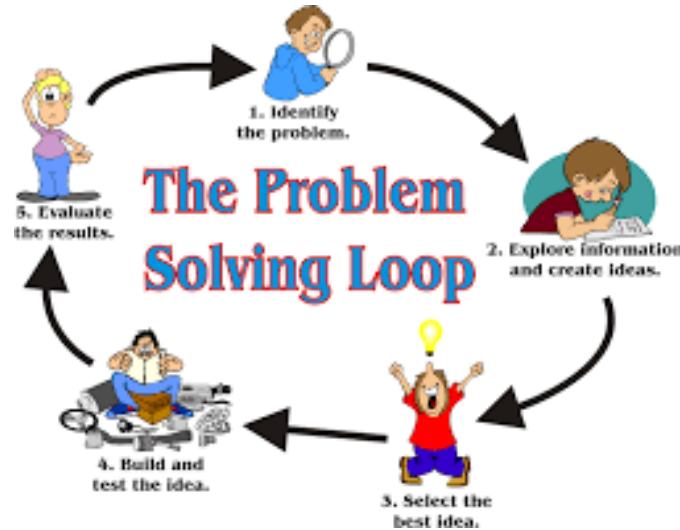


Unit 4: Managing & Leading People

1.1. Managers

MANAGERS

- Management is the process through which company resources are used and decisions made in order to meet the objectives of the firm
- Managers will set objectives and decide how to go about achieving them
- The role of management includes:
 - Planning
 - Organising
 - Monitoring and evaluating
 - Reporting

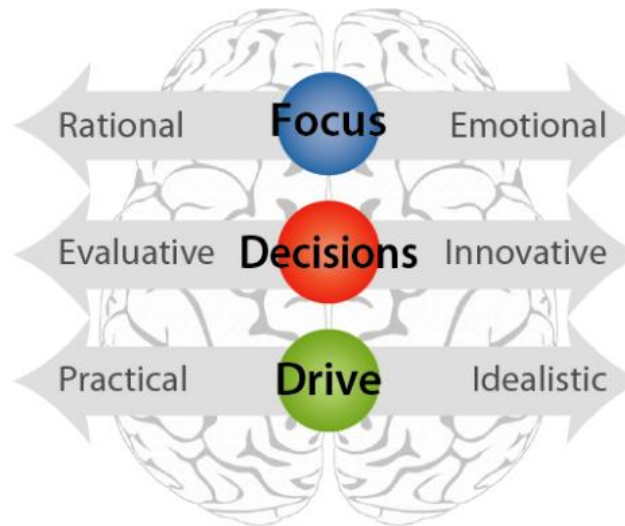
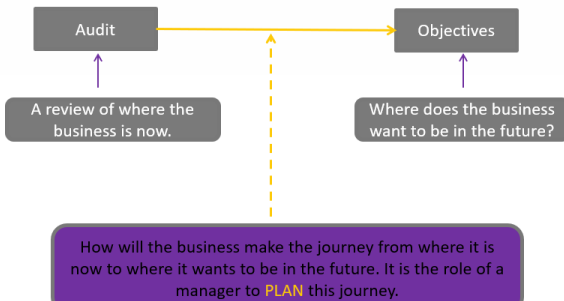


FOCUS

- FOCUS helps all employees “focus” on making continual improvements. Everyone is involved in problem solving
- Find a problem
- Organise the resources e.g. a team of employees who are directly involved with the problem
- Clarify exactly what the problem is from a number of view points
- Understand the possible variations in the problem and the factors contributing to these e.g. the different levels of customer satisfaction based on previous experiences
- Select and test a solution

MANAGERS

Planning



Managers & Organisation:

Organising – the process of coordinating all of the resources required to achieve an outcome

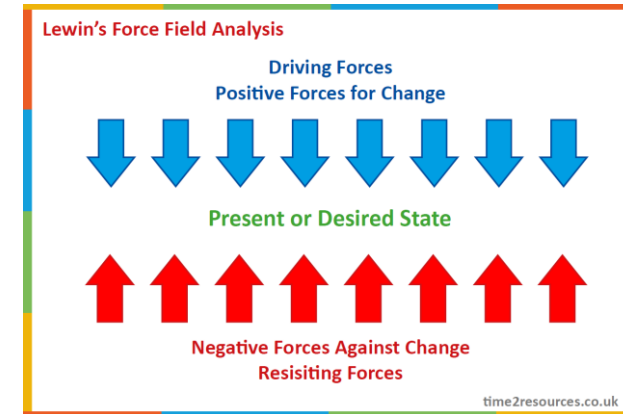
Managers will be responsible for the efficient allocation of resources
 Resources must be organised so that the correct quantity and quality are available at the right time

Unit 4: Managing & Leading People

1.4. Changing environment

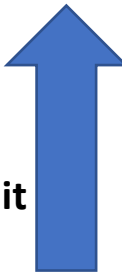
Changing business environment explained:

- Change occurs when a business alters its structure, size or strategy to respond to internal or external influences i.e. the changing environment
- Change may be necessary to help a business meet its aims and objectives
- Change creates opportunities and threats
- Change should not be seen as bad but must be managed carefully to ensure a business maintains or increases its competitiveness as a result of the change



Lewin's model of change attempts to identify:

- The balance of power between the two forces**
- The key decision makers**
- Those people for the change and those against it**



MANAGING CHANGE - MANAGERS AND LEADERS

- Change is often viewed as a complex project and therefore requires project management
 - The activity of delivering the required change within a predetermined set of resources e.g. time, personnel and finance
- The people within a business are crucial to implementing and managing change
- Techniques include:
 - Identifying a project champion
 - The person responsible for driving a project forward and gaining commitment
 - Establishing project group
 - A group of specialists from different backgrounds who are tasked with achieving the desired change
 - Gaining commitment from employees

Unit 4: Managing & Leading People

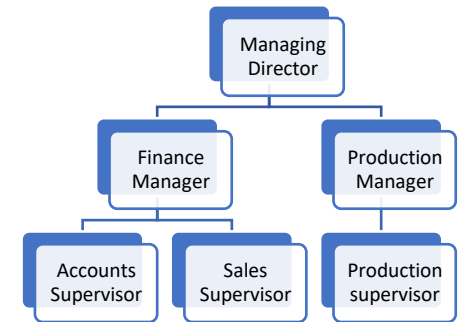
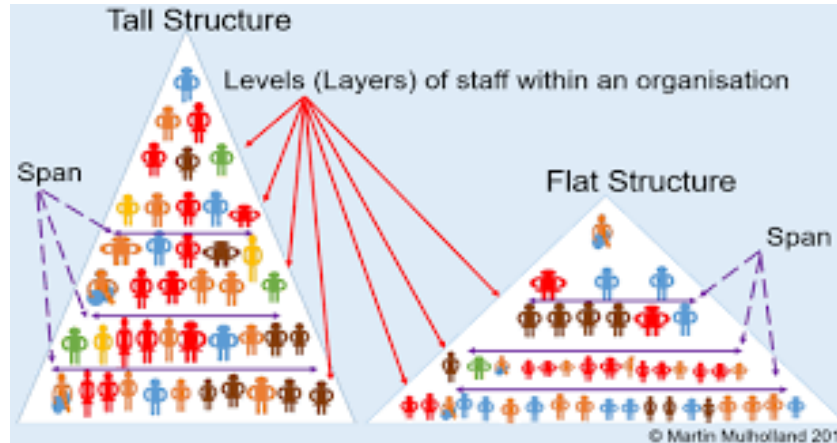
2.1. Organisational structure

Key terms:

Organisational structure
 Hierarchical structure
 Flat structure
 Matrix structure
 Centralised
 Decentralised

TALL V FLAT

- The levels of hierarchy within businesses will differ:
 - tall and thin** structures occur where each superior is responsible for a few subordinates
 - this allows for closer supervision and communication between the two levels
 - wide and flat** means that each superior is responsible for a large number of subordinates
 - this requires greater delegation but fewer levels allowing for quicker communication through the firm



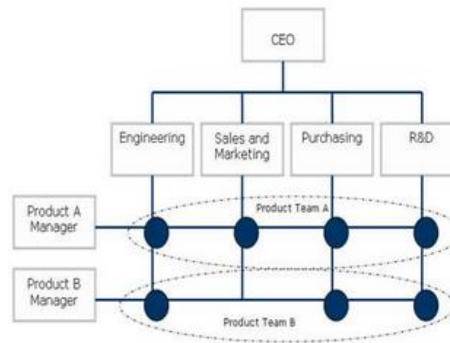
CENTRALISED AND DECENTRALISED

Centralisation is when the responsibility for decision making is maintained, by a limited number of senior managers, at the top of the hierarchy.

Decentralisation is when the responsibility for decision making is delegated to a number of middle managers throughout the hierarchy.

- Few decision makers
- Decisions are made by those at the top of the hierarchy
- Speeds up decision making
- Maintains tight control
- Bureaucratic

- Delegates decision making
- Decisions made at many levels within the hierarchy
- Frees up management time
- Provides motivation
- Reduces bureaucracy



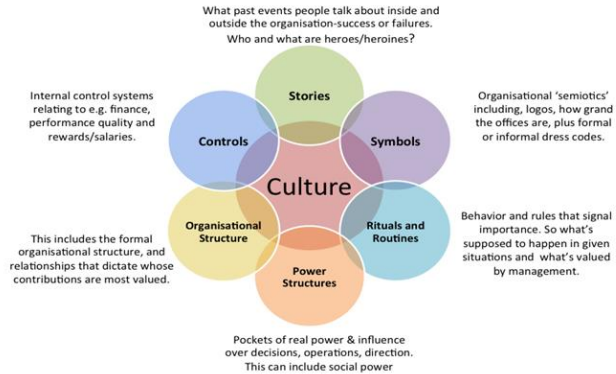
Key definitions:

- Organisational design is the framework that provides a business with a structure to achieve its objectives
- Organisational structure is the way in which the workforce within a firm is organised, including job roles and communication flows
 - Organisational charts provide a visual representation of the organisational structure
 - A matrix structure is one where teams are put together from different functional areas to work on specific projects

Unit 4: Managing & Leading People

2.2. Employee motivation

Johnson and Scholes Cultural Web



Key terms:

- Motivation
- Job enlargement
- Job rotation
- Job enrichment
- Flexible working
- Team working



LOCKE'S GOAL SETTING THEORY

- Goal setting is directly linked to motivation and task performance
- The willingness to work towards a goal is a key factor influencing performance
- The effectiveness of goals is dependent upon:
 - Clarity
 - Challenge
 - Commitment
 - Feedback
 - Task complexity

VROOM'S EXPECTANCY THEORY

- Expectancy theory believes that employees will be motivated to behave in a set manner based upon what they believe (expect) the outcome will be
- Individuals will have different desires but ultimately their performance will be affected by the ability to achieve the desired rewards
- This is based on three core elements:
 - Valence
 - The reward and degree of desire for that reward
 - Expectancy
 - The belief in the relationship between cause and effect i.e. performance and reward
 - Instrumentality
 - The belief that the desired outcome is obtainable and will be rewarded

HERZBERG DUAL FACTOR THEORY

- ❖ Job satisfaction is a key factor leading to motivation
- ❖ Job satisfaction could be influenced both positively and negatively

Motivating factors	Hygiene factors
<ul style="list-style-type: none"> • if present, lead to job satisfaction and hence motivation • achievement, recognition, work, responsibility, promotion and growth 	<ul style="list-style-type: none"> • if present do not lead to motivation but if absent lead to dissatisfaction • pay and benefits, company policy, workplace relationships, work conditions, status and job security



Key definitions:

- Culture is sometimes described as "the way we do things around here"
- Motivation is the factors influencing the way people behave
- Organisational culture: The values and standards shared by people and groups within an organisation

Unit 4: Managing & Leading People

2.3. Factors affecting the performance of teams

Composition of teams:

A **team** is a group of two or more individuals, acting interdependently to achieve objectives.

The **composition of teams** is the mix of different types of individuals that the team is made up of.

The make up of the team, and the relationships between individuals within the team, has a significant bearing on the performance outcome.

Team members use their complementary skills, working collaboratively to achieve specific goals and improve the performance of the business.



CORPORATE OBJECTIVES AND DECISION-MAKING IN FUNCTIONAL TEAMS

● Strategic decisions will impact on functional decisions

- Marketing
 - Research into new markets
 - Product development
- Finance
 - Raising finance to support growth
 - Proportion of long term funding that is debt
- Operations
 - Relocating production abroad
 - Outsourcing
- Human resources
 - Delaying or rationalisation
 - Core or peripheral workers

What other examples could you add?



FACTORS AFFECTING THE PERFORMANCE OF TEAMS

● Personality types

- The team will be made up of different personalities e.g.
 - **Social:** emphasis is on building relationships. This helps build cohesiveness within the group
 - **Inquisitive:** always asking questions and seeking answers from other group members
 - **Organise:** emphasis is on structure e.g. of meetings and organising future agendas
 - **Harmonise:** solves issues and tensions within the group
 - **Facilitate:** ensure that all members partake in discussion and decision making

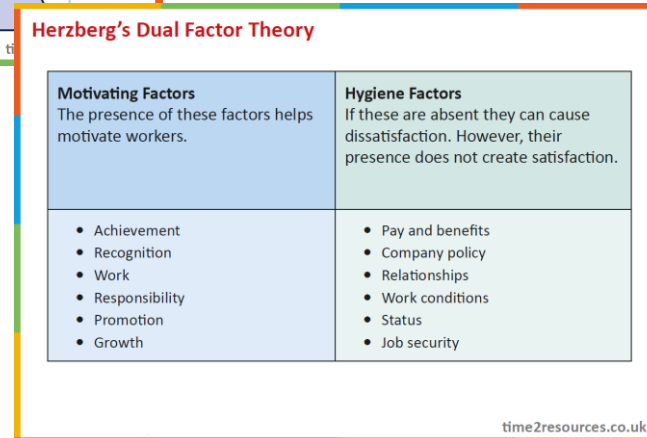
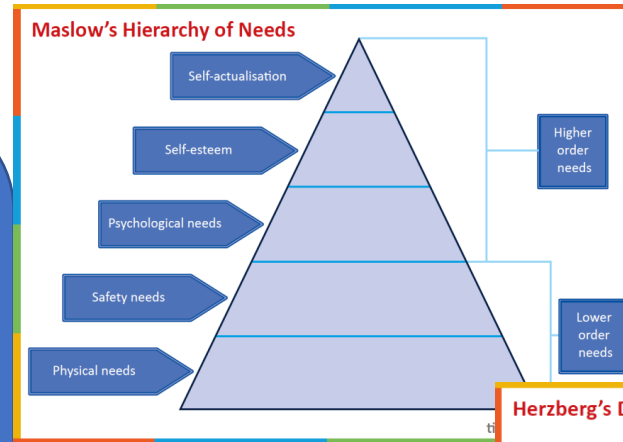


Unit 4: Managing & Leading People

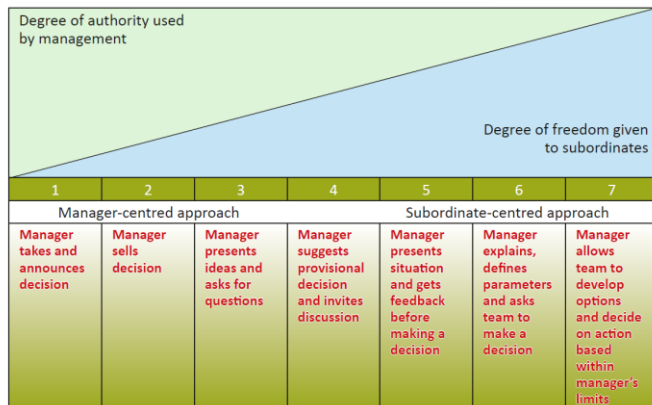
3.1. Leadership

Theories of management and leadership styles include:

The Tannenbaum Schmidt continuum- Leadership model based on a spectrum between two extremes of manager centred and subordinate centred approaches. Recognises that in reality leaders are unlikely to be at either extreme but somewhere along the spectrum.



The Tannenbaum Schmidt Continuum



POSITION POWER

- Position power is the power gained by a manager based upon the position within the organisational hierarchy
- This is shown through their job title and job description
- Defines the authority that the manager has over subordinates
- The degree of power and the position in the hierarchy are closely correlated

French & Raven: Bases of Power

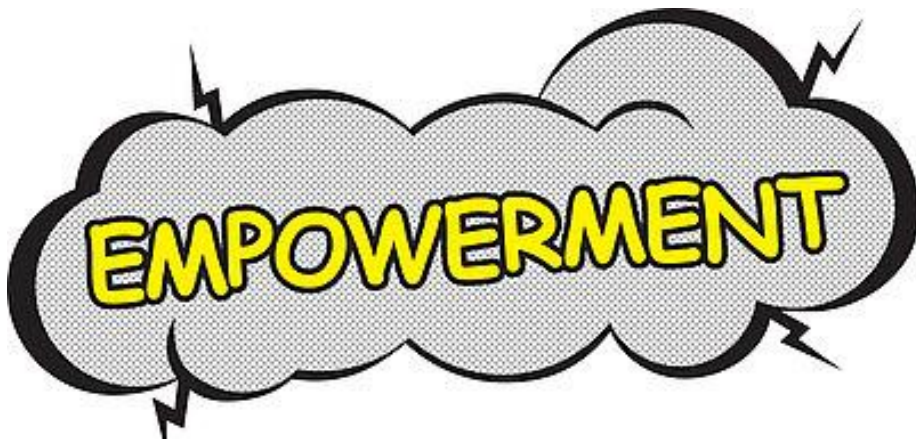


Unit 4: Managing & Leading People

3.2. Empowerment

What does the term empowerment mean?

Empowerment is the delegation of responsibility to employees, allowing them to use their abilities and have a greater say in the decision-making process of the business.



EMPOWERMENT

BENEFITS OF EMPOWERMENT IN MOTIVATING EMPLOYEES

Herzberg suggests that individuals are motivated by challenging and meaningful work, recognition, responsibility and achieving in the workplace. Empowerment allows for all of these factors.

Effective motivation comes from the employee because they want to achieve. Empowerment will increase:

- Commitment
 - As employees want to achieve they will work harder to reach their targets. This will lead to improved performance and improvements in productivity
- Creativity
 - Employees become more innovative as they immerse themselves in the task at hand, taking satisfaction at coming up with new ideas and solving problems that help to address the issues. This too will improve productivity as ideas help to reduce costs and improve quality
- Satisfaction
 - A happy worker is a motivated worker. If an employee is given responsibility they are more likely to feel wanted and recognised, immersing themselves in the task at hand as they feel a sense of ownership



PROBLEMS OF EMPOWERMENT

Management control is reduced as greater trust is put into subordinates. If the empowered worker does not have the ability to do the job properly this will impact negatively on the business performance. This might lead to poor customer service and worsen the reputation of the business.

Devolution of power means that authority has been delegated down the hierarchy, from a superior to a subordinate. Although the subordinate is in charge of decision making, it is the manager that is ultimately responsible. Therefore, the manager might fear this loss of power. This might lead the manager failing to devolve power, leading to too much direct responsibility. This could cause mistakes as they are overworked.

Willingness of employees to accept responsibility can be a significant problem. This might be because they perceive that the rewards that go with the additional responsibility are not worth the increased time and effort. Forcing the employee to accept the responsibility might cause demotivation, the very opposite of the intended outcome. This will lead to a deterioration in the performance of the organisation.

Unit 4: Managing & Leading People

4.1 Factors resisting organisational change

ORGANISATIONAL CHANGE

- Organisations operate in dynamic markets meaning that they constantly have to adapt to the needs of these markets
- This might be due to changes in:
 - Competition faced by the organisation
 - New technologies disrupting markets and the way in which businesses process and produce products
 - Trends or fashion
- Changes may take place due to the:
 - External environment
 - Internal environment
- Types of change might include:
 - Cultural
 - Strategic
 - Structural
 - Procedural



CULTURAL ORGANISATIONAL CHANGE

Organisational culture is the values and standards shared by people and groups within an organisation.

Cultural organisational change involves a transformation of thinking within a business. It requires a change in the values and standards shared by employees.

Leadership will have to create a vision that can be followed by all employees and is likely to be set out in the mission statement.

Management will have to put a plan into place that allows for job roles to be designated and the use of monitoring and reviewing to see whether change has been successful.

Positive rewards e.g. financial incentives and promotion opportunities and **negative punishments** e.g. coercion and disincentives might be used to persuade employees to change.

Kotter and Schlesinger's Reasons for Resistance to Change

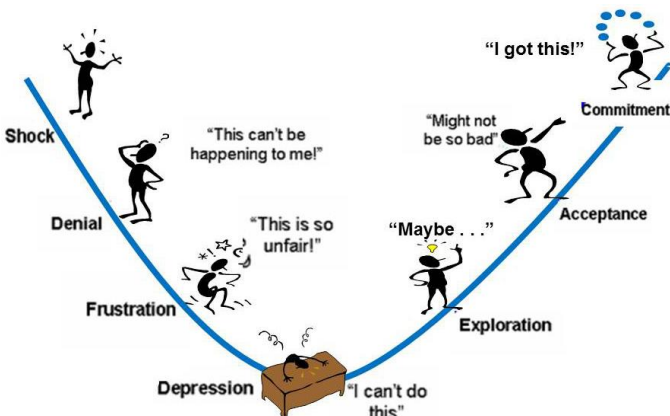
Prefer the status quo

Parochial self interest

4 Reasons for Resistance

Different assessment

Misunderstanding and fear



Unit 4: Managing & Leading People

4.2. Implementing organisational change



ADKAR

ADKAR stands for:

- Awareness** of the need for change
- Desire** to participate and support the change
- Knowledge** on how to change
- Ability** to implement required skills and behaviours
- Reinforcement** to sustain the change

These are the five milestones an individual needs to achieve if they are to change successfully. This can be applied to organisations as to implement organisational change individual change must take place.

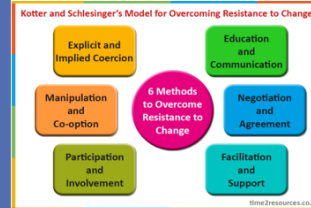
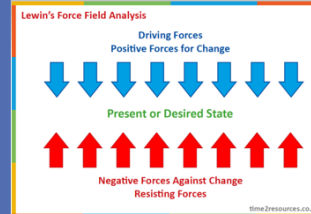
ADKAR was developed by Jeff Hiatt of Prosci Research in 1998.

It is used to identify what change is required in an organisation and how to drive this change.

Any gaps in understanding during the process can be identified and addressed.



CHALLENGE



Use these 3 models to discuss the effectiveness of the ADKAR model of change management.

Financial constraints which impact the implementation of organisational change:

Organisational change has financial implications with a number of costs. These include:

Wage costs such as increased pay for rewarding workers and the cost of covering employees undergoing training. Training costs such as buying in experts, delivery materials and designing courses. The costs of communicating the changes to employees including the time undertaken to coordinate the changes. The organisation might undertake a cost benefit analysis to ensure that the benefits of the change outweigh the costs. This in itself will be expensive.

