

Chapter 10

Managing people at work

Management is an integrating activity permeating all operations of an organisation. Attention must be given to forms of managerial behaviour and the manner in which managing people at work is exercised.

Learning outcomes

After completing this chapter you should have enhanced your ability to:

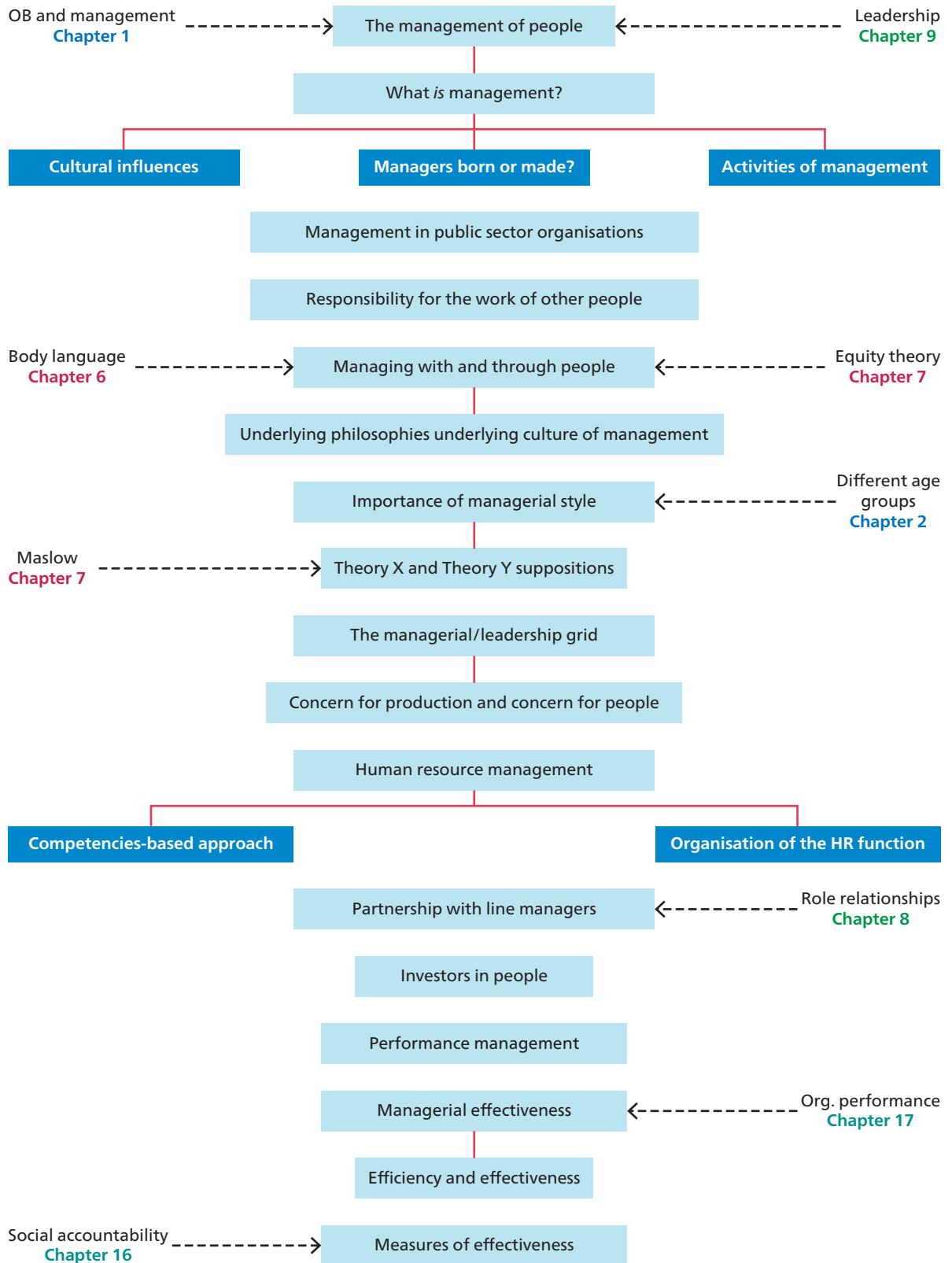
- explain the essential nature of management;
- debate suggested philosophies for managing with and through people;
- contrast suppositions about human nature and behaviour at work;
- examine styles of managerial behaviour;
- review the role and organisation of the human resource function;
- explain the nature of performance management;
- assess main criteria for evaluating managerial effectiveness.

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Overview topic map: Chapter 10 – Managing people at work





Cruise ship: compulsory crew drill



Before commencing to read this chapter, what do YOU immediately think of when you hear the term 'management'?

The management of people

The central underlying feature of organisational behaviour is concerned with the study of behaviour of people within an organisational setting. Although often studied as separate subject areas, there is a substantial interrelationship between organisational behaviour and management. As discussed in **Chapter 1**, however much of a cliché, it is still an inescapable fact that people are the main resource of any organisation. Without its members, an organisation is nothing and only as good as the people who work within it.

Whatever the individual's orientations to work, the nature of the work organisation or cultural influences, efforts of members of the organisation need to be directed and guided towards the achievement of its goals. It is by the processes of management, execution of work and co-ordinated efforts of their members that activities of the organisation are carried out. The efficiency and performance of staff, and their commitment to the objectives of the organisation, are fostered by good human relationships at work.

In today's increasingly dynamic, global and competitive environment understanding human behaviour at work and effective management of the people resource is even more important for organisational survival and success. **Management** is fundamental to the effective operation of work organisations. It is essentially an integrating activity that should help reconcile needs of people at work with requirements of the organisation (see **Figure 10.1**).

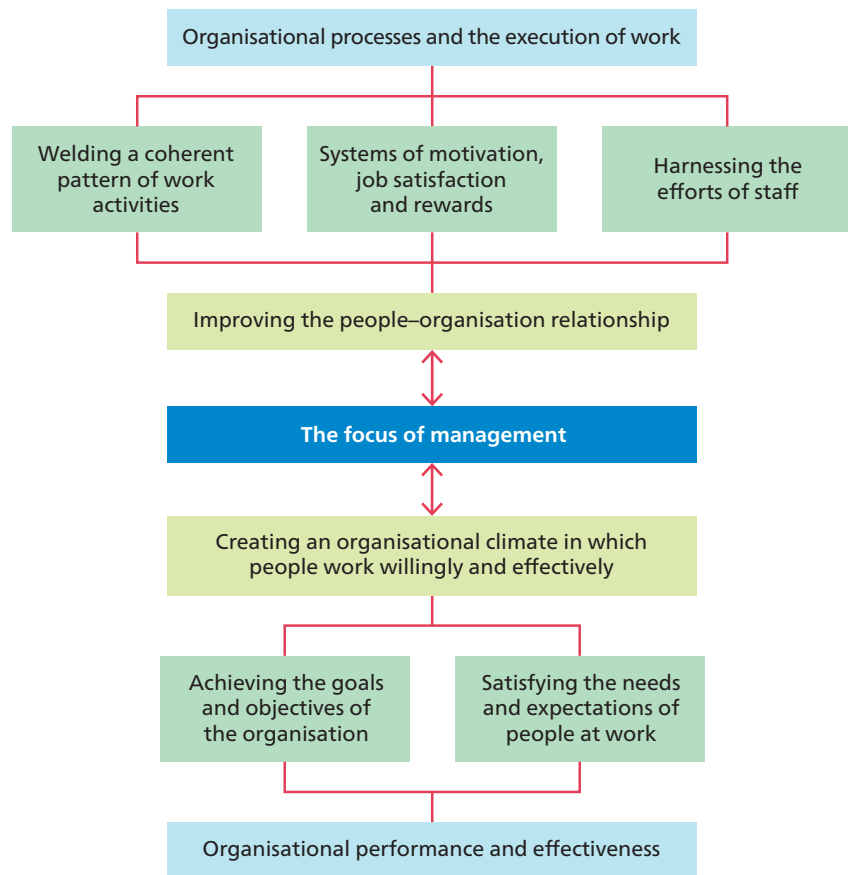


Figure 10.1 The central focus of management

Who is a manager?

In certain respects everyone could be regarded as a manager. We all manage our own time and everyone has some choice whether or not to do something, and some control, however slight, over the planning and organisation of their work. However, we are concerned with management as involving people looking beyond themselves and exercising formal authority and/or influence over the activities and performance of other people. Even within a work organisation you cannot necessarily identify a manager by what a person is called or their job title.

In some organisations there is a liberal use of the title 'manager' in an apparent attempt to enhance the status and morale of staff. As a result, there are a number of people whose job title includes the term manager but who, in reality, are not performing the full activities of a manager. Yet there are many people whose job title does not include the term manager but who, in terms of the activities they undertake and the responsibility and influence they exercise, may be very much a manager.

For our purposes, therefore, we can regard management as:

- taking place within a structured organisational setting with prescribed roles;
- directed towards the attainment of aims and objectives;
- achieved through the efforts of other people; and
- using systems and procedures.

At its most basic, management may be viewed as ‘making things happen’. Recall also the discussion on the nature of leadership (**Chapter 9**). Whereas leaders are not necessarily managers it could be argued that all managers should be leaders.

It is the responsibility of management to manage. But organisations can achieve their aims and objectives only through the co-ordinated efforts of their members. This involves good people management. A heavy responsibility is placed on managers. Attention must be given to the work environment and appropriate systems of motivation, job satisfaction and rewards. The activity of management also takes place within the broader context of the organisational setting, external environment and cultural norms. There are also variations in systems and styles of management and in the choice of managerial behaviour. **Figure 10.2** shows a basic five-stage framework of study.

What is management?

Management is a generic term and subject to many interpretations. It is also a complex and discursive subject with contrasting ideas on the meaning of management and the work of a manager.¹ The nature of management is variable. It is not a separate, discrete function but relates to all activities of the organisation. It cannot be departmentalised or centralised. Management is seen best, therefore, as a process common to all other functions carried out within the organisation. However, ‘management’ is not homogeneous. It takes place in different ways and at different levels of the organisation.

Significance of cultural influences

Schneider and Barsoux contend that trying to define the meaning of management shows up differences in beliefs and values. Cultural influences are a significant feature of management. Managers in some countries might have more concern for the ‘spiritual’ aspects of management, while in others there would be greater

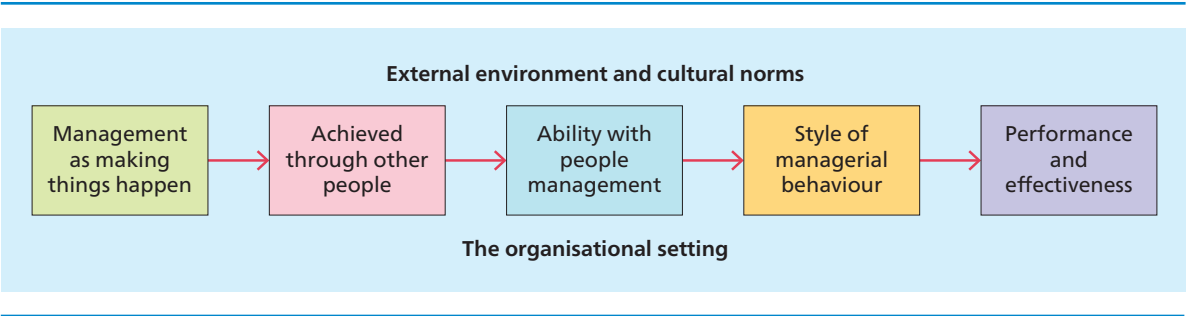


Figure 10.2 A basic framework of study

concern for the business sense. Developing people through work could be seen as an intrusion of privacy, and others may perceive empowerment as another name for manipulation.² According to *Francesco and Gold*, if international managers are to perform successfully in the global economy they need to understand the effects of different cultures on organisational behaviour. Reliance on theories developed in one culture is not sufficient.³

Managers born or made? Management an art or science?

There is frequent debate about whether managers are born or made or whether management is an art or a science. Briefly, the important point is neither are mutually exclusive alternatives. Even if there are certain innate qualities that make for a potentially good manager, these natural talents must be encouraged and developed through proper guidance, education and training, and planned experience. Clearly, management must always be something of an art, especially in so far as it involves practice, personal judgement and dealing with people. However, it still requires knowledge of the fundamentals of management, and competence in the application of specific skills and techniques – as illustrated, for example, with developments in information technology.

The discussion of management as an art or a science is developed by *Watson* who suggests that in order to make sense of the complex and highly ambiguous situations in which managers find themselves, management can be viewed not only as both art and science but also as magic and politics (see Figure 10.3).⁴

Dib provides an account of hearing contrasting views on management as a science. One view is YES – there is clearly science in management although a purely scientific approach omits human beings as the most important factor. Management is about the application of knowledge. 'The most successful managers are those who use scientific models, theories and concepts, and then apply them using their own style, experience and personality.' The other view is NO – both management and science apply and extend our knowledge but management needs more than just observations and experiments and needs to be based on practice, reflection and action. Management is too eclectic to be a science itself. 'The very nature of management means that without applying and reflecting upon the practice of management we will be more inclined to measure than to take action'.⁵

Thinking about management at university level

Foppen questions the relationship between management practice and education, and whether management hasn't always been illusory. However, *Foppen* emphasises the importance of management performance.

Management is of pivotal importance for modern society. It is for this reason that, no matter what, thinking about management, certainly at university level, is of great relevance to management practice. So apart from the question of whether management's claim that it is indispensable is really valid or not, the fact that practically everyone believes it is, is what counts.⁶

Activities of management

A common approach to viewing the nature of management, favoured by the classical writers such as *Henri Fayol* was the search for common activities

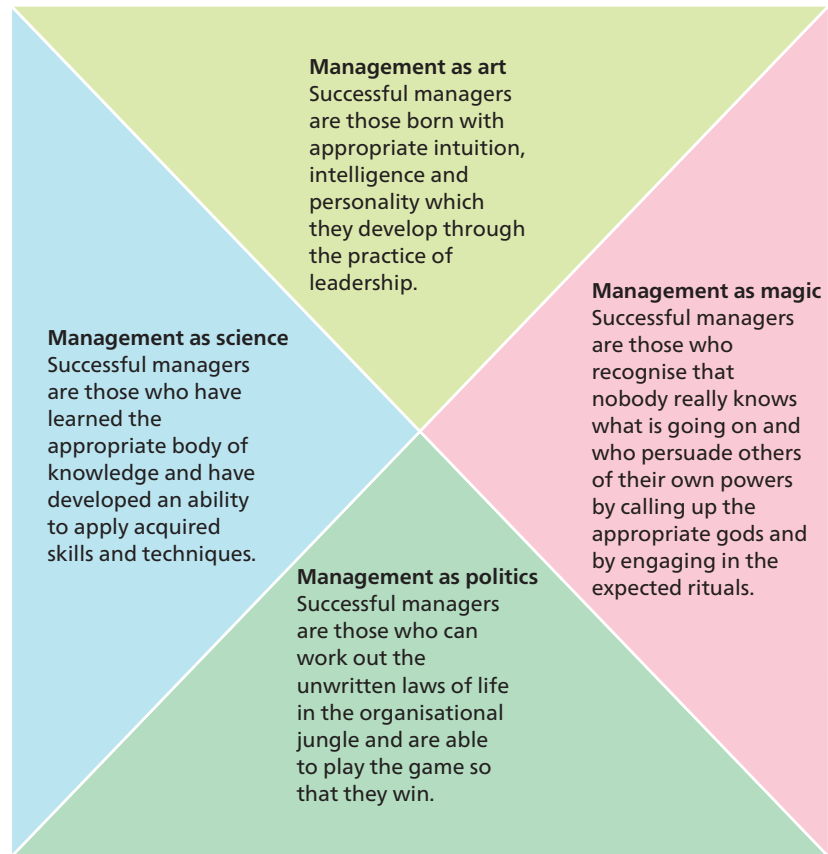


Figure 10.3 Management as art, science, magic and politics

Source: From Watson, T. J. *Management, Organisation and Employment Strategy*, Routledge & Kegan Paul (1986), p. 29. Reproduced by permission of the publishers, Routledge, a division of Taylor & Francis, Ltd.

applicable to managers in any organisation.⁷ Inevitably there are doubts about the relevance of these activities and principles today but it is hard to argue against their continuing, underlying importance. What is perhaps debatable is the manner of their interpretation and implementation. *McLean* maintains that although proposed almost a hundred years ago, Fayol's definition of management remains one of the most cited of modern times. Fayol has left an indelible mark on management history, and forged an inextricable link between the manager and the organisation.⁸

Hamel suggests that there would be little argument from modern-day executives about Fayol's description of the work of a manager but puts forward his own synthesis of what the *practice* of management entails:

- Setting and programming *objective*;
- Motivating and aligning *effort*;
- Co-ordinating and controlling *activities*;
- Developing and assigning *talent*;
- Accumulating and applying *knowledge*;

- Amassing and allocating *resources*;
- Building and nurturing *relationships*;
- Balancing and meeting *stakeholder demands*.⁹



Rostrum from where John F. Kennedy announced the decision to land on the moon



To what extent do YOU believe thinking about management at your university level is likely to be relevant to your future managerial career?

Management in public sector organisations

The general movement of major organisations away from direct governmental control to greater responsibility for managing their own affairs has led to blurring of the traditional distinction between the private and public sectors. Basic principles of management apply in any series of activities in any organisation and both private enterprise and public sector organisations face the same common activities and general problems. However, actual methods and procedures will of necessity differ.

There are perceived differences between people management in the private and public sectors which arise from particular features of public sector organisations. For example:

- aims concerned with providing a service for, and for the well-being of, the community rather than just of a commercial nature;
- the scale, variety and complexity of their operations;

- the tendency for them to be subject more to press reports on their activities;
- the political environment in which they operate, and in the case of local government, for example, the relationship between elected members and permanent officers;
- high levels of statutory regulations, legislation and ministerial guidance;
- the generally high level of trade union involvement;
- difficulties in measuring standards of performance of services provided compared with profitability;
- demand for uniformity of treatment and public accountability for their operations;
- tendency towards more rigid HR policies, for example specific limitations on levels of authority and responsibility, fixed salary grades based on general pay scales, long-term career structures and set promotion procedures.

A number of these features frequently combine to result in increased bureaucracy within public sector organisations.

Importance of skills and behaviour

A report from CIPD points out that although public services are not homogeneous and specific issues facing managers will differ between sectors and localities, there is a shared agenda in improving people management in the public sector workplaces. It is important to recognise that without more effective people management there is no chance of introducing positive and lasting change. Management need to support and empower front line staff. The report makes clear that:

an improvement in the quality of people management, particularly among line managers and supervisors, is central to more effective delivery of public services and greater local accountability. Inadequate people management skills are also often at the heart of catastrophic service failure.¹⁰

Sir Howard Bernstein refers to the challenging economic climate that has focused the public sector on the need for radical reform to tackle the cost pressures on it and the development of the skills to deliver public sector reform. Significant long-term culture change is required across a range of partners to overcome professional, organisational and technical barriers. All levels of managers and leaders have a vital role in delivering community services in a more integrated way. *This type of reform will require different skills and behaviours across all levels of management.*¹¹

Walker points out that despite the talent in all sectors of the economy, cultural differences, alien working practices and even mutual suspicion mean moving between the private, public and voluntary sectors can be a bumpy ride. Beyond differences in management styles a key factor is that in the private sector there is more of a strategic focus; while in the public sector it is much more about here and now. Nine out of ten private sector employers would be unlikely to take employees offloaded from the public sector.¹²

Responsibility for the work of other people

One of the most popular ways of defining management today is that it involves getting work done second-hand, through the efforts of other people. Managers

are judged, ultimately, not just on their own performance but on the results achieved by subordinate staff. If we look at how people at work actually spend their time, we should be able to distinguish between those whose main occupation is the carrying out of discrete tasks and the actual doing of work themselves, and those who spend proportionally more of their time in determining the nature of work to be undertaken by other people, the planning and organising of their work, providing directions and advice and guidance, and checking on their performance. Staff need **to perform well in the right areas**, and to be effective as well as efficient. Leadership is clearly important but the efforts of staff need to be **directed** towards the achievement of given objectives in accordance with stated policy.

The efforts of other people

Rosemary Stewart attempts to integrate the various definitions of management and summarises the manager's job, broadly defined as: *deciding what should be done and then getting other people to do it.*

The first task comprises setting objectives, planning (including decision-making), and setting up formal organization. The second consists of motivation, communication, control (including measurement), and the development of people. The two tasks are separated for convenient analysis, but in practice they may often overlap.¹³

The middle managers

Middle managers have a particular part to play in managing people at work. A CMI report refers to the important role of middle managers as critical for creating 'civic' engagement across the workforce – through communications, integrity, visibility, interactions and connections. Middle managers are the lifeblood of an organisation and play a central role in managing and guiding its people. However they are not always treated in a way that reflects this. The report calls for improved trust and communication in recognising and supporting middle managers in their role at the heart of the organisation.¹⁴

Rock reminds us that the middle manager's goal is more about the accomplishment of the team than their own personal achievement and suggests eight reasons to love middle managers. They make organisations perform better; get stuff done; embody your culture; make sure information is trusted; cascade strategy; do detail; build relationships quickly; and soothe troubled waters.¹⁵

However, a BBC radio programme pointed out that the job of middle managers is inherently horrid. They are first to be fired when times get hard and in a study of 300,000 people those who liked their jobs least were middle managers who, despite privileges, felt unappreciated and all round miserable.¹⁶



Do YOU accept that 'getting work done second-hand, through the efforts of other people' is the best possible description of what management is basically all about?

Managing with and through people

One essential ingredient of any successful manager is the ability to handle people effectively. Genuine concern for their welfare goes a long way in encouraging them to perform well. A positive policy of investment in people and an interpersonal relationship approach to management is, in the longer term, worth the effort. For example, the UK government-sponsored initiative Investors in People (**discussed later in this chapter**) is based on a commitment to the benefits organisations can gain through their people and on the vital role of managers.

It is possible to put forward a number of underlying philosophies that underlie the culture of management and arguably likely to make for the successful management of people, and lead to both improved work performance and more contented staff (**see Figure 10.4**). **These philosophies are not intended to be prescriptive but to encourage discussion on the extent to which you agree with the points of view.**

Consideration, respect and trust

People generally respond according to the way they are treated. If you give a little, you will invariably get a lot back. Make people feel important and give them a sense of personal worth. The majority of staff will respond constructively if treated with consideration and respect, and as responsible individuals who wish to serve the organisation well. However, how can members of staff show that they can be trusted unless trust is first placed in them? **The initiative must come from management.**

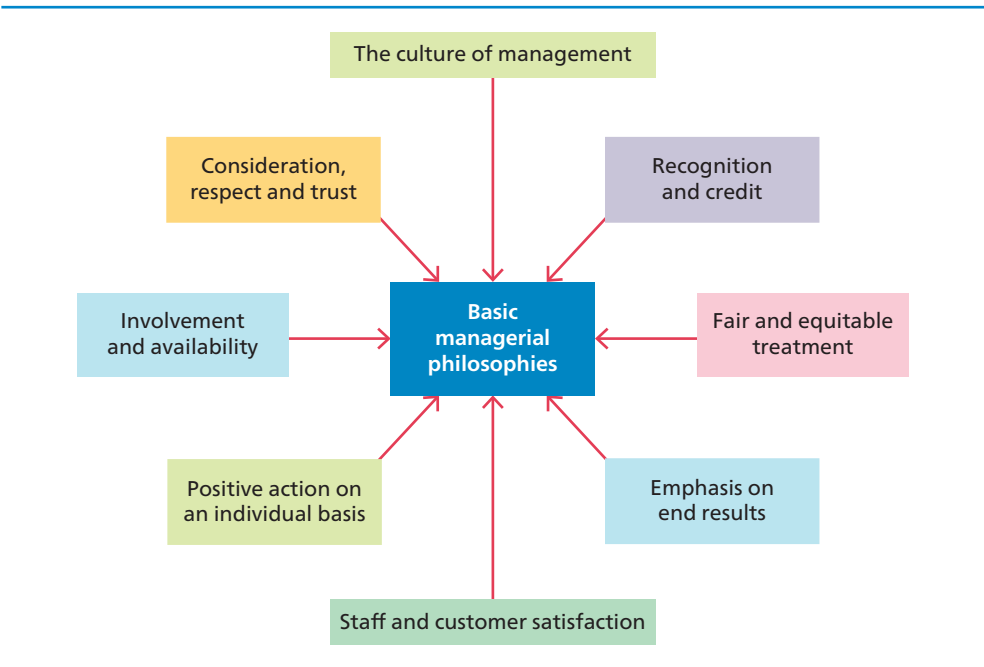


Figure 10.4 The effective management of people

Recognition and credit

People can be praised to success. Give genuine recognition and credit when it is due and let people know you appreciate them. Too often managers appear unresponsive to good performance, taking this for granted. But they are quick to criticise on the occasions when performance falls below expectations. **It should not be assumed staff would necessarily take a lack of response as a sign of positive recognition rather than just the absence of criticism.** So often you hear the comment: 'Well nobody has complained so I suppose everything is all right.' What a poor indictment of management style! Positive feedback on good performance is a strong motivator and staff are then more likely to accept and respond to constructive criticism.

Involvement and availability

Involve yourself with the work of the staff and make sure you fully understand the difficulties and distastes of their job. Ensure an open flow of communications and encourage participation and feedback. Take an active interest in the work of staff but without excessive supervision or inhibiting their freedom of action. Wherever possible be available to staff as a priority, rather than to administration. Remember the importance of giving time to listen genuinely to the feelings and problems of staff. This means giving staff your full attention including adopting appropriate body language (**recall the discussion in Chapter 6**).

Fair and equitable treatment

Treat people fairly but according to merit. Ensure justice in treatment, equitable systems of motivation and rewards, clear HR policies and procedures, avoidance of discrimination, and full observance of all laws and codes of conduct relating to employment. People expect certain outcomes in exchange for certain contributions or inputs. A feeling of inequality causes tension and motivates the person to indulge in certain forms of behaviour in order to remove or to reduce the perceived inequity.

(Recall the discussion on equity theory of motivation in Chapter 7.)

Positive action on an individual basis

Deal with individual situations on an individual basis and avoid the 'blanket' approach. For example, it has come to the manager's attention that a couple of members of staff have failed to provide some urgently requested information on time. The manager's reaction is to send a circular email to *all* members of the department reminding them of the need for, and importance of, meeting deadlines. But what are the likely reactions of staff? The two members concerned might shield behind the generality of the e-mail and persuade themselves that it doesn't apply particularly to them. In contrast, the majority of staff in the department who do have a good record of providing requested information on time may well be annoyed or upset by the circular.

Emphasis on end-results

Place emphasis on end-results and levels of actual performance and achievement rather than on compliance with detailed instructions, rules or regulations. For example, where set attendance times are *clearly* seen as a necessary requirement

of the job, it is right that managers should ensure that timekeeping is adhered to and enforced as appropriate. But in many cases rigid times of attendance are not an essential requirement for effective performance. The increasing movement to work/life balance, flexible working patterns and teleworking coupled with demands to boost productivity are placing growing emphasis on what staff actually achieve rather than the time spent at work. The important criteria are the level and quality of performance.

Staff and customer satisfaction

The starting point for customer, or consumer, satisfaction is good manager–subordinate relationships. Supportive and harmonious working relationships are more likely to create a working environment that results in high levels of both staff *and* consumer satisfaction. Managers need to adopt a positive attitude towards staff and to develop a spirit of mutual co-operation. Staff should feel that they are working *with* the manager rather than *for* the manager.



How far do YOU support the idea of underlying philosophies for the effective management of other people; or are such philosophies naïve and unrealistic?

A looser approach to managing

It is not suggested managers should give up the right to manage: it is a question of *how* they manage and use their authority. *Thomas* suggests the need for a loose approach to business in which tight controls and specific rules are replaced with broad principles, a culture of trust and a more relaxed management style. As a result of employee and customer expectations, and social and technological change the modern workforce expects to play a greater role in service delivery and not be hampered by strict rules and inflexible regulations. However, *Thomas* believes the biggest obstacle is middle managers who fear they do not have authority to make big decisions and rely on management by the rule book, their process, templates and rigid structures.¹⁷

The importance of emotions and mood

We have mentioned previously that people are not homogeneous and human behaviour is capricious. People bring to work their own perceptions, feelings and attitudes. The importance of human foibles and emotions should not be forgotten. *Robbins*, for example points out that emotions are part of our lives: we not only think, we feel! Employees bring an emotional component with them to work every day.

But the field of management has been guilty for a long time of treating employees as if they're non-emotional. All work behavior is assumed to be fully rational. While this makes for simpler analysis of workplace behavior, it also creates highly unrealistic and inaccurate assessments.¹⁸

Bolchover draws attention to the importance of mood as crucial to job performance in areas such as decision-making, creativity, teamwork, negotiation

and leadership. Leaders' moods are highly contagious and what makes moods even more potentially beneficial or destructive is their infectiousness. Bolchover suggests that this 'emotional contagion' lies at the root of what we call corporate morale. Managers must appreciate that their own attitudes are contagious, profoundly affecting those who work for them. 'Pretty much everything that determines an employee's fundamental attitude at work is under the control of the manager.'¹⁹



Importance of managerial style

There appears to be a growing recognition that managers can no longer rely solely on their perceived formal authority as a result of a hierarchical position in the structure of the organisation. More than ever, an essential ingredient of any successful manager is the ability to handle people successfully. This changing relationship places a heavy responsibility on managers, and on the systems and styles of management adopted.

It is, however, interesting to note the views of *Watson* who, while acknowledging that to create the goods, services and quality of life that people look for in the modern world, rather complex patterns of co-operative behaviour have to be orchestrated and 'managed', identifies three major problems in thinking about organising and managing work in terms of 'managing people'.

First, in a modern democratic society, is it realistic even to contemplate the possibility of managing people and that there are people willing to be managed?

Second, can it be argued that a manager has no moral right to direct, manage or boss any individual?

Third, does the focus on people management tend to blur the part played by structures, systems, cultures, processes and the rest?²⁰

Good people management

Whatever the veracity of these problems the organising and management of work depends ultimately on the people who make up the organisation. Without people, systems and procedures and indeed organisations themselves are meaningless. And people need to be managed. But, of course, of increasing importance are:

- how the process of management is actually carried out;
- the style of managerial behaviour; and
- its effectiveness for *both* organisational performance and the satisfaction of its members.

With the general movement towards flatter organisation structures, flexible working and greater employee empowerment, there is more emphasis on an integrating rather than a traditional controlling style of management. Management style and behaviour can be as important as management competence.

The style of managerial behaviour needs to take account of the likely orientations to work of different generations and wider range of age groups in the modern workplace (**discussed in Chapter 2**). For example compared with other age groups, Generation Y (born between 1980 and 1995) are less frightened by the future, will not stay long in a job they do not enjoy and are likely to be technologically sophisticated.

Theory X and Theory Y management

The way in which managers approach the performance of their jobs and the behaviour they display towards subordinate staff is likely to be conditioned by underlying predispositions about people, and human nature and work. Drawing on Maslow's hierarchy of needs model (**discussed in Chapter 7**), McGregor, in 1960, put forward two suppositions about human nature and behaviour at work. He argued that the style of management adopted is a function of the manager's attitudes towards people and assumptions about human nature and behaviour. McGregor's work still proves debate today. The two suppositions are called Theory X and Theory Y and are based on polar assumptions about people and work.²¹

Theory X assumptions

Theory X represents the carrot-and-stick assumptions on which traditional organisations are based:

- the average person is lazy and has an inherent dislike of work;
- most people must be coerced, controlled, directed and threatened with punishment if the organisation is to achieve its objectives;
- the average person avoids responsibility, prefers to be directed, lacks ambition and values security most of all; and
- motivation occurs only at the physiological and security levels.

The central principle of Theory X is direction and control through a centralised system of organisation and the exercise of authority. Assumptions based on a Theory X approach, and the traditional use of rewards and sanctions exercised by the nature of the manager's position and authority, are likely to result in an exploitative or authoritarian style of management.

Theory Y assumptions

At the other extreme is Theory Y based on the **central principle of the integration of individual and organisational goals.** Theory Y assumptions are:

- for most people work is as natural as play or rest;
- people will exercise self-direction and self-control in the service of objectives to which they are committed;
- commitment to objectives is a function of rewards associated with their achievement;
- given the right conditions, the average worker can learn to accept and to seek responsibility;
- the capacity for creativity in solving organisational problems is distributed widely in the population;
- the intellectual potential of the average person is only partially utilised; and
- motivation occurs at the affiliation, esteem and self-actualisation levels as well as at the physiological and security levels.

Demands of the situation

The two views of Theory X and Theory Y tend to represent extremes of the natural inclination of managers towards a particular style of behaviour. In practice, however, the actual style of management behaviour adopted will be influenced by the demands of the situation.²² Where the job offers a high degree of intrinsic satisfaction or involves a variety of tasks, an element of problem-solving and the exercise of initiative, or where output is difficult to measure in quantitative terms, an informal, participative approach would seem to be more effective. Where commitment to the goals of the organisation is almost a prerequisite of membership, such as in certain voluntary or charity organisations, for example, a Theory Y approach would clearly seem most appropriate.

However, even if a manager has a basic belief in Theory Y assumptions, there may be occasions when it is necessary, or more appropriate, to adopt a Theory X approach. This approach may be indicated in emergency situations, or where shortage of time or other overriding factors demand the use of authority in directing actions to the tasks in hand. For example, in the hustle, heat and noise of a busy hotel kitchen preparing fresh meals for a large banquet, with many tasks to be co-ordinated over very short time scales, it seems to be recognised that a Theory X style of management is most appropriate. In such circumstances this style of management appears often to be accepted by the kitchen staff.



Do YOU agree the underlying concept of Theory X and Theory Y is still one of the most meaningful insights into our understanding of managerial behaviour?

The Managerial/Leadership Grid®

One means of describing and evaluating different styles of management is the *Blake and Mouton Managerial Grid*®. First published as the Managerial Grid® in 1964, restated in 1978 and 1985²³ and republished in 1991 as the *Leadership Grid*®,²⁴ the Grid provides a basis for comparison of managerial styles in terms of two principal dimensions: concern for production and concern for people.

- **Concern for production** is the amount of emphasis that the manager places on accomplishing the tasks in hand, achieving a high level of production and getting results or profits. This is represented along the horizontal axis of the Grid.
- **Concern for people** is the amount of emphasis that the manager gives to subordinates and colleagues as individuals and to their needs and expectations. This is represented along the vertical axis of the Grid.

Five basic combinations

The four corners and the centre of the Grid provide five basic combinations of degree of concern for production coupled with degree of concern for people.

- **Managers with a 1,1 rating**, the impoverished manager, tend to be remote from their subordinates and believe in the minimum movement from their present position.
- **Managers with a 9,1 rating**, the authority-compliance manager, are autocratic. They tend to rely on a centralised system and the use of authority.
- **The 1,9 rating managers**, country club managers, believe that a contented staff will undertake what is required of them and achieve a reasonable level of output.
- **The 5,5 rating**, middle-of-the-road manager, with the approach of 'live and let live' and a tendency to avoid the real issues.
- **Managers with a 9,9 rating, the team manager**, believe in the integrating of the task needs and concern for people.

These five styles of management represent the extremes of the Grid. With a nine-point scale on each axis there is a total of 81 different 'mixtures' of concern for production and concern for people. Most people would come up with a score somewhere in an intermediary position on the Grid.

Two additional grid styles

The 1991 edition of the Grid covers two additional styles: opportunism and 9 + 9 paternalism/maternalism, which take account of the reaction of subordinates. In opportunistic management, organisational performance occurs according to a system of exchanges, whereby effort is given only for an equivalent measure of the same. People adapt to the situation to gain maximum advantage of it. In 9 + 9 paternalistic/maternalistic management, reward and approval are granted to people in return for loyalty and obedience; and punishment is threatened for failure to comply. A summary of the seven basic combinations of the Grid is given in **Table 10.1**.

Table 10.1 Leadership Grid® style definitions

9,1 Authority–compliance management	Managers in this position have great concern for production and little concern for people. People are seen as ‘tools’ for production. They demand tight, unilateral control in order to complete tasks efficiently. They consider creativity and human relations to be unnecessary.
1,9 Country club management	Managers in this position have great concern for people and little concern for production. They try to avoid conflicts and concentrate on being liked, even at the expense of production. To them the task is less important than good interpersonal relations. Their goal is to keep people happy. (This is a soft Theory X and not a sound human relations approach.)
1,1 Impoverished management	This style is often referred to as laissez-faire. Leaders in this position have little concern for people or productivity. They avoid taking sides and stay out of conflicts. They do just enough to maintain group membership.
5,5 Middle-of-the-road management	Leaders in this position have medium concern for both people and production. They rely on tried and true techniques and avoid taking untested risks. They attempt to balance their concern for both people and production, but are not committed strongly to either. Conflict is dealt with by avoiding extremes and seeking compromise rather than sound resolution.
9 + 9 Paternalistic ‘father knows best’ management	This leader takes the high 9 level of concern from 9,1 and 1,9 to create a combined style of controlling paternalism. The paternalist strives for high results (high 9 from 9,1) and uses reward and punishment to gain compliance (high 9 from 1,9). The paternalist uses a high level of concern for people to reward for compliance or punish for rejection.
Opportunistic ‘what’s in it for me’ management	The opportunist uses whatever Grid style is needed to obtain selfish interest and self-promotion. They adapt to situations to gain the maximum advantage. They may use 9,1 to push their own goals with one person, and 1,9 to gain trust and confidence with another. Performance occurs according to a system of exchanges. Effort is given only for an equivalent measure of the same.
9,9 Team management	These managers demonstrate high concern for both people and production. They work to motivate employees to reach their highest levels of accomplishment. They explore alternatives openly and aggressively. They are flexible and responsive to change. This style is considered ideal.

Source: Blake, R. R. and McCanse, A. A. *Leadership Dilemmas – Grid Solutions*, Gulf Publishing Company (1991), p. 29.

Relevance today

The structure, plan and concept of an organisation are crucial to its effectiveness. However, beyond, this a single significant factor is the behaviour of the management team. Managers must act as leaders, they must guide, motivate and integrate the efforts of others. The ultimate purpose of studies of managerial style is to aid in the training and development of those who wish to become better leaders. Grid organisation development identifies and applies relevant aspects of behavioural science.

Newborough maintains that the Managerial/Leadership Grid is as relevant today as when it was first launched.²⁵ And according to *Crainer and Dearlove*: ‘Crude at it is, the Grid helps people who are not conversant with psychology to see themselves and

those they work with more clearly, to understand their interactions, and identify the sources of resistance and conflicts.’²⁶



To what extent do YOU believe the Managerial/Leadership Grid helps to see yourself more clearly and influences your thinking about managing people?

Human resource management

The significance of human resources and recognition of people as the most important asset of any organisation is emphasised by *Gratton* who as the basis of her ‘Living Strategy’ puts forward four basic propositions:

- 1 there are fundamental differences between people as an asset and the traditional assets of finance or technology;
- 2 an understanding of these fundamental differences creates a whole new way of thinking and working in organisations, a shift in mindset;
- 3 business strategies can only be realised through people;
- 4 creating a strategic approach to people necessitates a strong dialogue across the organisation.²⁷

In recent years there has been noticeable popularity in the use of the term ‘human resource management’ to replace the term ‘personnel management’. Whatever the debate on comparative meanings, terms such as ‘human resource management’ or ‘human capital’ have overtones of a cold, impersonal approach. Referring to people as resources, assets or capital is an instrumental approach implying a means to an end. It is pleasing, therefore, to see what appears to be the increasing use of the terminology ‘people management’ or the ‘management of people’.

Competencies-based approach

In most organisations, people are the largest asset. Without taking a strategic approach to the management of that asset, its skills and ability, knowledge development and deployment, even the best business strategy may not succeed. Developments in information and communications technology (ICT), new forms of work organisation and structure, and increasing attention to empowerment, flexible working arrangements and new psychological contracts provide a challenge to traditional HRM theories and practices. Only by having a truly strategic approach to managing people at work where all discussions regarding policies, activities, priorities and goals relate with wider organisational goals and with each other, is the organisation more likely to succeed in achieving optimum operational performance.

Implementation of practices and procedures should be based on underlying philosophies of managerial behaviour and employee relationships, embracing:

- recognition of people’s needs and expectations at work;
- respect for the individual;

- attention to ethical responsibilities, diversity and inclusion;
- justice in treatment and equitable reward systems;
- stability of employment;
- good working environment and conditions of service;
- opportunities for personal development and career progression;
- democratic functioning of the organisation; and
- full observance of all laws and codes of conduct relating to employment.

Policies, activities and functions

Success in managing people at work is influenced by the philosophy of top management and the attitudes they bring to bear on relationships with staff, and problems which affect them. Recognition of the needs and wants of staff and the nature of their grievances is a positive step in motivating them to perform well and their commitment to the aims of the organisation. There should be open consultation with employee and union representatives, and clear lines of communication through managers and supervisors to staff at all levels. An example is the need for a clearly stated policy on the use of ICT resources (including email and the internet) that is clear about prohibited activities and consequences of failure to adhere to the policy such as disciplinary action and potential sanctions.

Organisation of the human resource (HR) function

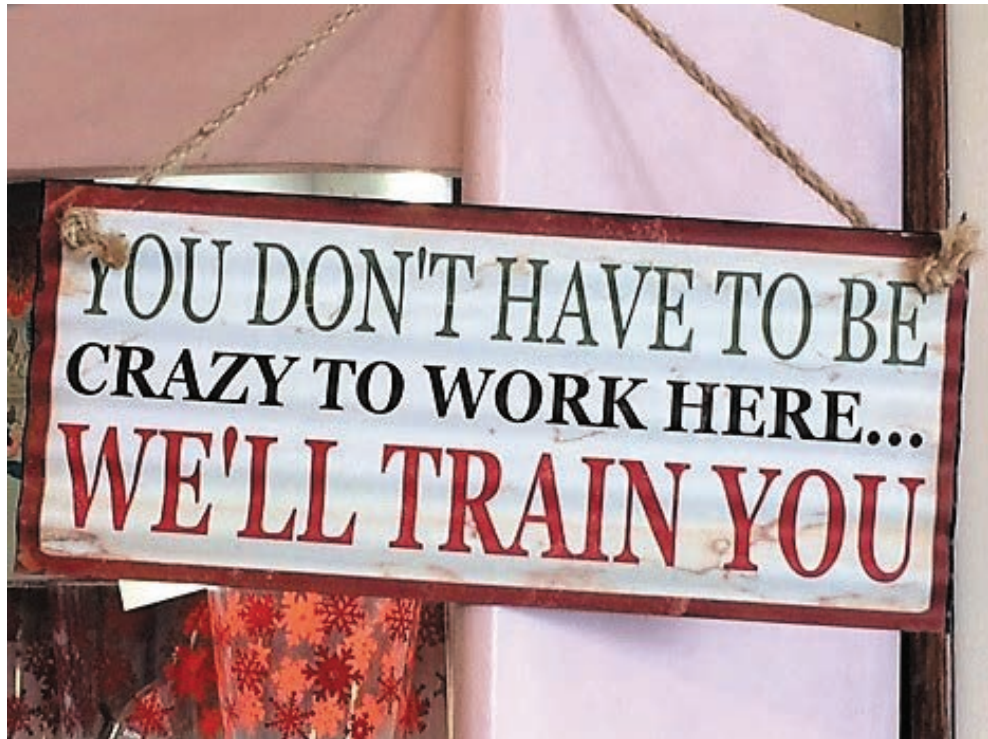
Organisation of the HR function is determined primarily by the requirement the business places upon it. Is it a strategic partner or operational task master? To what extent are line management responsible for functional tasks within their own departments or reliant on a centralised specialised function? The size of the enterprise concerned also has a significant impact.

Smaller organisations may not justify a specialist human resource manager or a separate department. But it is still necessary to have an effective HR function, whether the responsibility of the owner, manager or administrative assistant. Even in the smallest organisations, or organisations where a specialist department has not been established, there will be a need to recruit staff, to train, motivate, reward them, and to comply with the law relating to employment. HR work must still be carried out even if an organisation is too small to justify a separate department or chooses not to establish one.

In the larger concerns, where more time is taken up with problems of organisation and the management of people, there is arguably greater need for a specialist member of staff to whom are delegated full-time responsibilities for advising top management on human resource matters and development and implementation of clearly defined policies which permit implementation of consistent HR practices. For example, high staffing costs together with increasing employment legislation and the changing nature of the work organisation (discussed in previous chapters) combine to suggest that personnel activities and employee relations are areas of increasing specialisation.

Even where HR work is established as a separate, specialist function the range of responsibilities varies from one organisation to another, as do the title and status of the head of department and position in the management structure. In larger

organisations activities might be divided between two or more specialists, so that it would be possible to have, for example, a human resource manager, training officer and employee relations advisor. Whatever the range of responsibilities, the manager operates by consent, by delegated authority. How much consent is dependent upon attitudes of top management, the role they see the HR specialist(s) performing and formal organisational relationships with 'line' managers.



Would YOU accept the contention that too strong a separate HR department leads to the danger of line managers abdicating responsibility for managing their own staff?

Partnership with line managers

The HR function is part of the generality of management and responsibility of all managers and supervisors. The HR manager, as a separate entity, operates in terms of a 'functional' relationship: that is, as specialist advisor on matters of policy and implementation through all departments of the organisation. It is the job of the HR manager to provide specialist knowledge and services for line managers, and support them in the performance of their jobs. In other respects the HR manager's contacts with other managers, supervisors and staff is indirect: it is an advisory relationship.

Line managers are departmental or unit managers with responsibility for the 'production' process – for the operational functions directly related to the purpose and aims of the organisation. They form a hierarchical level in the chain of command

throughout the organisation structure and are responsible for the management of their own staff. For example, according to the *Health and Safety Executive* stress management is part of the normal general management activities and about the way line managers behave on a day-to-day basis towards those they manage.²⁸ It is the line managers who have authority and control over staff in their departments and who have the immediate responsibility for day-to-day human resource activities, although there will be times when they need specialist help and advice.

However, although line managers are specialists in their own area of work, they are not necessarily specialists in human resource management. Just as line managers turn to specialists on legal and accounting matters and the use of technology, so they will need help, guidance and specialist advice on HR activities. CIPD, however, point out that although most organisations manage conflict through formal procedures, HR professionals and others are often guilty of 'hiding behind' procedures and failing to address the low-level conflict that rumbles on all the time.²⁹

Success in managing people at work is dependent upon an effective working partnership between line managers and HR members of staff. There has to be clear lines of responsibility within the formal structure, good teamwork, and co-operation and open consultation. Top management should agree clear terms of references within a framework of sound human resource policies. Within this framework the HR function can be seen as operating at two levels: the organisational level and the departmental level (see Figure 10.5). This partnership is made easier when top management take an active part in fostering goodwill and harmonious working relationships among departments. It is important to have

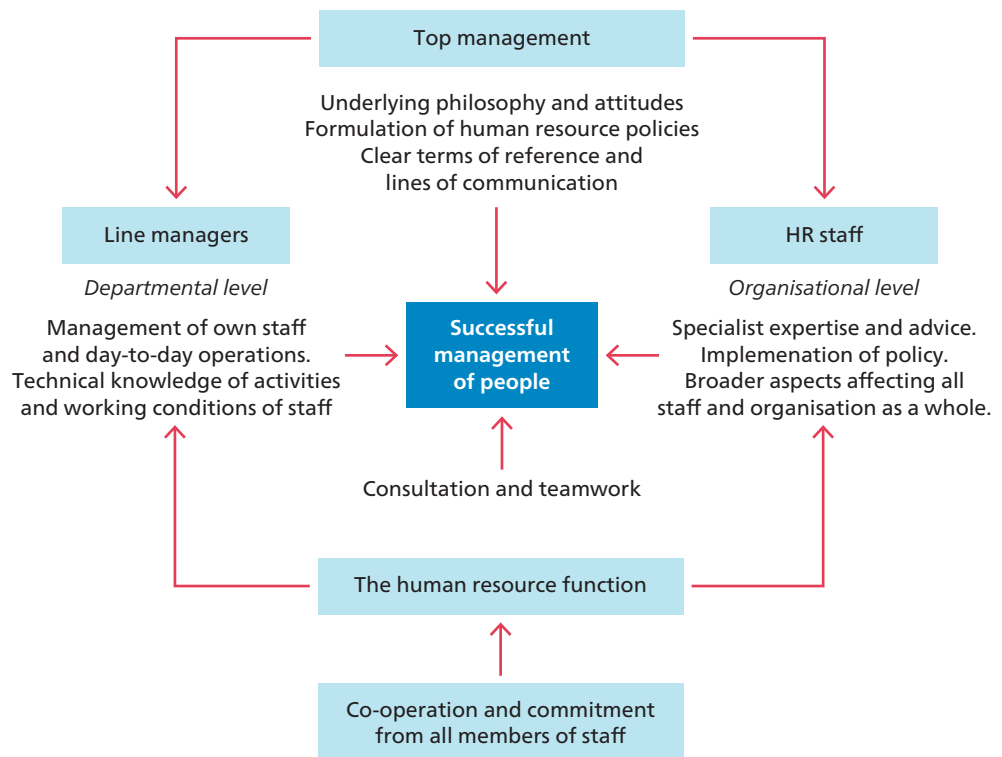


Figure 10.5 The human resources function – a shared responsibility

clear role relationships and avoid difficulties with role incongruence or role conflict (discussed in Chapter 8).

The organisational level

At the organisational level, detailed involvement of work activities of several departments, available time and the need for specialisation suggest HR has a prominent role to play and is the main executor of policies but acting in consultation with, and taking advice from, line managers. On this basis the HR would be concerned mainly with broader aspects of procedures that affect the organisation as a whole or staff generally. This could include such activities as human resource planning, procedures for recruitment and selection, induction and training, consultations with trade unions or staff representatives, employee development, compliance with the law relating to employment, maintaining records and statistics, and liaison with outside bodies such as Acas, employers' organisations, government agencies, the government Disclosure and Barring Service, training organisations and professional associations.

The departmental level

At the departmental or unit level line managers might assume a prominent role for day-to-day managing people at work with the HR as advisor and if necessary arbitrator. Line managers would be more concerned, at least in the first instance, with the operational aspects of HR activities within their own departments, for example the organisation of work and allocation of duties, minor disciplinary matters, standards of work performance, safety, on-the-job training, communication of information, and grievances from staff. In this respect it could be said that **all line managers are their own human resource managers**. Line managers are on hand to observe directly the performance of their staff. They will actually see, and be directly affected by, for example, lateness of staff, unsatisfactory work, insufficient training, low morale, staff unrest, or poor planning of work duties and responsibilities.



How far do YOU agree it is line managers who have the right and duty to manage their own staff and HR specialists should have only an advisory, supportive role?

Whatever the respective roles the effective management of people can only be achieved if based and implemented on sound policies and procedures. It also requires the co-operation and commitment of all members of staff, no matter their duties or positions within the organisation. Whatever the formal organisational structure, the HR function cannot be housed within one discrete department or as the sole responsibility of selected members of staff. It permeates all levels of the organisation and all phases of its operations. It is the concern of top management, all line managers and supervisors, and HR staff.

Nature of the organisation

The extent to which authority and responsibility for the HR function is devolved to line managers is a decision for top management and is likely to be influenced

by the nature, culture, structure and characteristic features of the particular industry or organisation. For example, in the hospitality industry, *Rocco Forte* has emphasised the importance of a caring and efficient personnel function to assist line managers in what is one of their primary responsibilities. The nature of the hospitality business, with many separate units of differing size, location and mix of skills, means of necessity the personnel function is decentralised and prime responsibility has to be with line management.

Forte believed that the prime responsibility for personnel falls on line managers, not specialists. The nature of work means that active participation by management in every day operations and that workers need to know that their line managers have responsibility for and the authority to take action to affect their work. The link therefore is a direct one.³⁰

This philosophy is still very much part of the structure of many hospitality organisations.

Relationship between organisational behaviour and HRM

Whatever the choice of terminology or decisions about its role and structure, effective human resource management is essential to maintaining and improving organisational performance. *Lynch* refers to the importance of people as a vital resource for sustainable competitive advantage. 'For most organisations, people are a vital resource. There are some industries where people are not just important but are the **key factor** for successful performance.'³¹

It is important to note that the theoretical frameworks for the study of organisational behaviour (psychology, sociology, anthropology, economics and politics) provide the conceptual basis for many specialist HRM activities. For example, perception affects the selection process; motivation theory informs the design of reward systems; learning theory supports the design of training and development activities; communication processes influence employment relations structures, and so on. The broader context of organisational behaviour provides an insight into the way HR professionals can help manage people more effectively.

Investors in People

Investors in People (IIP) is the Standard for people management. In 2017, IIP was established as a community interest company. IIP exists to shape a working world where employers, employees and the community succeed by understanding the value of investing in people.

The Investors in People framework describes what it takes to lead, support and develop people well for sustainable results. IIP specialises in highlighting and championing best practice in people management through a Framework for assessment and accreditation. It is a flexible framework that organisations of any size or sector can work with, putting their organisation's objectives at the heart of tangible improvement. IIP believe that people are an organisation's greatest asset, and their contribution is critical to continued business success.

'Put your people at the heart of your vision and they'll use their talents to achieve it' says Paul Devoy, Head of Investors in People.³²

The Investors in People Standard was most recently updated in 2015, following a rigorous research and piloting programme involving industry experts and employees.

The IIP framework reflects the latest workplace trends and is constantly updated and reviewed by world leading academics, practitioners and industry experts. A unique performance model underpins the Investors in People framework, enabling organisations to measure and recognise their success, as well as highlighting areas for improvement and progression.

A key feature is the online employee survey, a powerful tool for giving employees a voice. The Investors in People survey measures an organisation’s performance against the Framework. The survey offers detailed benchmarks at industry, sector and engagement driver level, providing insights to compare performance to the very best organisations.

The performance model

The performance model creates a roadmap for continuous improvement against the Standard’s framework. This approach is based on extensive research into the concepts of performance and change management and sets out the criteria for different levels of accreditation: Accredited; Silver; Gold; and Platinum.

Simply put, the model describes the practices and outcomes required for better performance and higher accreditation. Progression through the model maps out how practices are embedded within an organisation, starting at the ‘Developed’ stage and progressing towards ‘High Performing’. **See Figure 10.6.**



Figure 10.6 Investors in People Framework
Source: www.investorsinpeople.com (accessed 15 November 2017), reprinted with permission.

The Investors in People Silver, Gold and Platinum levels highlight an organisation's standard of people management quality and help create a competitive edge in their ability to deliver a service and also as an employer of choice.

The IIP framework is internationally recognised as a leading quality standard for people management and has proven to support businesses through times of change and economic uncertainty using recognised best practice.



What do YOU see as the practical value of Investors in People framework for helping to champion best practice in people management?

Performance management (PM)

The process of management involves making a continuous judgement on the skills, behaviours, activities and contributions of staff. It is important that members of the organisation know exactly what is expected of them and how their performance will be measured. **Performance management** is a process which brings together many aspects of people management. It is about aligning the performance of individuals, teams, and departments with organisational aims, and uses tools such as training and reward to encourage and enhance productive activity. If there are good working relationships, individuals and teams are more likely to perform well together, and so it requires more than a simple focus on individual performance.

The performance review should ideally be a two-way conversation. PM should be about communicating organisational objectives, and providing information about individual performance and progress against targets. However, it should allow for open dialogue, and discussion would ideally come to some agreement about the nature of the individual's performance and any measures being put in place to address any concerns. Today, the majority of appraisal systems allow staff to view and agree their line manager's comments; indeed data protection legislation makes such personal assessments accessible to employees. It is also an opportunity for managers to collect information about the operational challenges or problems affecting their staff, any particular stress points or frustrations, and to ensure staff are fully supported to do their jobs.

Appraisal as a tool of PM

One of the most commonly used tools of PM is the performance appraisal or personal development review. This is usually a formal and regular review by a line manager of an individual's performance when past performance is assessed, new objectives are set and training and development needs are identified. Performance appraisals should review performance against agreed criteria and measures based on expectations and objectives which ultimately derive from the organisation's business plan. They should not be a one-way process but an opportunity for two-way discussion of performance in the past review period.

They should generally be both retrospective (reviewing actual performance in the past review period against any standards or targets) and also developmental, establishing future objectives, training needs and career development

opportunities. They may also be corrective; identifying shortfalls and improvement plans. However, it is worth noting that no line manager should delay addressing performance problems until a formal review is due. In some organisations they form the basis for financial rewards (for instance performance-related pay) or career progression and promotion; they also offer the opportunity to highlight talent that the organisation is keen to retain and to offer opportunities to nurture and develop this talent.

Performance management and the HR specialist

Performance management is therefore a crucial part of managing people; but it is mostly conducted by line managers not HR specialists. So what, therefore, is the role of the HR professional in relation to performance management? As with talent management, the HR specialist is often charged with designing a suitable system, including the appraisal system; ensuring its operation throughout the organisation and providing the necessary training to support it, for example review training for both appraisers and appraisees. HR departments may also collate and act upon aggregate training needs identified across the organisation as the result of performance appraisals and reviews.

Integrating the system

In order to ensure the establishment of a successful performance review system, the system should not be viewed in isolation but in relation to the corporate objectives of the organisation. 'Vertical' integration means that the system is designed to suit the culture, strategy and particular requirements of the organisation. It also needs to be 'horizontally' integrated; in other words it matches reward, training and promotion systems. The purpose and nature of the system should be made clear and continually reinforced during appraisals. It is often the role of HR to ensure that there is all necessary consultation with trade unions, staff representatives and managers in the design and operation of the system.

Goddard calls for a fundamental shift in thinking on annual appraisal with conversations taking place with staff on the frontline and part of everyday life for employees. Feedback should be part of open, natural conversations and received when the relevant action is fresh in mind. A big problem with appraisals is nobody wants to take a risk and they incentivise a safe approach. Most performance appraisals standardise and erode confidence of the players. Unless feedback is given in the right way it demotivates staff and drags down overall performance.

Performance management is meant to improve your organisation's output, but, more often than not, an ill-conceived and ill-suited process is put in place that does little more than waste time and demotivate your staff.³³



Do YOU agree that formal performance reviews are a complete waste of time? Monitoring performance should be an integral part of the line manager's day-to-day responsibility.

Managerial effectiveness

The overall responsibility of management can be seen as the successful attainment of the given objectives of the organisation, upon which rests the ultimate survival of the organisation. There is therefore a clear and important need for effective management. And this need is just as strong in public sector and voluntary organisations as in private enterprise organisations. Indeed, it could be argued that in local government, for example, the accountability of public servants to elected members for their actions means that professional standards of management of the highest order are even more essential.

According to *Berriman* everything is about people; whether you are leading, developing, supporting or designing services for them. Bringing people with you, leading and motivating them on the journey, is a vital ingredient of success.

The most effective managers and leaders understand their people and focus on how best to get them to collaborate for the common good, rather than compete internally. And they guide and advise their teams by drawing out and applying practical lessons that enable their people to see what works best and what does not. This is a subtle skill, often learned rather than taught and applied instinctively.³⁴

Efficiency and effectiveness

Managerial efficiency can be distinguished from managerial effectiveness. **Efficiency** is concerned with 'doing things right' and relates to inputs and what the manager does. **Effectiveness** is concerned with 'doing the right things' and relates to outputs of the job and what the manager actually achieves. To be efficient the manager must attend therefore to the **input requirements of the job** – to clarification of objectives, planning, organisation, direction and control. But in order to be effective, the manager must give attention to **outputs of the job** – to performance in terms of such factors as obtaining best possible results in the important areas of the organisation, optimising use of resources, increasing profitability, and attainment of the aims and objectives of the organisation.

Effectiveness must be related to the achievement of some purpose, objective or task – to the performance of the process of management and the execution of work. Criteria for assessing the effectiveness of a manager should be considered in terms of measuring the results that the manager is intended to achieve. But **what is also important is the manner in which the manager achieves results and the effects on other people**. This may well influence effectiveness in the longer term. Managerial effectiveness results from a combination of success in managing people, personal attributes and dimensions of the manager's job in meeting the demands of the situation, and satisfying the requirements of the organisation.

What makes a good manager?

According to GOV.UK managers play a central role in any organisation. They connect people to the purpose of their work and help them understand why their work is important. They set tasks and track performance, and they recognise the contribution of each individual in achieving the organisation's goals. They also play a leading role in helping their team to identify the areas they need to develop.

What all inspirational managers have in common is they have taken the time to demonstrate one or more of the following positive behaviours that people look for in a good manager:

- they understand how to model leadership behaviours, inspire a shared vision and enable and support others to act;
- they champion learning and development for themselves and their teams and create an environment where the giving and receiving of feedback is the norm;
- they know and listen to their team and encourage open discussion and constructive challenge.³⁵

Measures of effectiveness

Management involves getting work done through the co-ordinated efforts of other people. As a result **managers are most likely to be judged not just on their own performance but also on the results achieved by other staff**. The manager's effectiveness may be assessed in part, therefore, by such factors as:

- the strength of motivation and morale of staff;
- the success of their training and development;
- levels of staff retention;
- creation of an organisational environment in which staff work willingly and effectively.

The difficulty is in determining objective measurement of such factors. Some possible indication might be given by, for example:

- the incidence of sickness, conflict or stress;
- absenteeism;
- accidents at work; and
- poor timekeeping.

However, such figures are likely to be influenced by broader organisational or environmental considerations, for example poor job security due to the economic climate, which are outside the direct control of the individual manager. In any case, there is the general question of the extent to which such figures bear a direct relationship to the actual performance of subordinate staff.

Other criteria of effectiveness

Other criteria that may give some indication of managerial effectiveness include the efficiency of systems and procedures, and standard of services afforded to other departments. Again, however, there is the question of how to determine objective measurement. For some management jobs it might be possible to identify more quantitative factors which *may* give an indication of managerial effectiveness, including:

- meeting important deadlines;
- accuracy of work carried out by the department, perhaps measured by the number of recorded errors;

- level of complaints received from superiors, other departments, customers or clients, suppliers, the public;
- adherence to quality standards, for example, the amount of scrap or waste material;
- keeping within agreed cost or budgetary control limits.

Another broad, qualitative criterion of increasing significance today is in terms of perceived social accountability, and the ethical behaviour of individual managers and the organisation as a whole (**discussed in Chapter 16**) (see Figure 10.7).

The qualities of a manager and organisational performance are discussed in Chapter 17.

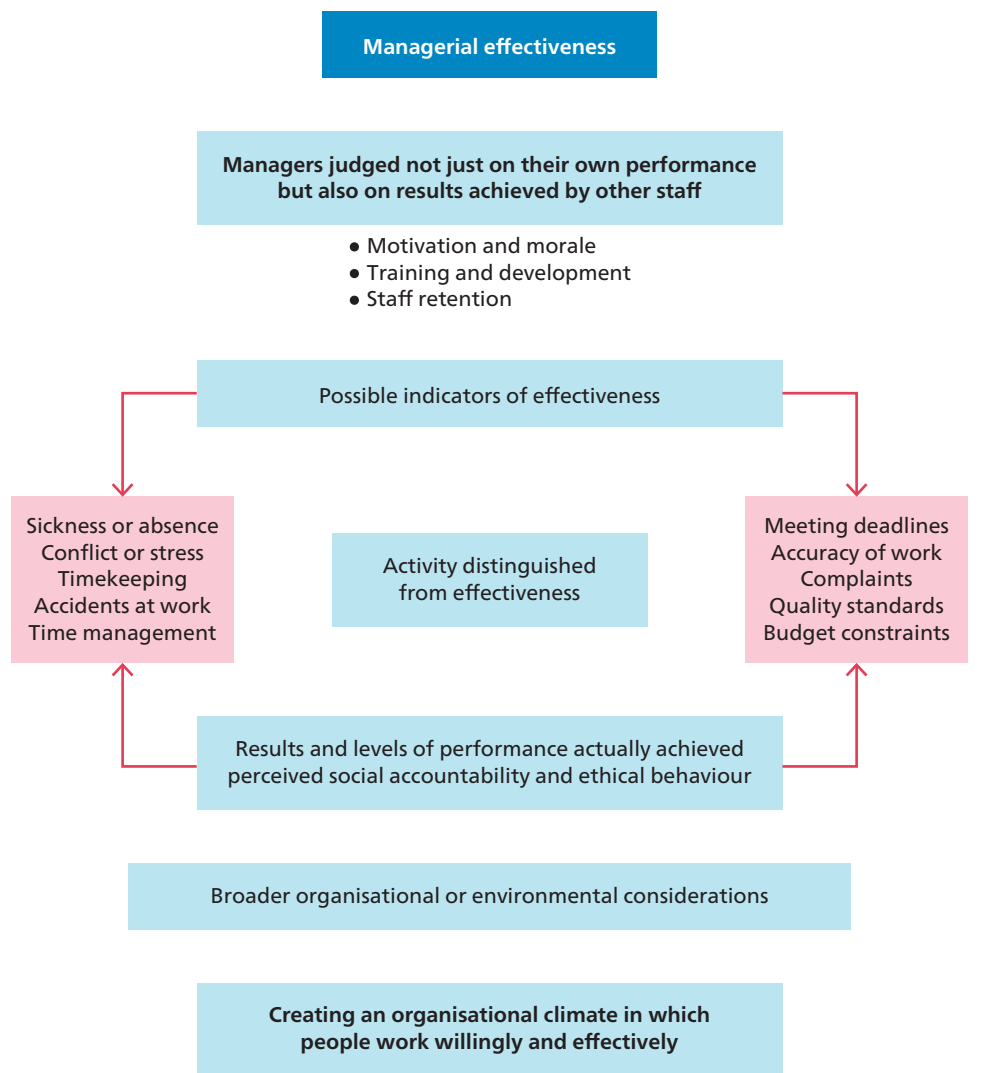


Figure 10.7 Possible indicators of managerial effectiveness

courageous <i>committed</i> curious confident	charismatic passionate <i>inspiring</i>
<i>candid</i>	visionary
<i>reflective</i> <i>insightful</i> open-minded/tolerant (of people, ambiguities, and ideas) innovative communicative (including being a good listener) <i>connected/informed</i> perceptive	energetic/enthusiastic upbeat/optimistic ambitious tenacious/persistent/zealous
	collaborative/participative/cooperative
	<i>engaging</i> supportive/sympathetic/empathetic
<i>thoughtful/intelligent/wise</i> analytic/objective pragmatic decisive (action-oriented) proactive	stable dependable fair accountable ethical/honest
	consistent flexible balanced integrative
	tall

Figure 10.8 Composite list of basic managerial qualities
Source: Henry Mintzberg, *Managing*, Financial Times Prentice Hall (2009), p. 197. Compiled from various sources; my own favourites in italics. Reproduced with permission from Pearson Education Ltd.

Composite list of basic qualities

Mintzberg refers to the many lists of the qualities of effective managers. These lists are usually short and incomplete as they do not include important aspects such as native intelligence, being a good listener or just having energy. For the ‘sake of a better world’ Mintzberg provides a composite list of fifty-two qualities (Figure 10.8). ‘Be all fifty-two and you are bound to be an effective manager, if not a human one.’

Mintzberg refers also to the romance of leadership that on one hand puts ordinary mortals on managerial pedestals and on the other hand allows us to vilify them as they come crashing down. ‘Yet some managers do stay up, if not on that silly pedestal. How so? The answer is simple: **successful managers are flawed – we are all flawed – but their particular flaws are not fatal, at least under the circumstances.**’³⁶

A summary of managing people at work is set out in the concept map Figure 10.9.



How would YOU list in rank order the criteria you believe most appropriate for evaluating the effectiveness of managing other people at work?

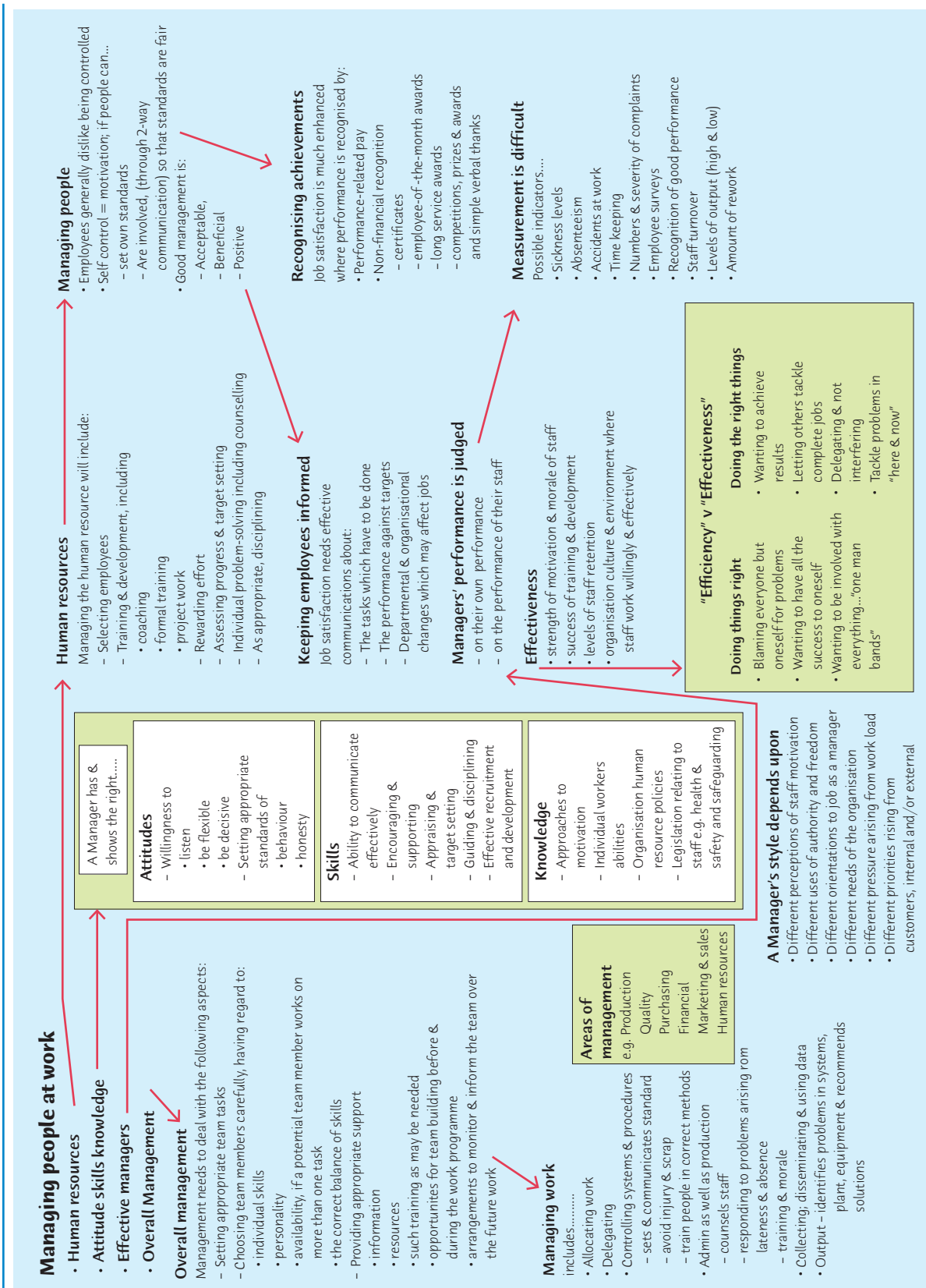


Figure 10.9 Managing people at work

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Critical Thinking Zone

Reflections on Performance Management



In this zone, we critically examine the concept of performance management and evaluate whether it still has a role in the changing twenty-first century workplace.

For over three decades, researchers and practitioners have focused on engendering a greater understanding of, and facilitating an influence on, the development and improvement of performance management systems in organisations.³⁷ A proliferation of research in the past few years has sought to challenge existing thinking and determine whether managing performance in an individual context still has a role in the changing twenty-first century workplace.³⁸ The findings of such researches have been rather startling. Even though tools, methods, processes and systems have been developed to aid the execution of performance management, overall operational implementation has been disappointing.³⁷ The CIPD³⁸ report that traditional performance management practices, specifically performance appraisal, are outdated and do not work. They advise that more and more employers have begun to question the actual relevance and value of traditional performance management systems and processes. They add, 'if employers were once enamoured with performance appraisals, they clearly aren't now' (p. 8). So, why, arguably, do employers appear to have fallen out of love with performance management? Before attempting to answer this question, it is necessary to define the concept (in the absence of a definitive definition) and identify its key activities and objectives.

Defining Performance Management

According to Aguinis³⁹ (p. 2), performance management is defined as 'a continuous process of identifying, measuring and developing the performance of individuals and teams and aligning performance with the strategic goals of the organisation.' This differs from performance appraisal, which Aguinis describes as the 'depiction of the strengths and weaknesses of employees in a non-continuous manner, typically just once a year' (p. 2). The CIPD define it as an activity that encompasses three key activities. First, it establishes objectives, through which individuals and teams identify their role in achieving the organisation's mission

and strategy. Second, it improves the performance of individuals, teams and the organisation. Third, it holds individuals to account for their own performance and how it relates to other aspects of the people-organisation relationship, including reward and career progression. Both definitions emphasise the strategic nature of the process and alignment with what the organisation ultimately wants to achieve. Importantly, The CIPD advocates that it should not just focus on performance outcomes but also on the development of individual knowledge, skills and behaviour. Such development needs to be continuous and forward-thinking, rather than a perfunctory, ad hoc, transactional exercise that only focuses on an individual's strengths and weaknesses.^{39,40}

What has Gone Wrong?

According to Cappelli and Tavis,⁴⁰ many organisations are rethinking performance management reviews/appraisals because it no longer fits with their business needs. It has been described as a 'last century practice' (p. 60) that generates large amounts of paperwork, restricts collaboration and innovation and does not serve a real purpose. In addition, the authors assert that some organisations are acknowledging the loathing that managers and their direct reports have for the performance review/appraisal process. Rather than being an opportunity for individuals to discuss their past and future performance and likely learning and development needs, Jones⁴¹ laments that performance management is, instead, often manifested as a dreaded and resented paper-based, annual exercise that is relegated to the desk drawer or filing cabinet, only to be resurrected and revisited twelve months later. She caveats that the review process is, for many organisations, painfully ineffective, inconsistent and all too often unrelated to business objectives, strategies and outcomes. In this respect, it does little to contribute to building a strong people-organisation relationship and, one could argue, a positive relational psychological contract. In a rather damning indictment of performance management, Culbert⁴² (p. 46) contends that the review is a 'broken system' that is 'fatally flawed.' Commenting in the *Wall Street Journal*,

Culbert⁴³ proffered that it has a negative impact on corporate performance, is obstructive to 'straight-talk relationships' and a major cause of low morale in the workplace. He notes 'even the mere *knowledge* that such an event will take place damages daily communication and teamwork.'

Finding a Way Forward

To conclude, one could argue that the negative viewpoints of performance management presented here make a compelling case for it to be supplanted with a system that will engender more engagement from, and commitment to, the process by all parties concerned in the people-employment relationship. Cappelli and Tavis concur and report that some organisations have replaced annual performance reviews with feedback and coaching, particularly after the completion of key projects or milestones have been achieved. Removing the emphasis from performance to the identification of strengths and goals means that individuals and their organisations can be more strategic, collaborative, holistic rather than fragmented and focus on skill development for the future. Performance management still has a role in the changing twenty-first century workplace – but not in

its traditional form. As we have seen, it will need to metamorphose into a process that is welcomed, not dreaded, future-oriented rather than retrospective and concentrates on developing knowledge and creativity that serves a real purpose. As Jones⁴¹ (p. 102) concludes 'performance management is not dead, but the old way of doing it certainly is.'

Questions

Based on the above, answer the following questions.

1. Pulakos and O'Leary and Cappelli and Tavis report that many organisations have begun to think differently about performance management and how it is used. With reference to theory and practice, *discuss* the reasons why this is the case.
2. *What* strategies can organisations adopt to engender a greater level of engagement with, and commitment to, reviewing individual performance?
3. *Evaluate* the benefits and drawbacks of adopting feedback and coaching as alternative tools to review/monitor performance.

Summary – Chapter 10 'Managing people at work'

There is a substantial interrelationship between organisational behaviour and management. People are the main resource of any organisation. A popular way of describing the essential nature of management is getting work done second-hand, through the efforts of other people. An essential ingredient of any successful manager is the ability to handle people effectively. A number of underlying philosophies arguably make for success in managing with and through people. Growing importance is attached to managerial style. Behaviour displayed by managers is likely to be influenced by suppositions about people, human nature and behaviour at work – called Theory X and Theory Y. One means of evaluating styles of management is the Managerial/Leadership Grid, and concern for production and concern for people. The human resource function is part of the generality of management and responsibility of all managers and supervisors. Success in managing people at work calls for an effective partnership between line managers and HR staff. Investors in People specialises in highlighting and championing best practice in people management. Performance management should be a two-way review and part of everyday life of employees. There is a clear and important need for effective management. Managers are most likely to be judged not just on their own performance but also on results achieved by other members of staff.

Group discussion activities

Undertake each of these activities in small groups as indicated by your tutor. Before you start your discussion establish a non-threatening environment within the group and confirm confidentiality will be honoured.

First, form your own views and then share and compare in open critical discussion with colleagues. Reflect honestly on the extent to which: (i) you influenced the thinking and ideas of your colleagues; and (ii) you were influenced by your colleagues.

To what extent was your group able to reach consensus?

Agree one of your members to produce a brief written summary of the discussion and prepared to present in a plenary session.

Activity 1

Drawing on your own beliefs, observations and experience debate the extent to which you would challenge the following cynical view of management. Where possible give support examples.

Managers do not really have much influence. They follow where the organisation appears to be going and avoid upsetting other people or making serious errors. People regarded as good managers are usually those who are remembered as not being bad managers.

Activity 2

- (a) Describe what you see as the most appropriate style of management for each of the different generations and age groups discussed in **Chapter 2**.
- (b) What other factors are likely to play a significant influence in choice of managerial style? Where possible provide examples.
- (c) What style of managerial behaviour is most likely to influence you to work willingly and effectively?

Activity 3

Recall Foppen's emphasis on the importance of management performance but questioning the relationship between management practice and education.

- (a) Debate critically the extent to which you agree:
 - * management is of pivotal importance for modern society; and
 - * thinking about management, certainly at university level, is of great relevance to management practice.
- (b) Explain fully what you expect to gain from your studies and how this will help benefit your future managerial career.

Organisational behaviour in action case study

Happy and productive workplace



Henry Stewart of the training company Happy draws attention to the positive correlation between staff engagement and profitability. Employee contentment is an underlying key to maximising growth and performance. Key factors to a happy workplace include a no-blame culture, a good work/life balance, transparency and a genuine commitment to the wider community. Applying the ten guiding principles of the Happy Manifesto across many organisations has created happier and more productive workplaces.¹⁵

Ten steps to a happy workplace

1. Trust your team. Step out of approval. Instead, pre-approve and focus on supporting your people.
2. Make your people feel good. Make this the focus of management.
3. Give freedom within clear guidelines. People want to know what is expected of them. But they want freedom to find the best way to achieve their goals.
4. Be open and transparent. More information means more people can take responsibility.
5. Recruit for attitude, train for skill. Instead of qualifications and experience, recruit on attitude and potential ability.
6. Celebrate mistakes. Create a truly no-blame culture.
7. Community: create mutual benefit. Have a positive impact on the world and build your organisation too.
8. Love work, get a life. The world, and your job, needs you well-rested, well-nourished and well-supported.
9. Select managers who are good at managing. Make sure your people are supported by somebody who is good at doing that, and find other routes for those whose strengths lie elsewhere. Even better, allow people to choose their own managers.
10. Play to your strengths – make sure your people spend most of their time doing what they are best at.

Source: Stewart, H., *The Happy Manifesto: Make Your Organisation a Great Workplace – Now!* Happy (2012), p. 121. Reproduced with permission.

Tasks

1. Explain fully how you relate the Happy Manifesto to the contents of this chapter. How *you* would place in order of importance the ten steps to a happy workplace?
2. Discuss how you view the relationship between a genuine commitment to the wider community and a happy workplace.
3. To what extent and under what circumstances do you believe people should be allowed to choose their own managers?

Chapter 10 – Personal skills and employability exercise

Objectives

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

- * Act in the role of the manager to handle a number of real-life situations.
- * Conduct management–staff interviews and discussions.
- * Review critically your ability to deal with emotionally difficult situations.