

MANAGEMENT AND ORGANISATIONAL BEHAVIOUR

LAURIE J. MULLINS



SEVENTH EDITION

FT Prentice Hall
FINANCIAL TIMES



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Seventh Edition



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Laurie J. Mullins

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University of Portsmouth

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**'OH, GREAT SPIRIT,
GRANT THAT I MAY NOT
CRITICISE MY NEIGHBOURS
UNTIL I HAVE WALKED A MILE
IN THEIR MOCCASINS.'**

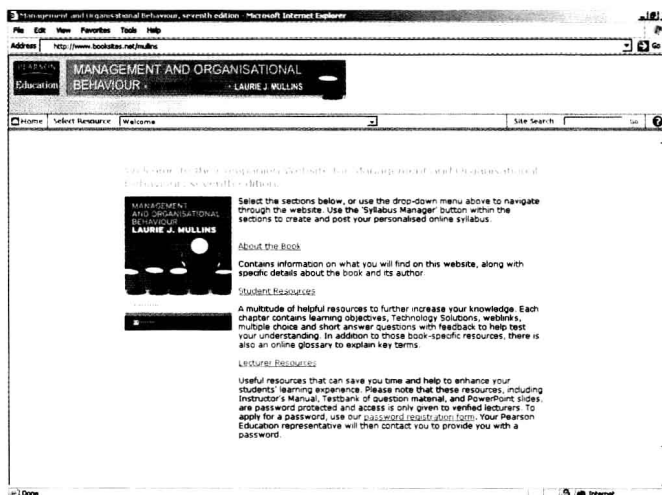
Traditional Native-American saying

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About the author

Laurie J. Mullins was formerly principal lecturer at The Business School, University of Portsmouth. Before taking early retirement, Laurie specialised in managerial and organisational behaviour, and managing people at work, and was subject leader for the behavioural and human resource management group.

Laurie had previous experience of business, local government and university administration and human resource management. For a number of years he was also a member of, and an instructor in, the Territorial Army.

He has undertaken a range of consultancy work; served as a visiting selector for UNAIS and VSO; acted as advisor and tutor for a number of professional and educational bodies including UNISON Education; and served as an external examiner for university degree and postgraduate courses, and for professional organisations.

Laurie has undertaken a year's academic exchange in the Management Department, University of Wisconsin, USA, and a visiting fellowship at the School of Management, Royal Melbourne Institute of Technology (RMIT) University, Australia, and given invited lectures in The Netherlands and South Africa. Laurie is also author of *Hospitality Management and Organisational Behaviour*.

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GUIDED TOUR OF THE BOOK

Chapter openers: provide a brief introduction to key themes of the chapter

Learning outcomes: summarise what students will learn in the chapter

8 THE NATURE OF LEADERSHIP

An essential part of management is co-ordinating the activities of people and guiding their efforts towards the goals and objectives of the organisation. This involves the process of leadership and the choice of an appropriate form of action and behaviour. Leadership is a central feature of organisational performance. The manager must understand the nature of leadership influence and factors which determine relationships with other people, and the effectiveness of the leadership relationship.




Photo: Joseph J. Borkowski/Getty Images

In the twenty-first century, leaders must create an atmosphere in which people believe in strategy, believe in management decisions, and believe in their work. Once people believe in management decisions, there is an excitement within an organization. Such an atmosphere makes an organization prosper. Successful leaders create this sort of environment both inside and outside the organization.

LEARNING OUTCOMES

After completing this chapter you should be able to:

- explain the meaning and importance of leadership in work organisations;
- contrast patterns of managerial leadership and main approaches to and studies of leadership;
- detail the nature of managerial leadership and the exercise of leadership power and influence;
- examine leadership as an aspect of behaviour, and different styles of leadership;
- assess contingency theories of leadership and situational factors which determine the characteristics of leadership;
- evaluate the nature and main components of transformational leadership and inspirational leadership;
- review the variables which determine effective managerial leadership and characteristics.

Subir Chowdhury
Managing Director, Financial Times Practice Unit (2005)

Notable quotes: provide insight into managerial thinking, past and present

Technology solutions: links to web-based resources which encourage evaluation of technology in solving problems

CHAPTER 6 THE NATURE OF MANAGEMENT 217

TECHNOLOGY SOLUTIONS

While the importance and responsibility of management is still widely recognised there is a need for new managers, and new methods for a changed environment and nature of work organisations. Europe's new breed of managers need to focus attention on key strategies including the importance of values and behaviours. Important issues for the future include managing change, leadership and motivation of staff, managing diversity, the development of human resources, and demands for alternative organisational practices.

The jobs of individual managers differ widely. Empirical studies have concentrated on the diversity of management and differences in the nature of managerial work. These studies have drawn attention to such features as: managerial roles; agenda-setting and network building; what real managers do; and demands, constraints and choices in a managerial job.

MANAGEMENT IN ACTION 6.1

The roles of the manager and the Individual Management Model

THE INDIVIDUAL MANAGEMENT MODEL (IMM)

IMM is a large and diverse company. IMM managers do many different things. It can be difficult to define one and common manager roles relevant to managers throughout such a highly complex organisation. The Individual Management Model (IMM) was developed as an aid to managers to help them understand their roles in context.

The manager gate work done through other people. IMM has used that simple definition for years. There are two key parts to the definition: getting work done and through other people.

The Individual Management Model (IMM) was developed as an aid to managers to visualize how their roles are similar to other managers and how they may differ.

Quick overview of the Individual Management Model (IMM)

All managers are responsible for producing results. They do that primarily through other people. The influence that a manager has on direct reports is reflected in the Organizational Climate that he or she creates. Every manager faces slightly different factors that help or hinder the achievement of business results. And every manager is different in terms of personality, thinking style, competencies, etc. It's this mix of conditions and personal characteristics that make managers' behaviours different.

COMPONENTS OF THE IMM

Objectives

Objectives are the intended business results and are reflected in managers' PBCs (Personal Business Commitments). Managers are often given objectives or they define their own, hopefully aligned with the goals and objectives of their target organisations.

Personal characteristics

Managers take actions to achieve those objectives. Every manager has unique personal characteristics, and these characteristics will influence his or her behavior. Personal characteristics include:

- background
- skills
- knowledge
- thinking style
- competencies
- personality

Conditions

Staffing, process, time, budget, office, etc.

Climate

Business results

The Individual Management Model (IMM)

Management in action: real-world examples ensure that students identify and engage with managerial challenges

410 PART 4 THE INDIVIDUAL

■ sensori-motor period: birth to 2 years;
■ pre-operational thought: 2 years to 7 years;
■ concrete operations: 7 years to 11 years;
■ formal operations: 11 years to 15 years.

Piaget's theory offers a tight coherent perspective of the maturation of intellectual thought and development. His studies introduced the notion of the cyclical nature of learning and the ways in which children and adults adjust to and accommodate to their environment.

For many cognitive theorists learning is viewed as a sequence, a sequence which processes information in three distinct stages:

- an active perception stage which gives attention to stimuli from the environment;
- a second mentally active stage which makes sense of the information;
- finally, a restructuring and storage phase.

EXHIBIT 10.1

Learning new skills: the importance of feedback

Yoga is one of the six systems of Indian philosophy. There are a number of different interpretations of yoga and one of these is taught by 'Yogacharya B.K.S. Iyengar'. Learning a physical skill such as Iyengar yoga provides a good illustration of:

- the continual cycle of learning;
- the importance of stages in learning;
- the significance of information and feedback;
- the importance of support structures – both physical, social and mental.

The yoga poses are challenging and require the complete involvement of the senses and total concentration of the mind. Otherwise a fall to the floor is likely! The teacher provides clear information about the positioning of the body and the class tries to assimilate this information and imitate the teacher. Initially it is hard to connect to muscles that have been lying dormant for some considerable time! The first pose is reached after a series of 'half poses' have been practiced. Each sub pose is gradually developed and becomes more complex. At each stage students have to remember 'what I felt like' in the previous sub pose to be sure that they are building on and purifying themselves into a more challenging posture. Learning the poses therefore requires active perception and attention to the teacher as well as attention to internal feedback about the positioning of the body.

Striving for excellence and gaining the benefits from each posture is the goal of Iyengar yoga for all students. Therefore no matter the physical limitations of the body or




Photo: Ken Price, Ken Collier

the inflexibility of the limbs all students are able to achieve maximum gain from each posture with the help of physical supports. Perhaps a belt to support the legs, perhaps a chair to support the back. Each student develops at their own pace, and with their own props. A teacher will also provide information about whether a student's posture needs modifying, perhaps a brick under the hand will get the posture closer to perfection. Creativity will be used in identifying the particular needs of certain students. A learning environment is created in which the group supports individuals, information at critical times is provided, individuals are totally engaged in their pursuit of perfection and the teacher encourages, supports and leads by example.

Reprinted with permission from Judith Jones and Carol Brown, Iyengar Yoga Teacher, Mysore, India.

Although it is beyond the scope of this book to consider the relationship between thinking and learning some researchers have shed insight on the mental constructs that may form. (Gagne) for instance has described these as 'scaffolds'. This metaphor suggests

Exhibits: short vignettes bring managerial theory and practice to life

Case studies: integrate a range of themes to encourage analysis of more complex situations

182 PART 2 THE ORGANISATIONAL SETTINGS

CASE STUDY 5.1

Mergers and acquisitions: the consequences of expansion at Square Deal plc

Square Deal plc is a newly formed subsidiary company of Square Deal International Inc. The intention is to use it to unify the efforts and improve the profitability of the hitherto separate UK subsidiaries of Arnold plc, Carlton plc and Foodrich plc. At present it has a managing director, an administrative financial controller and a typist all sharing a large temporary office in central London.

Arnold plc has 69 food stores, all within a radius of 30 miles from London. Most of them contain either a small restaurant or a snack bar and occupy high street or suburban shopping centre locations. It owns one small bakery whose total production supplies ten stores with bread and cakes. Peripherals for both retail and restaurant use are bought locally but all other products are bought centrally and distributed from one large warehouse. These products are charged to the stores at selling price on computer-printed internal invoices. Store managers are judged solely on revenue. Accounts for each store are produced on the batch computer system at head office which is an old building on the edge of a dockland redevelopment site in East London. The company owns the freehold, as it does of about half of its food stores.

Carlton plc has joint managing directors, one in charge of 21 restaurants and one in charge of property development. To date it has built four shopping centres and has plans for three more, all as part of schemes to regenerate old city centres in the north of England, around 150 miles from London. It leases out the shops with the exception of one per centre which it operates as a restaurant. Both MBs rigidly pursue a 15 per cent annual return on investment as their measure of success.

Foodrich plc, until last year, a family firm which canned fruit and vegetables from its one factory situated about 100 miles from London, in the west of England. It was bought by Square Deal International Inc. with the idea that it would supply 'own label' products to Arnold plc and large catering packs to both Arnold's and Carlton's restaurants. To do this, Foodrich was obliged to deny supplies to some of its regular customers and re-equip part of its plant to handle the large catering packs. The MD, son of the founder, has worked there for nearly 40 years and runs the company, making all decisions, both long term and operational, using his experience and intuition. He is furious to learn that Arnold has not put all its 'own label' business in his direction and Carlton is still buying most catering packs from foodrich's competitors while its new plant is grossly

YOUR TASKS

- (a) Discuss the benefits and drawbacks of judging performance on a single criterion such as:
 - revenue, in the case of the store managers;
 - return on investment, in the case of Carlton's MDs.
- (b) Explain to what extent Arnold's head buyer and Carlton's head chef are justified in buying catering packs from other companies.
- (c) Describe how further compensation might help in this quest for unification and profit improvement.
- (d) After you have finished this task, the MD tells you he is buying with the idea of regaining the company under the name of Square Deal plc and dividing it into the following divisions, each operating as a profit centre:
 - Square Deal plc: Restaurants, Property, Food retail, Canning, Bakery, frozen, frozen drinks, frozen drinks.
 He is concerned about the effects of such a change on the morale of the managers and other employees as he asks you for a further statement. Discuss ideas that should maintain or improve morale if this regrouping were to take place.
- (e) Highlight any other advantages or difficulties that you foresee in the regrouping idea.




Photo: Square Deal plc

Review and discussion questions: assess students' understanding and progress

316 PART 3 THE ROLE OF THE MANAGER

2 The new leader keeps reminding people of what's important – organisations drift into entropy and bureaucratisation of imagination when they forget what's important. Reminding people of what is important can give meaning and value to work, and collective focused energy.

3 The new leader generates and sustains trust – the terms of the new social contract of work have changed and no one can depend on lifelong loyalty or commitment to any organisation. Trust has powerful connotations and the ingredients are a combination of competencies, constancy, caring, fairness, candour, and most of all, authenticity.

4 The new leader and the led are intimate allies – new leadership is all about that great leaders are made by great groups and by organisations that create the social architecture of respect and dignity, and great leadership brings that about. Without each other, the leader and the led are culturally impoverished.

CRITICAL REFLECTIONS

Despite the vast amount of writing on the subject by both academics and practising managers, it is extremely difficult to give a precise and agreed definition of leadership. Nor is there agreement on one best model or style of leadership. If leading writers cannot agree on the nature or essential characteristics of leadership, how can we ever be certain about what makes an effective leader?

What are your own views?

Confidence in identifying leadership competencies is more important than formal studies about past successes. Any discussion about competencies can easily become controversial. Many contend that the identification of competencies helps organisations to understand those qualities, characteristics, and skills that lead to outstanding performance and outcomes. Others question whether competencies can be defined at all.

Fulmer, R. M. and Goodenrich, M. 'Future Leadership Development', in Chowdhury, S. Management 21C, Financial Times Prentice Hall (2000), p. 176.

How would you define and identify leadership competencies?

'Organisational success depends ultimately on the qualities of its leaders. But leaders are born to be so: it is not possible to train a person to become an effective leader.'

Debate.

SYNOPSIS

■ There are many ways of looking at leadership, and many interpretations of its meaning, but essentially it is a relationship through which one person influences the behaviour or actions of other people. The leader-follower relationship is reciprocal and effective leadership is a two-way process. Leadership is related to motivation, the process of communication, the activities of groups and the process of delegation and empowerment. The changing nature of business organisations has placed increasing importance on leadership.

270 PART 3 THE ROLE OF THE MANAGER

REVIEW AND DISCUSSION QUESTIONS

- 1 Distinguish between different sets of attitudes and assumptions about people at work that might be held by managers. Give examples, preferably from your own experience, of how these different attitudes and assumptions might influence actual managerial behaviour.
- 2 Using the Blake and Mouton Managerial Grid (now the Leadership Grid), identify your likely dominant style of behaviour in dealing with subordinate staff. In what situations might you need to adopt a back-up style of behaviour and what style is that likely to be?
- 3 Critically assess the value and relevance today of Management by Objectives (MBO) as a means of improving organisational performance.
- 4 From your own experience, explain fully a situation which you believe demonstrates an effective way of dealing with subordinate staff. To what extent can you relate this situation to the application of theories or principles of management?
- 5 Discuss what you see as the most important considerations in adopting a people-centred approach to management. What do you understand by the culture of management?
- 6 How would you attempt to distinguish between an effective and an ineffective manager? Give specific examples of the criteria you would apply to assess the effectiveness of a particular managerial job of your choice.
- 7 Explain Reddin's 3-D model of managerial behaviour. Give a practical example of situations which demonstrate (i) a more effective style, and (ii) a less effective style.
- 8 Debate critically what you believe are the essential features relating to the effective management of time.

ASSIGNMENT 1

Principle of Supportive Relationships Questionnaire

To test whether a superior's (and the organisation's) behaviour is supportive, consider the following questions.

- a How much confidence and trust do you feel your superior has in you? How much do you have in your superior?
- b To what extent does your boss convey to you a feeling of confidence that you can do your job successfully? Does your boss expect the 'impossible' and fully believe you can and will do it?
- c To what extent is your superior interested in helping you to achieve and maintain a good income?
- d To what extent does your superior try to understand your problems and do something about them?
- e How much is your superior really interested in helping you with your personal and family problems?

Assignments: imaginative activities enable students to learn through personal application of theory

Business Press: *Financial Times* articles demonstrate contemporary relevance of theory in journalistic style

CHAPTER 2 THE NATURE OF ORGANISATIONAL BEHAVIOUR 55

PERSONAL AWARENESS AND SKILLS EXERCISE

OBJECTIVES

Completing this exercise should help you to enhance the following skills:

- Obtain a clearer picture of your own and other people's work ethic.
- Explore the importance of work to you and your fixed attitudes about work.
- Recognise the significance of individuals' orientations to work within an organisation.

EXERCISE

You are required to start by asking yourself this question: is it a good thing to be a worker? And then to think carefully about your responses to the following questions:

How do you feel ...

- when you hear the word 'work'?
- as you get ready for work?
- when you know the day is over?
- about the work you've accomplished?
- about someone who chooses not to work?
- about taking time off?
- when you hear the word 'management'?
- about taking control of your career?

Share your responses with those of your colleagues. What conclusions do you draw about the work ethic?

DISCUSSION

- What do you see as the character traits of a person with a healthy work ethic?
- To what extent do you agree with the contention that: 'we are employed for our skills but valued for our attitude'?
- What effect might different orientations to work have within an organisation and how might they all be accommodated?

Visit our website www.booksites.net/mullins for further questions, annotated weblinks, case material and internet research material.

BUSINESS PRESS **FT**

This Business Press section provides a range of *Financial Times* articles relating to issues and situations explored throughout the book. Topics in management and organisational behaviour are not free-standing and therefore links with the most relevant chapters are indicated for each article.

Many of the articles have an international theme, and cover both private and public sector organisations. Collectively, the articles promote a greater awareness and appreciation of the subject and help bring your studies to life.

Discussion questions encourage you to reflect critically on key issues, to relate ideas and principles to actual situations, and to debate views with your colleagues. You might also consider how the content of the articles compares to the particular characteristics and culture of your own organisation, or one familiar to you.

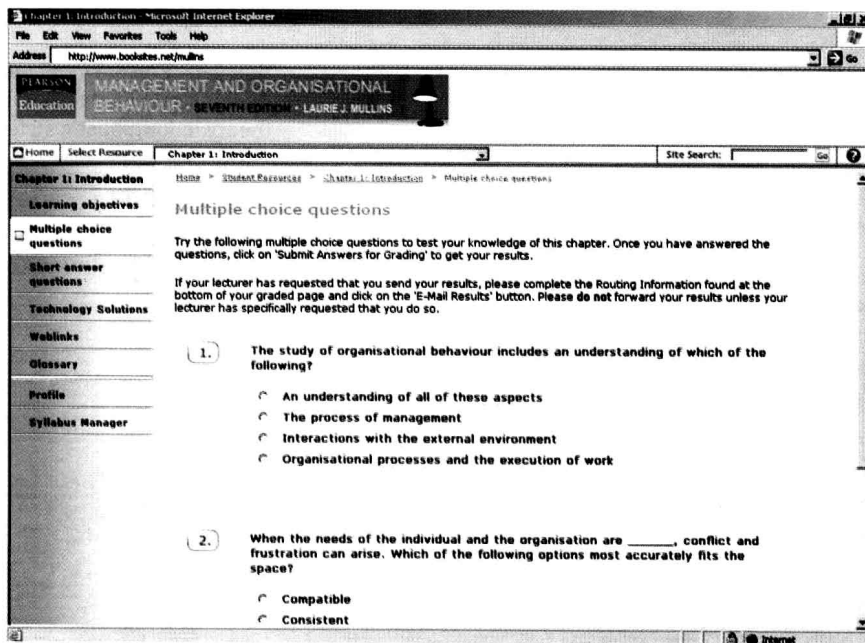
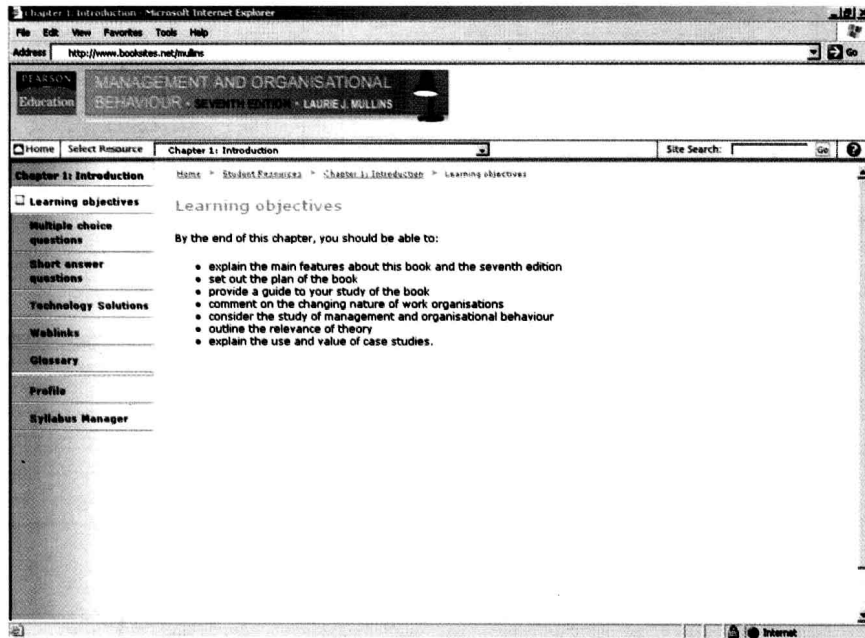
Use these articles as a starting point to broaden your studies, and search the daily editions of the *Financial Times*, or the FT.com, and other appropriate business press sources for the most recent updates.

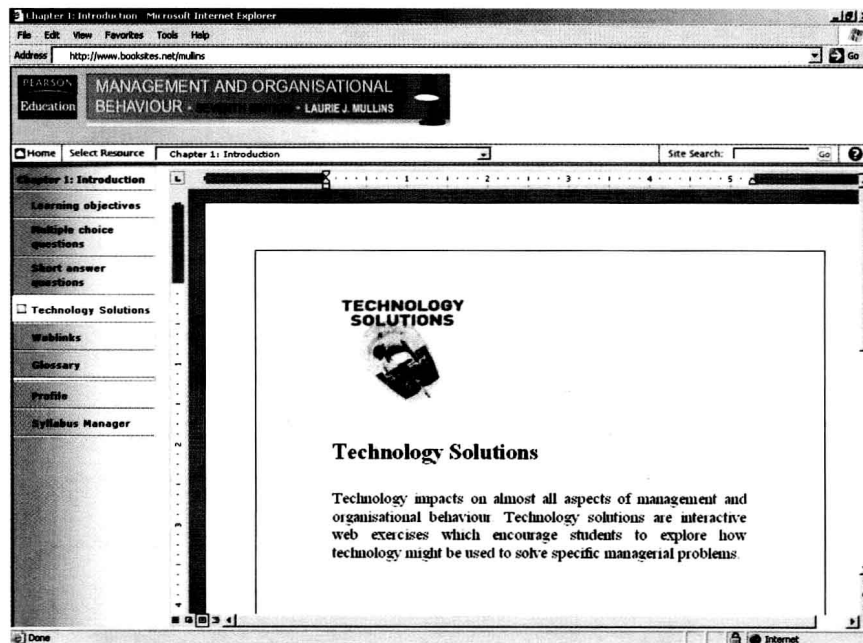
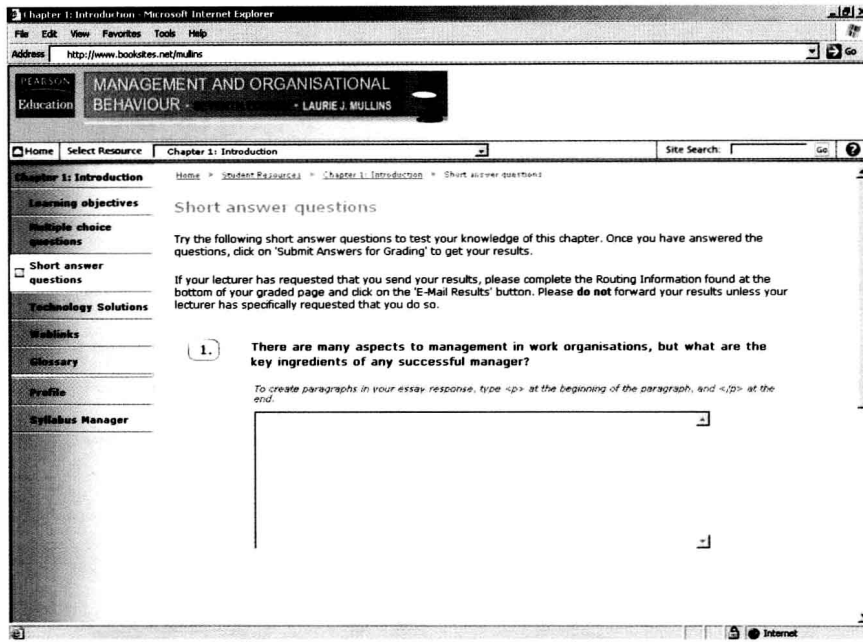
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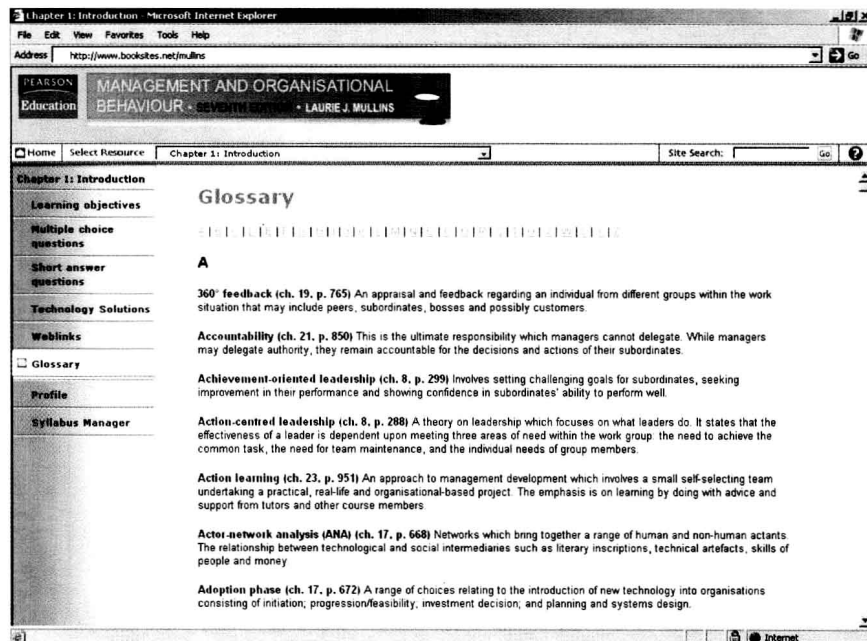
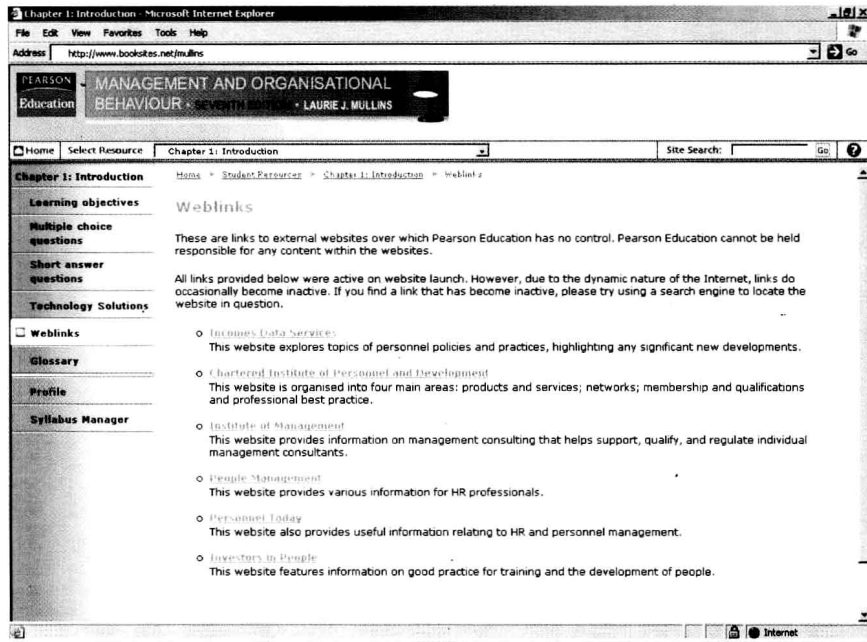
Critical reflections: motivate students to think critically about key themes

Personal awareness and skills exercises: practise and develop students' interpersonal and work-based skills

GUIDED TOUR OF THE COMPANION WEBSITE







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