2. State the importance of motivation***
- 3. Discuss the roles of non financial rewards***

**Further Reading**

1. Bernard M. Bass, "Organisational Decision Making", Richard Irvin 1983
2. Penning M., "Decision Making", Weiner 1983

## TOPIC TWELVE

### 12.0 SUPERVISION / LEADING AND CONTROLLING

*By the end of the topic you should be able:*

- a) To highlight the qualities of a supervisor*
- b) To state what are the roles of the supervisor*
- c) To describe the controlling process*
- d) To identify the importance of controlling*

A supervisor is a link between the management and the workers.

#### 12.1 PRINCIPLES / QUALITIES OF SUPERVISION

1. Must understand the physical organization of the branch or department including the duties, responsibilities, powers and their limitations.
2. Have a working knowledge of staff duties.
3. Be responsible for staff training and development.
4. Should plan ahead by knowing the holidays, policy change e.t.c.
5. Should be disciplined before calling for the workers discipline.
6. Be loyal to superiors, subordinates and the organization (policies).
7. Exercise judgment in all actions by being analytical.
8. Be cost conscious.
9. Communicate effectively with the staff.
10. Lead by example; (do what you have been told others to do).
11. Strive to create good relationship between the staff and other supervisors.

12. Ensure good service is extended to consumers

## **12.2 ROLES OF A SUPERVISOR**

1. Training and coaching.
2. Carrying out communication.
3. motivates the staff or workers.
4. Holds meetings and briefings regularly.
5. He is a custodian of the staff and organization rules.
6. Manages time.
7. Sets performance standards to be realized.
8. Makes decisions.
9. Conducts the performance appraisals for the workers.
10. Carries out induction and orientation.
11. Carries out planning.

## **12.3 TYPES OF SUPERVISOR'S**

### **1. Job oriented supervisor**

He is concerned with application of methods and procedures. And any violation is punishable.

### **2. Work oriented supervisor.**

He is concerned with the workers performance and puts emphasis on quality performance.

### **3. Job and work supervisor**

He is concerned with both methods and procedures and quality of worker's performance.

## **12.4 CO-ORDINATION**

Definition: It is developing an integrated and orderly pattern of group efforts to realize a common goal.

### **12.4.1 CHARACTERISTICS OF CO-ORDINATION**

1. Its a continuous process.
2. It involves an orderly must respond to organizational policies and objectives.
3. Co-coordinating activities must respond to organizational policies and objectives.
4. Co-coordinating approach should be balanced.
5. It should be based on personal contact, mutual co-operation e.t.c.
6. It should aim at morale boosting.

### **12.4.2 PRINCIPLES OF CO-ORDINATION**

#### **1. The principle of early beginning**

It should be started at the earliest possible time when the activities are being performed and not later when they are nearing completion.

#### **2. The principle of direct contact**

There should be personal contact between the one co-ordinating and that one who is being co-ordinated so that any arising questions can be answered and fears ironed out.

#### **3. The principle of feedback**

This is where information about the effects of co-ordination is received in order to identify the strong points, weaknesses and areas that require improvement.

#### **4. The principle of continuity**

This is where the exercise is not stopped but continuous over a period of time.



### **12.4.3 ADVANTAGES OF CO-ORDINATION**

1. It increases productivity
2. A firm will enjoy the economies of scale.
3. It is a basis of cost reduction.
4. It leads to high profitability levels.
5. It motivates the members of the staff.
6. It reduces high labor turn-over.
7. It enables a firm to survive stiff-competition.

### **12.5 TECHNIQUES OR METHODS OF CO-ORDINATION**

#### **1. Use of commands**

This is where orders are given and the follow-up is required to identify disobedient.

#### **2. Use of personal-leadership**

This is the ability in one to influence change of behavior in the subordinates where they willingly accept to perform particular tasks.

#### **3. Communication**

Co-coordinators can use communication to give instructions on what is to be done.

#### **4. Use of committees**

Committees are so important for they help to co-ordinate activities in their areas.

#### **5. Use of special appointees**

Special representatives can represent management on following to find whether the objectives are being realized or not.

***Revision question***

- i. State the difference between supervision and coordination***
- ii. What is the importance of supervisions?***
- iii. Discuss the various types of supervisors***
- iv. What are the methods of coordination?***

**Further Reading**

1. Peter Drucker, "the organisation of Behaviour, Richards 1998.
2. Richard M., "Management Theory, Process and Practice", Academic press, New York, 1993

## TOPIC THIRTEEN

### 13.0 STAFFING

*By the end of the topic you should be able:*

- 1. To trace the staffing process*
- 2. Highlight the importance of job analysis*
- 3. To differentiate between recruitment and selection*
- 4. To highlight the internal recruitment methods*

Definition: This is the employment of the right type of worker in a department or an organization.

#### 13.1 STEPE IN STAFFING PROCESS

##### 13.1.1 JOB ANALYSIS

Definition: It is that process of identifying the overall tasks, activities and responsibilities within an organization.

This helps to picture out the type of persons to perform those tasks.

#### USES OF JOB ANALYSIS

1. It's used in employment.
2. It's used in fixing salaries.
3. It's used to identify those to undergo training.
4. It's used to identify those to be promoted.
5. It's used in identifying the workers who have no respect to the policies, procedures and methods.
6. It's a basis for merging departments.

### **13.1.2 THE BARRIERS LIMITATIONS OF JOB ANALYSIS**

1. When the workers give conflicting information about their tasks, a job analyst is forced to use guess work.
2. It requires a lot of time to cover all jobs which is always lacking.
3. If there is change in management the job analysis results may be rejected and therefore a waste to an organization.
4. When workers do not co-operate with the job analyst then information will be given rendering the result ineffective.

### **13.2 RECRUITMENT**

Definition: It's a process of stimulating people to apply for vacancies in an organization.

There are two methods of recruitment i.e.

1. Internal Method.
2. External method.

#### **13.2.1 INTERNAL METHOD / Recruitment at the factory gate.**

It's where vacancies are filled from inside an organization by considering the employees serving in that organization.

#### **METHODS OF INTERNAL RECRUITMENT**

##### 1. Permanent workers

This is where the permanent workers are considered to fill the top level jobs.

##### 2. Casual workers / temporal workers

They are considered in filling lower level jobs.

##### 3. Retrenchment workers

Retrenchment workers can be considered to fill vacancies that have arisen.

##### 4. Retired workers

This is where the retired are considered for jobs on contractual basis.

##### 5. The deceased dependants

This is where the dependants are given within the organization.

## **WHY COMPANIES PREFER INTERNAL RECRUITMENT.**

1. It motivates the workers.
2. It is a policy of an organization (rule)
3. To please the trade unions.
4. To reduce the costs in recruitments i.e advertisements.
5. If the organization wants to maintain their organizational culture.

### **13.2.2 EXTERNAL RECRUITMENT**

It's filling of the jobs from outside an organization.

#### **METHODS OF EXTERNAL**

##### **RECRUITMENT 1. Education institutions**

This is where recruitment is done from the colleges where training occurs.

##### **2. Head-hunting**

This is where an organization goes for a particular person to fill a vacancy.

It's always used to fill top level positions.

##### **3. Public agency**

This is a recruitment firm that is financed by the state to offer services to organizations in that state.

The organization does not pay anything.

##### **4. Private agency**

This is a privately owned recruitment firm that offers services to organizations at a fee e.g man power, price water house coopers.

##### **5. Data banks**

This is information about an unsuccessfully applicants that is kept by firms and can be reverted to when a vacancy arises or the information can be shared by another firm.

## **WHY COMPANIES PREFER EXTERNAL RECRUITMENT**

1. If they want to change their organizational culture
2. If they want to earn the society of goodwill.
3. It's a large pool with trained and experienced people.
4. If the organization desires to get a person associated with success in other places to their organization.
5. If an organization has a desire of getting competitor workers to inject the secrets of their former employee to the organization.
6. If it's the requirement of the state to help in alleviating unemployment and discrimination.

## **13.3 SELECTION**

It's the choosing of the right person to be offered a job.

### **SELECTION METHODS**

#### **1. Interviewing**

This is face to face interaction with the prospective employee with a view of getting first hand information to be used in making a choice.

#### **2. Benchmarking**

This is where a comparison is done by considering the applicants qualifications by those of a performing worker before making a choice.

#### **3. Reference checking**

This is where the reference are called upon to give information about the applicant before the decision is done.

4. **Tests:** Applicants can be given tests and chosen upon passing them.

5. **Filling the application blank.**

6. **Use consultants.**

7. **Assessment centers.**

### **13.4 RETENTION**

Definition: This is the process of ensuring that the workers are highly motivated so that they work with the firm for a long time without wishing to leave for other places.

#### **The following factors contribute to retention:-**

1. If the organization provides opportunities for training and development of its work force.
2. Rewards, if workers are given a better salary comparable to other organizations.
3. Job security; if workers are assured of a security of their jobs they will not be willing to move away but will want to grow with the organization.
4. Filling of vacancies; if vacancies are filled internally then labor turn-over will be reduced.
5. Rules and policies; the rules and policies must be worker friendly to ensure for their continual existence.
6. Management practices; if managers use better management practices that are worker friendly to ensure then the workers will see no reason to want to leave.
7. Better working conditions.
8. Provision of welfare services e.g. house allowance, medical allowance, transport allowances e.t.c.

#### ***Revision questions***

- i. What are the steps in the staffing process*
- ii. Differentiate between internal and external recruitment methods*
- iii. What is the importance of job analysis*
- iv. What are the advantages of external recruitment*

#### **Further Reading**

1. Peter Drucker, "The Organisation of Behaviour", Richards 1998.
2. Richard M., "Management Theory, Process and Practice", Academic Press, New York, 1993

## TOPIC FOURTEEN

### 14.0 THE DECISION MAKING PROCESS

*By the end of the topic you should be able:*

- i. To state the types of decisions*
- ii. To discuss the steps of decision making*
- iii. Highlight the characteristics of decision making*
- iv. To identify the barriers to decision making*

It is defined as a selection of a course of action from among the many. Decision making is an important element in the planning process. It helps in directing where the resources should be allocated and whether they have been used well as intended.

#### 14.1 CHARACTERISTICS OF DECISION MAKING

It is always purposed to realize a particular goal or goals.

It is a continuous process which cannot be done once and stopped but is continually carried out

It comes into picture only when there are many alternatives and therefore only a few alternatives are to be chosen

It is an intellectual process that is guided by reasoning and analytical thinking It is carried out by all Managers irrespective of their levels

#### 14.2 TYPES OF DECISIONS

##### 1. OPERATIONAL AND STRATEGIC DECISIONS

Operational decisions are those made by the departmental heads and affects the day to day running of the departments. They are derived from the organizational decisions made at the top level. On the other hand the strategic decisions are made by the top level managers and affect the entire organization. They relate to the issues of rules, procedures



etc

## **2. PROGRAMMED AND NON PROGRAMMED DECISIONS**

These are the decisions that are made on a repetitive nature. They are always made in consultation with the company's rules, procedures and policies to ensure that there is no violation of any kind

## **3. INDIVIDUAL AND GROUP DECISIONS**

In a company setting managers make decisions in their capacity but others they make them as a group of managers for instance departmental decisions are an example of individual decision while the strategic decisions affecting the entire organizations are made many managers at the top level

## **4 MINOR DECISIONS AND MAJOR DECISIONS**

Minor decisions are undertaken by managers but do not have far reaching implications and do not commit much of the company's resources while the major decisions are those made by managers and they cost an organization dearly. They include starting up projects for the organization

## **14.3 STEPS IN THE DECISION MAKING PROCESS**

### **1. DEFINING THE PROBLEM**

The problem must be understood well in order to plan a way out. This helps by avoiding jumping to conclusions based on symptoms instead the true causes be identified and understood.

### **2. ANALYSE THE PROBLEM**

In the analysis of the problem, the factors that contributed to the problem must be sorted out, also understand the present situations and their effects in the future. An analysis must be in line with the objective as far as possible in order to make decision which are relevant. Personal prejudices and biases should be avoided to make the process more

credit

### **3. DEVELOP ALTERNATIVES**

These are options or courses of action. A better decision stems from many alternatives generated as solutions. Better decisions are caused by the managers creativity and imagination

### **4. EVALUATE ALTERNATIVES**

This is where the alternatives are evaluated to find out whether they help solve the existing problems.

Evaluation is done in order to come out with the ones that achievable, practicable, most fruitful and less risk ones. The evaluation is meant to prepare a ranking of the alternatives from the one favoured to the least favoured.

### **5 SELECT AND IMPLEMENT THE DECISION**

This is where the option that best solves the problem is indeed put into action in order to alleviate the problem or problems.

#### **14.4 BARRIERS TO EFFECTIVE DECISION MAKING**

- The managers evaluating the problem from a stereo type or pre conceived portion
- The tendency to avoid creativity and new ideas
- Responding to situations with solutions without proper information and knowledge
- Fights and conflicts between the various departmental managers
- Lack of the right skills and experience in those to carry out decision making

#### **14.5 HOW TO AVOID THE DECISION MAKING PROBLEMS**

Avoid premature evaluations

Encourage for creativity and analytical thinking

Encourage groups to work as teams and compare their work for learning purposes Evaluators should do a way with bias

Let there be free flow of information to guide the decision making process

***Revision questions***

- i. what are the basic steps in decision making*
- ii. What are the barriers to decision making*
- iii. Discuss the types decision by use of examples*

**Further Reading**

1. Peter Drucker, "the organisation of Behaviour, Richards 1998.
2. Richard M., "Management Theory, Process and Practice", Academic press, New York, 1993

# **SAMPLE PAPER**

## **BACHELOR OF BUSINESS MANAGEMENT**

### **BBM: 122: PRINCIPLES OF MANAGEMENT**

#### **FIRST YEAR FIRST SEMESTER 2010**

##### **Instructions;**

**Answer three questions but question ONE is compulsory**

- 1.a) Give reasons why management is not viewed as an exact science but rather INEXACT science. 8mks
- b) Discuss the other roles that managers do as given out by Prof. Henry Mintzberg 8mks
- c) Planning is the most important task for any manager for it sets out what is to be done to reduce conflict and confusion. What are principles of planning? 10mks
- d) State any four principles of organizing 4mks
2. Identify and discuss any FOUR organisational structures that can be used of by any organization in order to realize the company goals and objectives. 20mks
- 3.a) What are the benefits of planning for any company 10mks
- b) Discuss the steps that should be followed in the planning process 10mks
4. Fredrick Taylor is known as the father of scientific theory of management.
- i)What are the objectives of his theory 4mks
- ii) Discuss the principles of Fredrick Taylor's theory 16mks
5. Discuss by use of examples the steps in the decision making process 20mks