MOTIVATION

Motivation is an important factor which encourages persons to give their best performance and help in reaching enterprise goals. A strong positive motivation will enable the increased output of employees but a negative motivation will reduce their performance. A key element in personnel management is motivation.

According to theintactone, "It is the core of management in which shows that every human being gives him a sense of worth in face-to face groups which are most important to him….A supervisor should strive to treat individuals with dignity and a recognition of their personal worth."

Motivation has been variously defined by scholars.

Some **DEFINITIONS** are discussed as follows:

Berelson and Steiner
"A motive is an inner state that energizes, activates, or moves and directs or channels behaviour goals."

Lillis
"It is the stimulation of any emotion or desire operating upon one's will and promoting or driving it to action."

The Encyclopedia of Management
"Motivation refers to degree of readiness of an organism to pursue some designated goal and implies the determination of the nature and locus of the forces, including the degree of readiness."

Dubin
"Motivation is the complex of forces starting and keeping a person at work in an organization."

Vance
"Motivation implies any emotion or desire which so conditions one's will that the individual is properly led into action."

Vitiles
"Motivation represents an unsatisfied need which creates a state of tension or disequilibrium, causing the individual to make in a goal-directed pattern towards restoring a state of equilibrium by satisfying the need."

Memoria
"A willingness to expend energy to achieve a goal or reward. It is a force that activates dormant energies and sets in motion the action of the people. It is the function that kindles a burning passion for action among the human beings of an organization."

NATURE OF MOTIVATION

Motivation is a psychological phenomena which generates within an individual. A person feels the lack of certain needs, to satisfy which he feels working more. The need satisfying ego motivates a person to do better than he normally does.

From definitions given earlier the following inferences can be derived:

1. Motivation is an inner feeling which energizes a person to work more.
2. The emotions or desires of a person prompt him for doing a particular work.
3. There are unsatisfied needs of a person which disturb his equilibrium.
4. A person moves to fulfill his unsatisfied needs by conditioning his energies.
5. There are dormant energies in a person which are activated by channelizing them into actions.

TYPES OF MOTIVATION

When a manager wants to get more work from his subordinates then he will have to motivate them for improving their performance. They will either be offered incentive for more work, or may be in the space of rewards, better reports, recognition etc., or he may instill fear in them or use force for getting desired work.

The following are the types of motivation:

1. Positive Motivation

Positive motivation or incentive motivation is based on reward. The workers are offered incentives for achieving the desired goals. The incentives may be in the shape of more pay, promotion, recognition of work, etc. The employees are offered the incentives and try to improve their performance willingly.

According to **Peter Drucker,** the real and positive motivators are responsible for placement, high standard of performance, information adequate for self- control and the participation of the worker as a responsible citizen in the plant community. Positive motivation is achieved by the co-operation of employees and they have a feeling of happiness.

2. Negative Motivation

Negative or fear motivation is based on force or fear. Fear causes employees to act in a certain way. In case, they do not act accordingly then they may be punished with

demotions or lay-offs. The fear acts as a push mechanism. The employees do not willingly co-operate, rather they want to avoid the punishment.

Though employees work up-to a level where punishment is avoided but this type of motivation causes anger and frustration. This type of motivation generally becomes a cause of industrial unrest. In spite of the drawbacks of negative motivation, this method is commonly used to achieve desired results. There may be hardly any management which has not used negative motivation at one or the other time.

TECHNIQUES OF MOTIVATION

1. Financial Motivation:

Financial motivation techniques are the incentives directly or indirectly related with money. Money is the most effective and important source of motivation. Money possesses purchasing power; hence it can be used to satisfy various wants, necessaries, comforts and luxuries. It can satisfy the status and prestige needs also by purchasing the commodities and services attached with prestige.

There are many commodities symbolic of status can be purchased with the help of money. In recent times some behavioural researchers' findings reveal that money is not considered a prime motivator. Salary and wages, bonus, leaves with pay, medical and housing facilities, profit sharing, vehicle allowances etc. are some of the examples of financial motivators. The importance of this type of motivation depends upon certain factors such as standard of living and overall economic conditions.

When there is low standard of living, money becomes all the more important for a person. But as the standard of living goes up and economic conditions improve the importance of money as a motivator decreases. The managers drawing handsome salaries do not consider money as a motivator. For them prestige, status, delegation of authority, enrichment of jobs, appraisal, qualitative working conditions etc. serve as motivator. If monetary reward is more, then only it will increase the performance otherwise not; employees prefer to stick to leisure than to work.

Discriminatory assessment of performance by the superiors will also render financial motivator as ineffective. In this case employees will start appeasing the superiors instead of hard work. The effectiveness of money as a motivator also depends upon the attitude and outlook of people towards money and wealth.

Immediate distribution of monetary reward to its incumbent also has an effective role as motivator. It is very difficult to assess the effect of money as motivator as Saul W Gillerman has rightly remarked, "Money is so subtle an instrument that the ultimate effect of money itself is not easier to identify than is an egg in an omelets."

2. Non-Financial Motivation:

As the name suggests money has no role to play in this kind of motivation. Non-financial incentives are psychological in nature. They provide psychological satisfaction to the employees. Status, respect, prestige, participation, job enrichment, recognition, safety of job, responsibility, competition is some of the instances of non financial motivators. These incentives satisfy socio-psychological needs. A short resume of various non-financial motivators are as under.

(i) Status:

Egoistic needs are satisfied by raising status. Organisations by providing sophisticated furniture's, excellent interior decoration in the office and places of work, telephone, computers and now internet facilities to their executives etc. make deliberate efforts to provide higher status to their executives and employees. They not only feel at ease but feel a pride to work in such an organisation. It becomes a status symbol to work in the organisation. It motivates them to hard work and performs at their best.

(ii) Participation:

Employees' participation in decision-making process serves as incentive because it satisfies the self esteem of the employees. They develop sense of belonging to the organisation and work with a high morale. They involve themselves not only physically but also mentally in the affairs of the organisation. Employees participation can be sought through establishing works committees, joint consultation committees etc. This also strengthens the industrial democracy.
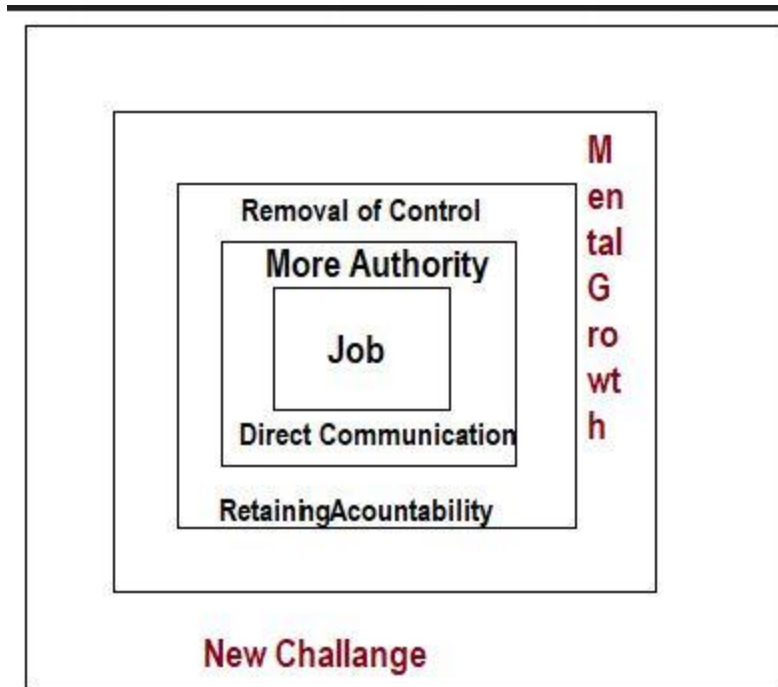
(iii) Job Enrichment:

In order to motivate the employee further the improvements in job are to be made by enriching it i.e. making it more challenging and interesting. Job enrichment refers to up gradation of responsibility and makes it challenging. Job is made challenging. It means it provides employee a chance to get recognition, responsibility, growth and advancement. The modern techniques of production such as division of labour i.e., specialization, job simplification etc. has made the jobs monotonous and boring. People feel disinterested in them because they have to perform the same functions every day. They want change and dynamism.

Human beings by nature love to accept challenge and are prepared to take risk and shoulder responsibility. Through job enrichment job is enlarged and is made more challenging and interesting. Job enlargement provides an opportunity to the employee to show his managerial skills by planning and controlling his work. It is an extension of Herzberg's theory of motivation. Job enrichment is done by adding more motivators to a job so that it becomes more rewarding.

Job enrichment possesses the following characteristics.

(a) More Authority and Direct Communication:

A job is enriched by providing more authority to the holder of the job. An enriched job also allows the holder to communicate directly with the higher ups in the organization and with the people with whom he has to work and with those who are the users of the company's product.

(b) Removal of Control and Retaining Accountability:

Unnecessary controls are removed from the job holder giving him free hand in dealing with the people. This will motivate him further and increase his efficiency. But at the same time he is held accountable for the work done by his superior. So accountability is retained.

(c) More Knowledge and Mental Growth:

An enriched job carries with it more authority, less control but job holder is accountable to his superior hence he works cautiously and he has to move at new places and meet different persons; so he gains new knowledge which helps him to make his mental growth.

(d) New Task and New Challenge:

Job enrichment is associated with acceptance of new tasks and challenges, qualities and features. An employee has to accept those once he holds the job.

(e) More Freedom and New Experience:

Enriched job carries more freedom. The job holder gets a free hand in dealing with the people working under him. He has to meet various people, hence he gains through experience. Job enrichment is an important technique of motivation. To know the usefulness of this technique a study was conducted in an American telephone company AT and T with its employees. The findings revealed significant improvement in the performance and job satisfaction among the employees. The employees include clerks, sales representatives, engineers and technicians.

Job enrichment can become an effective motivational technique in the cases of the employees whose career is plateaued. Working for longer periods they don't have any opportunity for promotion. They develop frustration and the job becomes uninteresting.

Job enrichment provides some relief to the employee and starts taking interest in his work. But in such cases this is not a permanent solution. Some alternative is to be found out. Very tall claims are made in favour of job enrichment as for example job satisfaction, giving more opportunities to grow and self-realization and of course better performance.

(iv) Job Enlargement:

Job enrichment refers to a process of adding more tasks and making it more complex so that it seems more appealing which satisfy higher order needs of the employee. It provides varied tasks to perform. It is an effort to improve quality of work at the workplace.

The employees gain in deriving more satisfaction from the job because he has to apply his working caliber more strenuously. Enlarged jobs are challenging jobs involving complexity. It, therefore, becomes more interesting to perform and after its performance employee gets satisfied. For perfuming enlarged jobs training is required to be given to the employee performing. It is an effective motivational technique.

(v) Delegation of Authority:

Authority is the right to command and seek performance from the subordinates. Delegation of authority is essential for effecting performance. With the delegated authority from his superior, subordinate feels trusted, his morale goes up. He is motivated to put up better performance.

(vi) Job Security:

Job security serves as a motivator for many employees. Those who want to continue in the same job and in the same organisation they are worried about its security. Job security to them is a means for economic and social security. They feel at ease if security of job is confirmed. They get medical and retirement benefits through job security and they are satisfied. Some employees do not even want to be transferred from one place to another. Not transferring them also serves as a motivator to them.

(vii) Job Rotation:

Job rotation refers to shifting of employee from one job to another. The object of job rotation is to remove monotony and boredom and free the employee from them. The job rotation takes place at the same level. This keeps the interest of the employee live and to diversify the activities. Employees retain variety of skills by working on various jobs. Management faces no problems in making changes and rescheduling the work in the organisation. Employees feel happier as they have to perform differently as the job in shifted. It is also an effective motivational technique.

(viii) Job Loading:

It refers to make the job more interesting through increase in work at the same level or increasing the responsibility.

<mark>**Job loading is of two types:**</mark>

(a) Horizontal Job Loading:

It is increasing the work load at the same level.

(b) Vertical Job Loading:

It involves increase in work load with change in job and more responsibility. Job loading makes the job more interesting and challenging breaking the monotony and boredom. Employees have to give higher performance and enjoy more responsibility. Employee's performance is recognized and is held accountable for his own work. More job freedom is given to him. He gets a chance to handle more difficult tasks to learn and grow in efficiency.

(ix) Praise and Recognition:

Praising an employee for his work done means recognizing his performance. Through recognition employees self esteem needs get satisfied. It is a frequently used tool of motivating an employee at work. It is a natural tendency of an employee to get a pat for his work performance from his superior. Praise or recognition is more effective motivator than a financial incentive. Reward of recognizing the work performance on some occasions comes in the form of recommending the rise in pay, certificate of better performance etc. In this way the employee enters in the good books of his boss.

Maslow theory of Motivation

In 1943, Abraham Maslow published a paper, "**A Theory of Human Motivation**". In this paper, he proposed that people have different levels of needs that they seek to meet. Maslow mentioned that people are more motivated by the most basic needs.

When these needs were placed in different levels, it was found that people have five levels of needs that they seek to meet. The most basic needs, i.e. the most motivating needs were placed at the bottom of this pyramid model.

PHYSIOLOGICAL NEEDS

These needs are considered the most important because they are the most immediate needs and hence are also known as "**basic needs**". They include food, clothing, shelter, sexual activity, etc. These are all the necessities for our bodies to stay functional. The bottom, or most important needs, are the physiological needs.

One of the most important reasons people look for a job is to meet these basic necessities. However, a person whose job enables him to only provide these basic amenities to himself and his family is very difficult to be motivated.

People who are working on a minimum wage are tough to motivate because they realize that their efforts won't ever be sufficient to reap the rewards that go beyond providing food on the table. These people are more interested in putting in just the efforts that helps them keep their jobs, as compared to trying and putting in a better performance.

SAFETY NEEDS

Once a person makes sure that all his basic necessities have been met, he will think about safety and security. That's why many insurance companies or loan-offering companies generally check for people's incomes to see if they earn beyond a considerable limit, before approaching them for services.

They know that a person who is not able to provide the basic necessities won't be interested in future security or safety, protection from health issues, financial issues, etc. When they breach

this line, they face issues. The biggest example of this is the sub-prime loan-lending by the US led banks to the people who were never in a condition to pay back the loans.

The safety here is not only about financial safety or health. It's also job safety and security. Employees won't be easily motivated in an environment where they see employees being removed frequently. They will be more worried about saving their jobs, compared to giving any importance on listening to motivating stuff.

There are many jobs where health safety is not an assured thing. For example, people in military services are well-aware that they could face fatal injuries any day. In these cases, they are motivated by their anger towards their enemy, how their sacrifices are keeping their families safe back in their homes, how they are doing their country a great service, and how they are inspiring millions to join the forces and fight to keep their nation safe.

Another outcome of constant efforts in providing safety and stability in jobs is the "Whistleblower Policy". In this policy, rules and conditions are drafted in such a way that the employees don't fear being exposed to threats, dangers, bullying, and harassment of any kind when they report any wrong-doings happening in their company. Other such policies include health insurance, sick leaves, company leaves, welfare programs, etc.

SOCIAL / BELONGING NEEDS

Once a person is done taking care of basic needs and has gotten a secure life and job, he will look to establish relationships with individuals. At these stages, people would want to go out and socialize, and mull over the absence of any companion in their lives.

These needs are emotional in nature and can be fulfilled by friendship, love and care. They develop a need for the sense of belongingness, i.e. they want to feel that they belong to the place they are working in.

It has been observed that employees who feel that their presence in the office doesn't have any impact on others gradually feel isolated and depressed. This affects their productivity and makes them socially awkward. Many people feel as if they don't belong at their office because they are constantly ignored by the management or peers.

If the needs of relationships are not met, people tend to become nervous, emotionally fragile, depressed and lonely. Some of them end up becoming irascible and ill-tempered. Some actually end up sacrificing some lower needs to feel this need.

People forego their necessity to feed themselves to look slim so that they can draw attention of people towards themselves. As you might have already guessed, many of such practices end up in people foregoing important necessities which may cause long-term ill-effects in the long run.

Making friends, being close to family, being in relationships, having memberships in different clubs, associations, teams, and belonging to different organizations are multiple ways of keeping people emotionally secure. Many companies do a lot of homework on their office

culture, so that all the employees feel that their efforts are integral to the success of the company.

ESTEEM

"**Esteem**" means self-perception. It is the image of the self in the eyes of the others. Esteem is the image that a person thinks he has in the eyes of others. A person with high esteem thinks that people think highly of him. It's our esteem that gives us a recognition of our own skills. For example, when someone says that he is funny, entertaining and amiable, he must have heard others saying the same things about him.

People who have the need of esteem will try to improve their perception in people's minds. They often want to achieve success at work, and are interested in accumulating wealth and status symbols like premium cars, etc. They take pride in the achievements of their family-members and seek opportunities to socialize with people who are looked up to in the society.

When there are people like these in a team, it's important to note that they are motivated more by name and prestige. A handsome hike in salary couldn't mean as much to them as an honorary title like, Assistant Project Manager.

When the efforts of these types of people are directly mapped to the company's achievements, they feel happy and motivated. However, if their efforts are not acknowledged and their hardwork isn't appreciated, then their productivity falls.

SELF-ACTUALIZATION

Self-actualization is the realizing of oneself. Many people reach a stage in their life where they start wondering what is expected out of them in their life. They hear a voice that tells them to fulfill their destiny. Such people try to figure out the meaning of their lives and face existential questions.

Generally, such people are found to have achieved every other level in the Maslow Pyramid. They feel they have provided for all the needs that they had in their lives, and are now looking for a purpose of their life.

It's often found in the lives of successful career-oriented professionals who retire and then feel that they want to be model grand-parents to their grand-kids. Some feel that this is the time they should switch their profession and take up an artistic pursuit.

Many successful businessmen have abandoned successful, stable careers and have changed their professions at the top of their game. Lawyers have become hoteliers, bankers have become actors, actors have become investigative writers, and so on.

People who seek self-actualization have crossed the stage when they used to worry about what other people think about them. They also partake in activities that they find genuine fun doing.

Not every job can be made to feel self-actualizing for everyone. The trick here for the supervisor or the manager is to find someone who feels that this is the job that he would love to do for his entire lifetime.

Many people are initially excited about their profession and feel happy and satisfied in their jobs. However, with age and experience, they could start yearning for some other activities. A successful manager should know how to utilize his team-members so that they stick to their jobs and keep feeling fulfilled. Until these employees believe that they are in a job that they must be taking care of, they will be dealing with self-actualization in a positive manner.
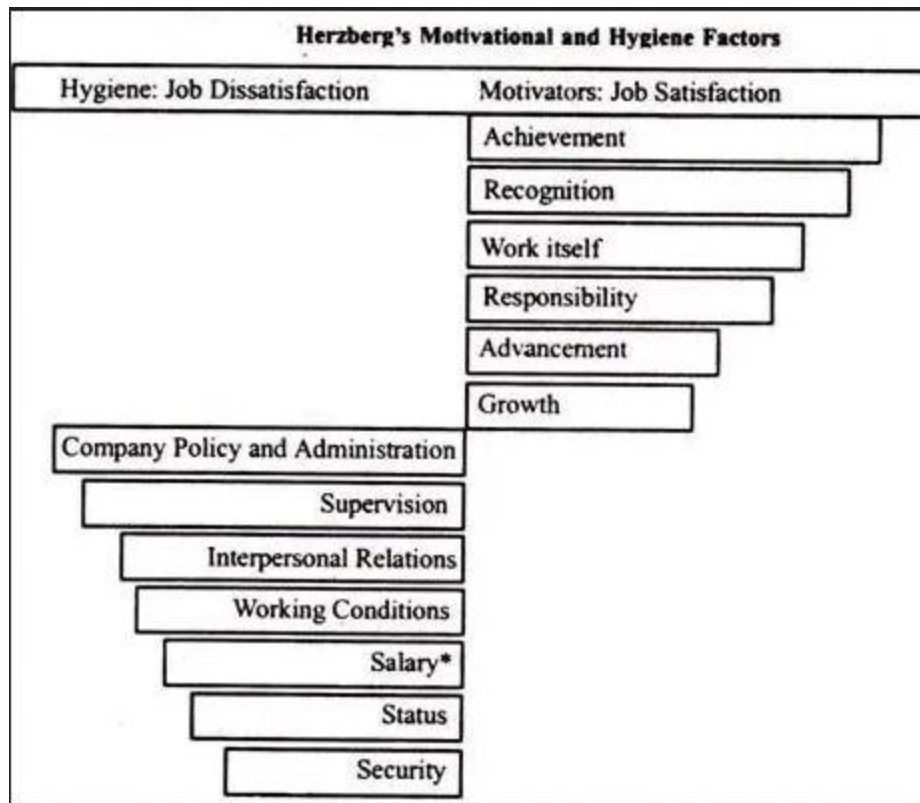
HERZBERG THEORY OF MOTIVATION

The psychologist Frederick Herzberg extended the work of Maslow and propsed a new motivation theory popularly known as Herzberg's Motivation Hygiene (Two-Factor) Theory. Herzberg conducted a widely reported motivational study on 200 accountants and engineers employed by firms in and around Western Pennsylvania.

He asked these people to describe two important incidents at their jobs:

(i) When did you feel particularly good about your job, and

(ii) When did you feel exceptionally bad about your job? He used the critical incident method of obtaining data.

The responses when analysed were found quite interesting and fairly consistent. The replies respondents gave when they felt good about their jobs were significantly different from the replies given when they felt bad. Reported good feelings were generally associated with job satisfaction, whereas bad feeling with job dissatisfaction. Herzberg labelled the job satisfiers motivators, and he called job dissatisfies hygiene or maintenance factors. Taken together, the motivators and hygiene factors have become known as Herzberg's two-factor theory of motivation

Herzberg's motivational and hygiene factors have been shown in the Fig. below :-

According to Herzberg, the opposite of satisfaction is not dissatisfaction. The underlying reason, he says, is that removal of dissatisfying characteristics from a job does not necessarily make the job satisfying. He believes in the existence of a dual continuum. The opposite of 'Satisfaction' is 'No Satisfaction' and the opposite of 'Dissatisfaction' is 'No Dis-satisfaction'.

According to Herzberg, today's motivators are tomorrow's hygiene because the latter stop influencing the behaviour of persons when they get them. Accordingly, one's hygiene may be the motivator of another.

However, Herzberg's model is labeled with the following criticism also:

1. People generally tend to take credit themselves when things go well. They blame failure on the external environment.

2. The theory basically explains job satisfaction, not motivation.

3. Even job satisfaction is not measured on an overall basis. It is not unlikely that a person may dislike part of his/ her job, still thinks the job acceptable.

4. This theory neglects situational variable to motivate an individual.

Because of its ubiquitous nature, salary commonly shows up as a motivator as well as hygine.

Regardless of criticism, Herzberg's 'two-factor motivation theory' has been widely read and a few managers seem untaminar with his recommendations. The main use of his recommendations lies in planning and controlling of employees work.

McGREGOR THEORY X AND THEORY Y

The idea that a manager's attitude has an impact on employee motivation was originally proposed by Douglas McGregor, a management professor at the Massachusetts Institute of Technology during the 1950s and 1960s. In his 1960 book, The Human Side of Enterprise, McGregor proposed two theories by which managers perceive and address employee motivation. He referred to these opposing motivational methods as Theory X and Theory Y management. Each assumes that the manager's role is to organize resources, including people, to best benefit the company. However, beyond this commonality, the attitudes and assumptions they embody are quite different.

Theory X

According to McGregor, Theory X management assumes the following:

- Work is inherently distasteful to most people, and they will attempt to avoid work whenever possible.
- Most people are not ambitious, have little desire for responsibility, and prefer to be directed.
- Most people have little aptitude for creativity in solving organizational problems.
- Motivation occurs only at the physiological and security levels of Maslow's hierarchy of needs.
- Most people are self-centered. As a result, they must be closely controlled and often coerced to achieve organizational objectives.
- Most people resist change.
- Most people are gullible and unintelligent.

Theory Y

The higher-level needs of esteem and self-actualization are ongoing needs that, for most people, are never completely satisfied. As such, it is these higher-level needs through which employees can best be motivated.

In strong contrast to Theory X, Theory Y management makes the following assumptions:

- Work can be as natural as play if the conditions are favorable.
- People will be self-directed and creative to meet their work and organizational objectives if they are committed to them.
- People will be committed to their quality and productivity objectives if rewards are in place that address higher needs such as self-fulfillment.
- The capacity for creativity spreads throughout organizations.
- Most people can handle responsibility because creativity and ingenuity are common in the population.
- Under these conditions, people will seek responsibility.

Theory 'X'	Theory 'Y'
1. People have a **dislike for work**; and like to avoid work, if they can do so.	1. **People like work.** In fact, expenditure of physical and mental efforts involved in work is as natural as involved in play or rest.
2. People wish to **avoid responsibility.**	2. People like not only to accept responsibility; but also **seek responsibility.**
3. People prefer to be directed by or led by others.	3. **People prefer to lead** and exercise self-direction and self control.
4. **People lack creativity and imagination.** (In fact, creativity is narrowly distributed among population).	4. **People possess creativity and imagination** (creativity is widely distributed among population).
5. **Commitment to objectives is a function of punishments** associated with their non achievement.	5. **Commitment to objectives is a function of a rewards** associated with their achievement.
6. People are **self-centred** and indifferent to organisational goals.	6. People are **not much self-centred** and are interested in organisational goals.
7. People have **limited potential** of capabilities.	7. People have **unlimited potential of capabilities.** Under modern industrial conditions, potential of men is only partially utilised.

Management Technique/Practice	Under Theory 'X'	Under Theory 'Y'
1. Setting of objectives	Objectives are set by the superior.	Objectives are set jointly by the superior and the subordinate.
2. Leadership style	Autocratic leadership.	Democratic leadership; at times laissez faire style of leadership, more suitable
3. Motivational philosophy	A system of negative incentives involving punishment is needed.	A system of positive incentives, involving rewards is needed.
4. Communication system	One way communication i.e. top down communication needed; as there is little feedback to communication.	Two way communication; with a great emphasis on communication feedback, for improving future communications.
5. Control system	Rigid controls needed.	Flexible controls needed.
6. Decision-making power	Centralisation of authority, more desirable.	Decentralisation of authority, more desirable.
7. General focus	Focus on past performance with a fault-finding approach	Focus on future performance, with an approach to effecting improvements in performance; rather than fault-finding in past performance.

OUCHI'S THEORY Z

Management professor William Ouchi argued that Western organizations could learn from their Japanese counterparts. Although born and educated in America, Ouchi was of Japanese descent and spent a lot of time in Japan studying the country's approach to workplace teamwork and participative management. The result was Theory Z—a development beyond Theory X and Theory Y that blended the best of Eastern and Western management practices. Ouchi's theory first appeared in his 1981 book, Theory Z: How American Management Can Meet the Japanese Challenge. The benefits of Theory Z, Ouchi claimed, would be reduced employee turnover, increased commitment, improved morale and job satisfaction, and drastic increases in productivity.

Theory Z stresses the need to help workers become generalists, rather than specialists. It views job rotations and continual training as a means of increasing employees' knowledge of the company and its processes while building a variety of skills and abilities. Since workers are given much more time to receive training, rotate through jobs, and master the intricacies of the company's operations, promotions tend to be slower. The rationale for the drawn-out time frame is that it helps develop a more

dedicated, loyal, and permanent workforce, which benefits the company; the employees, meanwhile, have the opportunity to fully develop their careers at one company. When employees rise to a higher level of management, it is expected that they will use Theory Z to "bring up," train, and develop other employees in a similar fashion.

Ouchi's Theory Z makes certain assumptions about workers. One assumption is that they seek to build cooperative and intimate working relationships with their coworkers. In other words, employees have a strong desire for affiliation. Another assumption is that workers expect reciprocity and support from the company. According to Theory Z, people want to maintain a work-life balance, and they value a working environment in which things like family, culture, and traditions are considered to be just as important as the work itself. Under Theory Z management, not only do workers have a sense of cohesion with their fellow workers, they also develop a sense of order, discipline, and a moral obligation to work hard. Finally, Theory Z assumes that given the right management support, workers can be trusted to do their jobs to their utmost ability and look after for their own and others' well-being.

Theory Z also makes assumptions about company culture. If a company wants to realize the benefits described above, it need to have the following:

- **A strong company philosophy and culture:** The company philosophy and culture need to be understood and embodied by all employees, and employees need to believe in the work they're doing.
- **Long-term staff development and employment:** The organization and management team need to have measures and programs in place to develop employees. Employment is usually long-term, and promotion is steady and measured. This leads to loyalty from team members.
- **Consensus in decisions:** Employees are encouraged and expected to take part in organizational decisions.
- **Generalist employees:** Because employees have a greater responsibility in making decisions and understand all aspects of the organization, they ought to be generalists. However, employees are still expected to have specialized career responsibilities.
- **Concern for the happiness and well-being of workers:** The organization shows sincere concern for the health and happiness of its employees and their families. It takes measures and creates programs to help foster this happiness and well-being.
- **Informal control with formalized measures:** Employees are empowered to perform tasks the way they see fit, and management is quite hands-off. However, there should be formalized measures in place to assess work quality and performance.
- **Individual responsibility:** The organization recognizes the individual contributions but always within the context of the team as a whole.
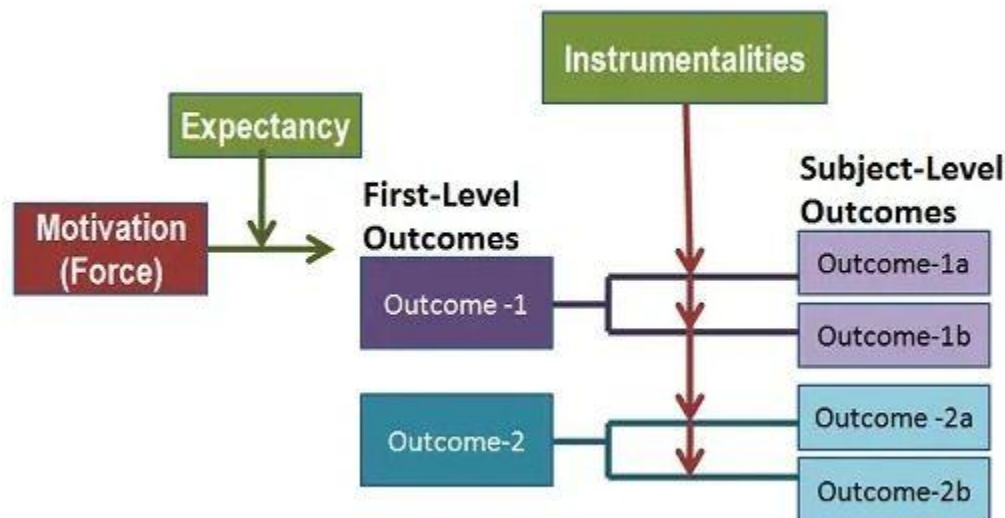
VICTOR VROOM MOTIVATION THEORY

Vroom's Expectancy Theory was proposed by Victor. H. Vroom, who believed that people are motivated to perform activities to achieve some goal to the extent they expect that certain actions on their part would help them to achieve the goal.

Vroom's Expectancy Theory is based on the assumption that an individual's behavior results from the choices made by him with respect to the alternative course of action, which is related to the psychological events occurring simultaneously with the behavior. This means an individual selects a certain behavior over the other behaviors with an expectation of getting results, the one desired for.

Thus, Vroom's Expectancy Theory has its roots in the cognitive concept, i.e. how an individual processes the different elements of motivation. This theory is built around the concept of valence, instrumentality, and Expectancy and, therefore, is often called as **VIE theory**.

The algebraic representation of Vroom's Expectancy theory is:

Motivation (force) = ∑Valence x Expectancy

Valence: It refers to the value that an individual places on a particular outcome or a strength of an individual's preference for the expected rewards of the outcome. To have a positive valence, one should prefer attaining the outcome to not attaining it. For example, if an employee gets motivated by promotions, then he might not value offers of increased incentives. The valence is zero if an individual prefers not attaining outcomes to attaining it. In the above example, an employee agrees with the increased incentives.

Instrumentality: Another major input into the valence is the instrumentality of first level outcome in obtaining the second level outcome, i.e. a degree to which the first level leads to the

second level outcome. For example, suppose an employee desires promotion and he feel that superior performance is a key factor to achieve the goal. Thus, his first level outcomes are superior, average and poor performance and the second level outcome is the promotion.

Hence, the first level outcome of high performance acquires the positive valence so as to have the expected relationship with the second level outcome of the promotion. Thus, an employee will be motivated to perform efficiently with a desire to get promoted.

Expectancy: Expectancy, another factor that determines the motivation, refers to the probability that a particular action will lead to the desired outcome. The expectancy is different from the instrumentality in the sense; it relates efforts to the first level outcome, whereas the instrumentality relates to first and second-level outcomes to each other. Thus, expectancy is the probability that a particular action will lead to a particular first-level outcome.

LEADERSHIP : function, Nature, Characteristics, Qualities, Importance.

Leadership is an important element of the directing function of management. Wherever, there is an organized group of people working towards a common goal, some type of leadership becomes essential. "The power of leadership is the power of integrating. The leader stimulates what is best in us he unites and concentrates what we feel only gropingly and shatteringly. He is a person who gives form to the uncoarctate energy in every man. The person who influences me most is not he who does great Deeds, but he who makes me feel that I can do great deeds." Marry Parker Follet.

Leadership is the ability to build up confidence and zeal among people and to create an urge in them to be led. To be a successful leader, a manager must possess the qualities of foresight, drive, initiative, self-confidence and personal integrity. Different situations may demand different types of leadership.

Definitions:

Leadership has been defined in various ways. Stogdill has rightly remarked that there are almost as many definitions of leadership as there are people who have tried to define it.

The definitions given by some famous authors and management experts are given below:

1. **Koontz and O'Donnell,** Leadership is the ability of a manager to induce subordinates to work with confidence and zeal.
2. **Dubin, R.**Leadership is the exercise of authority and making of decisions.
3. **Allford and Beaty,** Leadership is the ability to secure desirable actions from a group of followers voluntarily, without the use of coercion.
4. **George R. Terry**, Leadership is the activity of influencing people to strive willingly for group objectives.

5. **Hemphill, J.K.,** Leadership is the initiation of acts which result in a consistent pattern of group interaction directed towards the solution of a mutual problem.
6. **Jame J.Cribbin,** Leadership is a process of influence on a group in a particular situation at a given point of time, and in a specific set of circumstances that stimulates people to strive willingly to attain organisational objectives and satisfaction with the type of leadership provided.
7. **Peter Drucker,** Leadership is not making friends and influencing people, i.e., salesmanship it is the lifting of man's visions to higher sights, the raising of man's personality beyond its normal limitations.

In the various definitions of leadership the emphasis is on the capacity of an individual to influence and direct group effort towards the achievement of organizational goals. Thus, ' we can say that leadership is the practice of influence that stimulates subordinates or followers to do their best towards the achievement of desired goals.

Nature and Characteristics of Leadership:

An analysis of the definitions cited above reveals the following important characteristics of leadership:

1. Leadership is a personal quality.
2. It exists only with followers. If there are no followers, there is no leadership?
3. It is the willingness of people to follow that makes person a leader.
4. Leadership is a process of influence. A leader must be able to influence the behaviour, attitude and beliefs of his subordinates.
5. It exists only for the realization of common goals.
6. It involves readiness to accept complete responsibility in all situations.
7. Leadership is the function of stimulating the followers to strive willingly to attain organizational objectives.
8. Leadership styles do change under different circumstances.
9. Leadership is neither bossism nor synonymous with; management.

Formal and informal Leaders:

From the view point of official recognition from top management, leaders may be classified as formal and informal leaders. A formal leader is one who is formally appointed or elected to direct and control the activities of the subordinates. He is a person created by the formal structure, enjoys organizational authority and is accountable to those who have elected him in a formal way. The formal leader has a two-fold responsibility. On the one hand, he has to fulfill the demands of the organization, while on the other he is also supposed to help, guide and direct his subordinates in satisfying their needs and aspirations.

Informal leaders are not formally recognized. They derive authority from the people who are under their influence. In any organization we can always find some persons who command respect and who are approached to help, guide and protect the informal leaders have only one task to perform, i.e., to help their followers in achieving their individual and group goals. Informal leaders are created to satisfy those needs which are not satisfied by the formal leaders. An organization can make effective use of informal leaders to strengthen the formal leadership.

<mark>**LEADERSHIP FUNCTIONS:**</mark>

Following are the important functions of a leader:

1. Setting Goals:

A leader is expected to perform creative function of laying out goals and policies to persuade the subordinates to work with zeal and confidence.

2. Organizing:

The second function of a leader is to create and shape the organization on scientific lines by assigning roles appropriate to individual abilities with the view to make its various components to operate sensitively towards the achievement of enterprise goals.

3. Initiating Action:

The next function of a leader is to take the initiative in all matters of interest to the group. He should not depend upon others for decision and judgment. He should float new ideas and his decisions should reflect original thinking.

4. Co-Ordination:

A leader has to reconcile the interests of the individual members of the group with that of the organization. He has to ensure voluntary co-operation from the group in realizing the common objectives.

5. Direction and Motivation:

It is the primary function of a leader to guide and direct his group and motivate people to do their best in the achievement of desired goals, he should build up confidence and zeal in the work group.

6. Link between Management and Workers:

A leader works as a necessary link between the management and the workers. He interprets the policies and programmes of the management to his subordinates and represents the subordinates' interests before the management. He can prove effective only when he can act as the true guardian of the interests of his subordinates.

<mark>**QUALITIES OF A GOOD LEADER:**</mark>

A successful leader secures desired behaviour from his followers. It depends upon the quality of leadership he is able to provide. A leader to be effective must possess certain basic qualities. A number of authors have mentioned different qualities which a person should possess to be a good leader.

Some of the qualities of a good leader are as follows:

1. Good personality.
2. Emotional stability.
3. Sound education and professional competence.
4. Initiatives and creative thinking.
5. Sense of purpose and responsibility.
6. Ability to guide and teach.
7. Good understanding and sound judgment.
8. Communicating skill.
9. Sociable.
10. Objective and flexible approach.
11. Honesty and integrity of character.
12. Self confidence, diligence and industry.
13. Courage to accept responsibility

Importance of Leadership in Management:

The importance of leadership in any group activity is too obvious to be over-emphasized. Wherever, there is an organized group of people working towards a common goal, some type leadership becomes essential. Lawrence A. Appley remarked that the time had come to substitute the word leadership for management.

Although the concern for leadership is as old as recorded history, it has become more acute during the last few decades due to the complexities of production methods, high degree of specialization and social changes in the modern organizations. A good dynamic leader is compared to a 'dynamo generating energy' that charges and activates the entire group in such a way that near miracles may be achieved. The success of an enterprise depends to a great extent, upon effective leadership.'

1. It Improves Motivation and Morale:

Through dynamic leadership managers can improve motivation and morale of their subordinates. A good leader influences the behaviour of an individual in such a manner that he voluntarily works towards the achievement of enterprise goals.

2. It Acts as a Motive Power to Group Efforts:

Leadership serves as a motive power to group efforts. It leads the group to a higher level of performance through its persistent efforts and impact on human relations.

3. It Acts as an Aid to Authority:

The use of authority alone cannot always bring the desired results. Leadership acts as an aid to authority by influencing, inspiring and initiating action.

4. It is Needed at All Levels of Management:

Leadership plays a pivotal role at all levels of management because in the absence of effective leadership no management can achieve the desired results.

5. It Rectifies the Imperfectness of the Formal Organisational Relationships:

No organizational structure can provide all types of relationships and people with common interest may work beyond the confines of formal relationships. Such informal relationships are more effective in controlling and regulating the behaviour of the subordinates. Effective leadership uses there informal relationships to accomplish the enterprise goals.

6. It Provides the Basis for Co-operation:

Effective leadership increases the understanding between the subordinates and the management and promotes co-operation among them.

PROCESS OR TECHNIQUES OF EFFECTIVE LEADERSHIP:

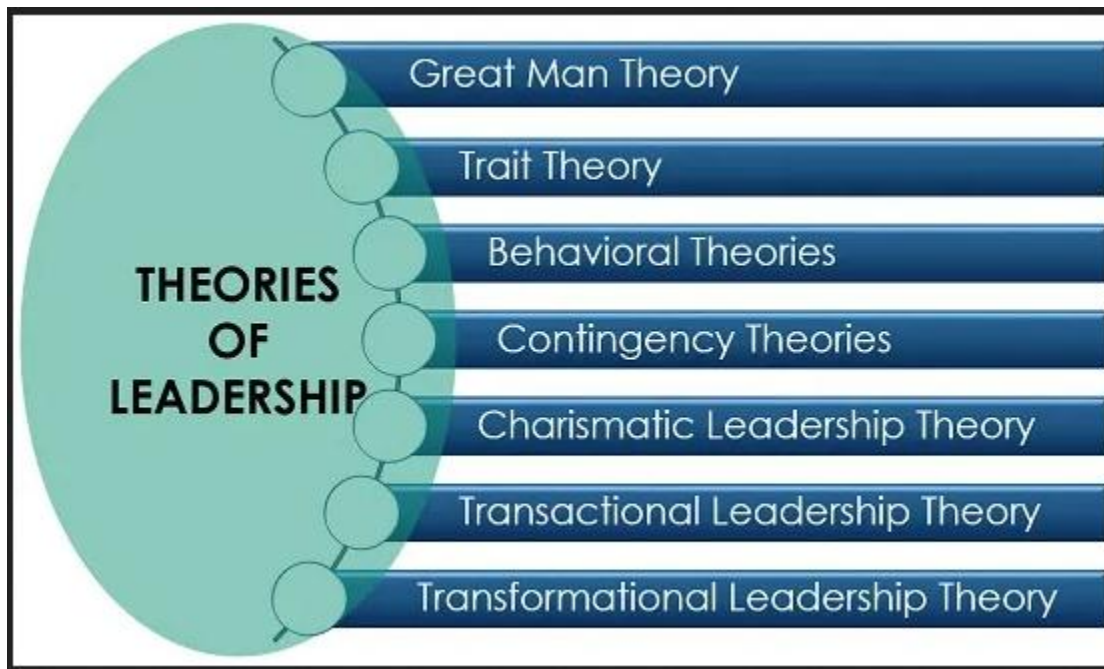**The following are the techniques of effective leadership:**

1. The leader should consult the group in framing the policies and lines of action and in initiating any radical change therein.
2. He should attempt to develop voluntary co-operation from his subordinates in realizing common objectives.
3. He should exercise authority whenever necessary to implement the policies. He should give clear, complete and intelligible instructions to his subordinates.
4. He should build-up confidence and zeal in his followers.
5. He should listen to his subordinates properly and appreciate their feelings.
6. He should communicate effectively.
7. He should follow the principle of motivation.

THEORIES OF LEADERSHIP

Leadership is the process of channelising the energy of an individual or a group towards the realisation of specific goals, objectives and vision.

Theories of Leadership

Over the decades, many great scholars, researchers and academicians have conducted various research and studies to discover the factors that contribute to effective leadership. In this process, the following theories of leadership have evolved:

- **The Great Man Theory**: Thomas Carlyle proposed the Great Man Theory in the 1840s, and it merely believes that leadership is an inherent trait of a person who is destined to become a great leader by birth and they prove themselves when the great need arises. In other words, some people are born to become leaders and leadership is a heroic act.:

  Criticism: This theory was criticised or questioned due to the following reasons:

   o It was a male-centric approach when women have proved to be great leaders too.
   o This theory explains that leadership cannot be learned or taught it's an inherent trait.
   o There is no scientific validation to support this theory.
   o It neglected the environmental and situational factors which affect the leadership process.

- **The Trait Theory**: Ralph M. Stogdill proposed the trait theory of leadership in the late 1940s; he explained that an individual must possess the key personality traits and characteristics to be an effective leader and these traits are inherent by birth.
  Some of the core leadership traits based on this theory can be categorised as follows:

  - **Physiological traits**: Height, weight, structure, colour, appearance and so forth.

  - **Socioeconomic characteristics**: Gender, religion, marital status, age, occupation, literacy and earnings.

  - **Personality traits**: Extraversion, self-confidence, patience, agreeable, reliable, honesty and leadership motivation.

  - **Intellectual traits**: Decisiveness, intelligence, judgemental ability, knowledge and emotional attribute.

  - **Task-related traits**: Attainment drive, dedication, initiative, determination and business expertise.

  - **Social characteristics**: Socially active, cordiality and cooperation.

  - Some of the other traits being charisma, adaptiveness, creativity, uniqueness.

This theory was criticised since it neglected the environmental factors which may not always remain the same. The list of traits is quite vast and keeps on changing from time to time. It was unable to explain failures despite possessing the certain traits specified in the theory. Moreover, of the identified traits can be acquired through learning and training.

- **Behavioural Theory**: The behavioural theory of leadership evolved in the 1950s. After understanding that the personal traits of a leader are essential for effective leadership, the researchers were now keen to know that what leaders do to become effective leaders

Thus, they now focussed on the leader's behaviour rather than traits. To study the behaviour of leaders, two major research programs were started by two different universities namely, the Ohio State Leadership Studies and the University of Michigan Studies.

- **The Ohio State University Studies**: A group of researchers at Ohio State University prepared a questionnaire to be surveyed in military and industrial setups, to determine the perception of the subordinates for the actual behaviour of their leaders. From their findings, the researchers identified two major categories of leader behaviour:

  - **Consideration**: The leaders are attentive towards their subordinates and build up an excellent inter-personnel relationship with them. They are very supportive and friendly. This was termed as 'people-oriented behaviour'.

  - **Initiating structure**: The leaders are majorly concerned about the achievement of goals and schedule and structure work accordingly. For such leaders,
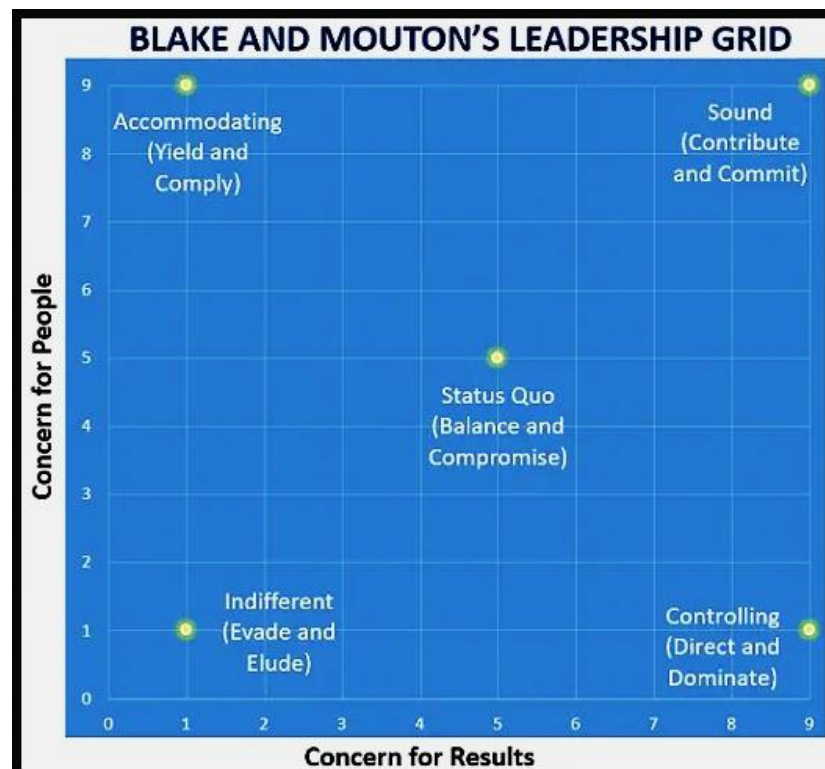
subordinates are just resources, and they have to make the optimal utilisation of them. This was termed as 'task-oriented behaviour'.

- **The University of Michigan Studies**: This study is based on how the leader's behaviour is related to group performance. Researchers made a comparison of effective managers with the ineffective ones and found that the two can be discriminated on the basis of their behaviour, i.e. job-centric behaviour and organisational-member centric behaviour.
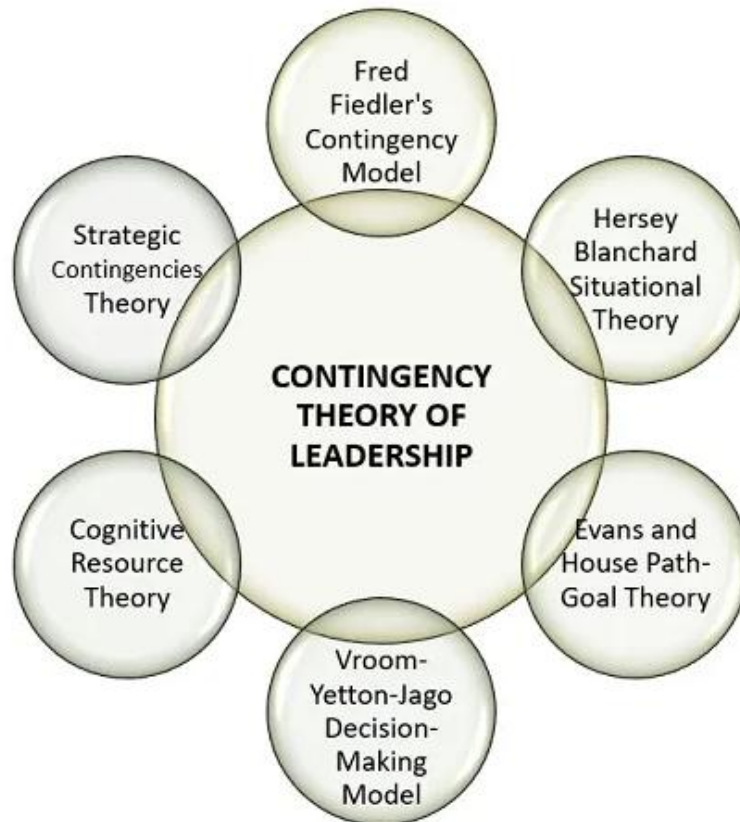
The study further resulted in the identification of four additional behaviours essential for effective leadership which are:

- Support

- Goal emphasis

- Work facilitation

- Interaction facilitation

- **Blake and Mouton's Leadership Grid**: Robert R. Blake and Jane S. Mouton gave the Leadership/Managerial Grid Theory and discovered the five different styles of leadership by categorising the managers into 81 possible ways arising out of the combination of rating depending on two variables, concern for people and concern for results.

Following are the various styles of Leadership according to this model:

- **Indifferent**: Neither the attention is paid towards the work, nor towards the employees, it is the most ineffective style of leadership.

- **Controlling or the country club**: All that matters is the well-being of the staff.

- **Accommodating or task oriented**: All that matters is production and output.

- **Status Quo or balance**: Moderate and equal importance and attention are given to work as well as employee welfare.

- **Sound**: A high level of concern is shown towards both, the output as well as the employees, it is the most effective style of leadership.

- **Contingency Theory**: Contingency theories of leadership state that effective leadership comprises of all the three factors, i.e. traits, behaviour and situation. A leader's behaviour varies as per the situation. To support this theory of leadership various models were developed, and multiple studies were conducted in this direction.

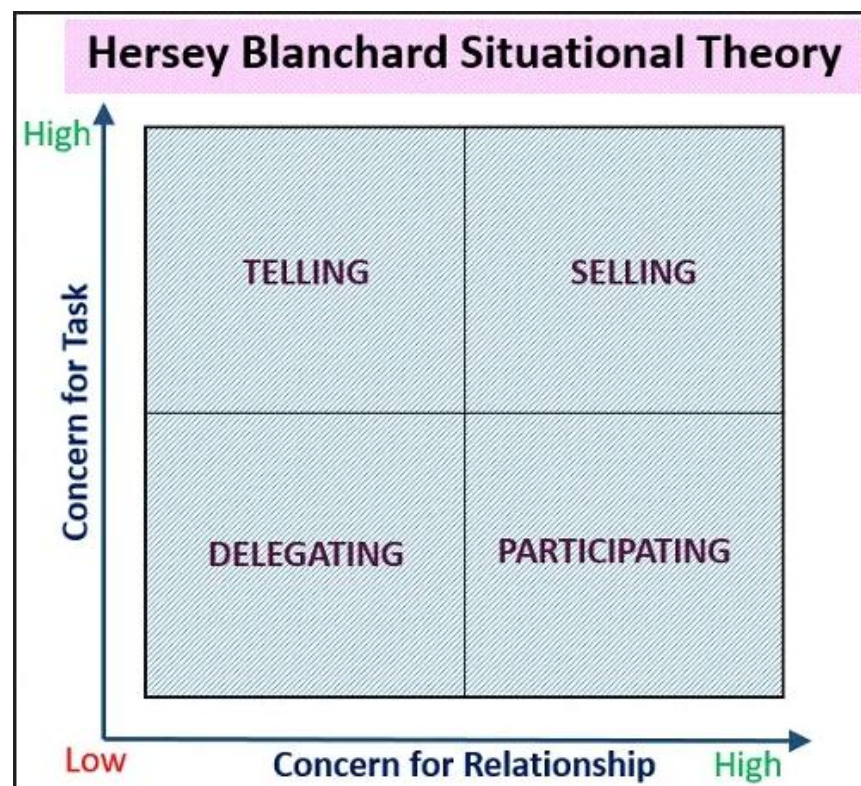

- Following are the models of contingency theory:

  o **Fred Fiedler's Contingency Model**: Dr Fred E. Fiedler tried to explain that the performance of a group or team is banked on the pleasant and unpleasant situations and style of leadership.

Leadership style can be assessed with the help of Least Preferred Co-worker (LPC) scale. It is a technique in which a leader is asked to think of a person whom they least like to work with and score them on different bipolar scales.

For instance: Friendly-unfriendly, Efficient-inefficient, Cooperative-uncooperative, etc

- **Fiedler's findings**:

  - **Leader's Traits**: On the basis of the LPC Scale, a leader's style of leadership can be determined. If a leader scores high on the LPC scale, that means he is highly relationship-oriented and treats even the least preferred co-worker generously.If he scores low on the LPC scale, he is a task-oriented leader prioritising the work and performance.

  - **Situational factor**: Leaders manage to perform effectively in the favourable situations. They feel that they have control and command over the group of employees in such situations.

  - **Situation Matches**: Fiedler gave a Contingency Model named Leader Situation Matches in which he explained that leadership style could be either task-oriented or people-oriented, based on the favourableness of the situation.

- **Hersey Blanchard Situational Theory**: The Hersey-Blanchard Situational Theory states that the style of leadership depends upon the maturity of the subordinates; accordingly the following four styles were developed:
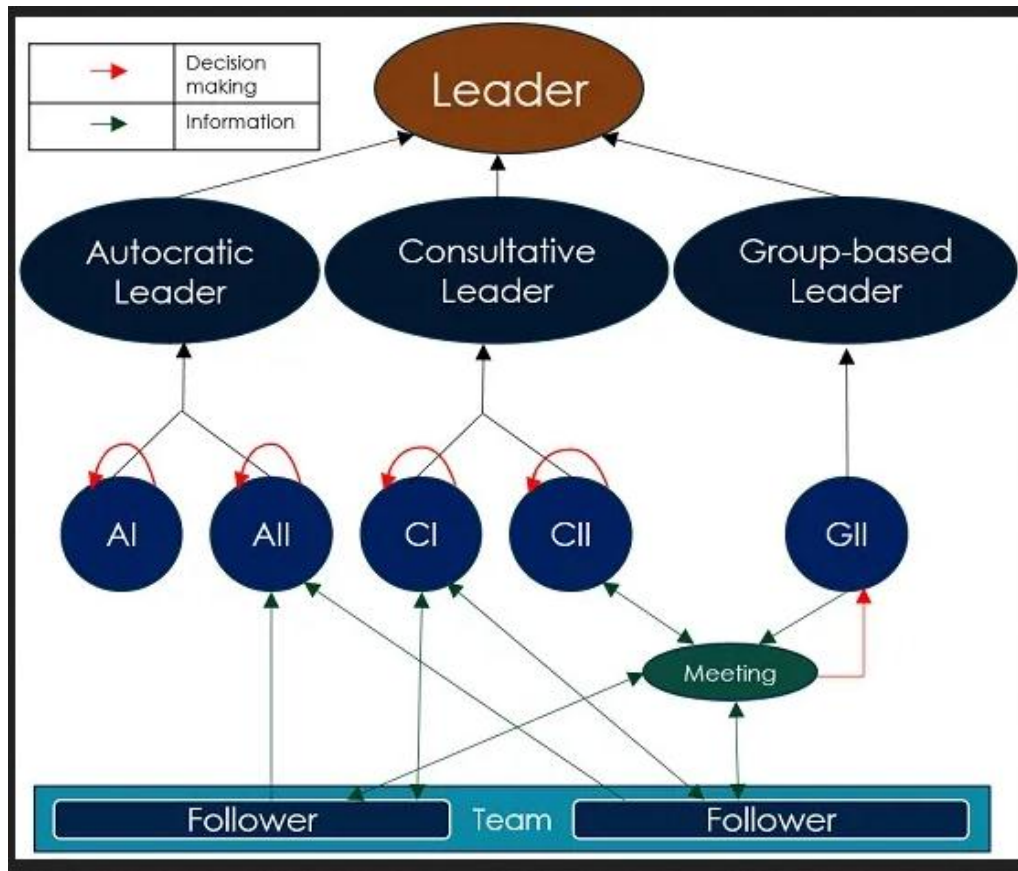
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  - o **Telling**: When a new person enters the organisation, he has to be told everything, i.e. he is given training and orientation to make him understand the task to be performed.

  - o **Selling**: The leader leads by providing social and emotional support to the subordinates and convincing the groups to give maximum output.

  - o **Delegating**: The leaders are least concerned about and hardly interferes with the execution of the tasks. They are not even concerned about the subordinates and their issues.

  - o **Participating**: It is a democratic style where subordinates are allowed to participate in the decision-making process. Here, the leader is less focussed on the achievement of objectives.

- **Evans and House Path-Goal Theory**: The Path-Goal Theory was proposed by Robert J. House and Martin Evans in 1970s.

This theory pro-founded that leader's noticeable behaviour, and the situation in which he is placed are inter-connected. To increase the organisation's effectiveness, the managers should either match the situation with the leader's behaviour or change his behaviour according to the situation in which he is placed. This theory focused on the need for flexibility while adopting different leadership styles in different situations.

The situational factors involved are Subordinate characteristics and Organisational environment. This model emphasised four different behaviours of a leader:

- Directive

- Supportive

- Participative

- Achievement-Oriented

- **Vroom-Yetton-Jago Decision-Making Model**: This model suggested that leadership style varies on the basis of the decision-making ability of the leaders in different situations. Leadership style was merely based on the degree of employee's contribution and activeness in the decision-making process.
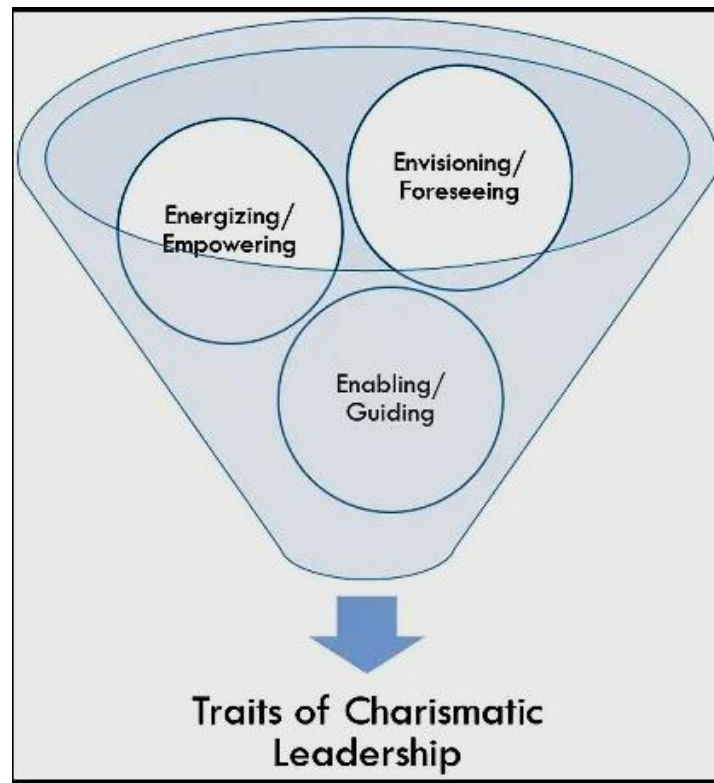
The various aspects taken into consideration were decision timeliness, decision acceptance and the decision quality. Following are the Leadership Styles derived out of this model:

- **Autocratic (AI)**: The leader solely decides with the available information.

- **Autocratic (AII)**: This is stringic autocratic leadership style where the leader takes the opinion of group members to gather more information but may or may not share the final decision with the group members.

- **Consultative (CI)**: The leaders consult with the group members to explore opinions but solely takes the decision.

- **Consultative (CII)**: The leaders consult with the group members to explore opinions and also invites suggestions but solely takes the decision.

- **Collaborative (GII)**: The leader allows the group to take their own decisions collectively and plays a supportive role in the process.

- **Cognitive Resource Theory**: This theory explains that if the leader is experienced he will be able to perform effectively even under the stressful situations whereas an intelligent leader performs well in less stressful situations.

- **Strategic Contingencies Theory**: This theory says that the effectiveness of a leader depends upon his problem-solving skills and ability to handle critical situations and make decisions wisely. A person with better problem-solving skills can secure his position and cannot be easily replaced.

- **Charismatic Leadership Theory**: This theory believes that a leader must possess some extraordinary and exceptional qualities to become an effective leader. Such leaders lead by their key traits i.e.

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  - **Envisioning/Foreseeing**: Leaders foresees future possibilities and create a vision accordingly, usually having high expectations and dreams.

  - **Energizing/Empowering**: Leaders are highly enthusiastic, proactive, energetic and confidently aiming towards success.

  - **Enabling/Guiding**: Leaders provide complete support and guidance and show compassion and trust in followers. Such leaders are highly focussed and committed towards their goal accomplishment.

- **Transactional LeadershipTheory**: Transactional Leadership Theory emphasises the realisation of a desired outcome and result. The leaders motivate the followers by way of a reward system, i.e. rewarding the performers and punishing the non-performers.

The theory emphasises maintaining a cordial relationship with the followers, leaders and followers must work mutually to meet organisational goals.

- **Transformational LeadershipTheory**: The transformational theory states that a leader is effective only if he can transform or change the perceptions, behaviour and expectations of the followers and direct them towards a common goal which will lead to

the accomplishment of the leader's vision. Such leaders have a charismatic and influential personality.

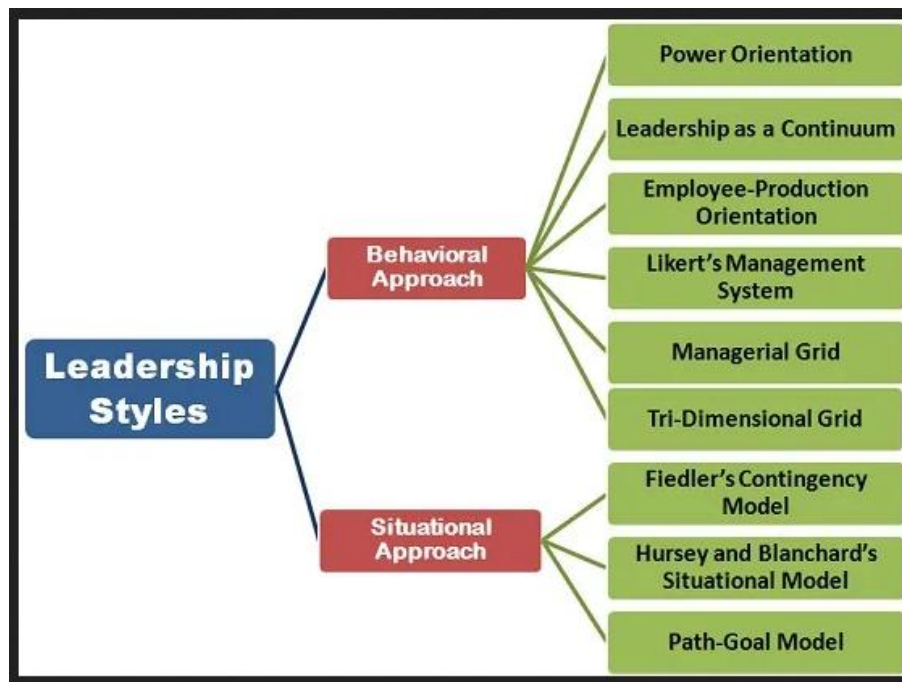Following are the key factors behind Transformational Leadership:

- **Psychological transformation**: Bring about a change in the perception and mindset of the follower.
- **Influential**: Creates a strong impact on the followers.
- **Motivational**: Generates positive energy within followers.
- **Inspirational**: Encourages them to achieve something.
- **Individual impact**: Creates a powerful effect on the behaviour and perception of the followers.

From the above description, we can conclude that a leader needs to follow different leadership theories based on the situation and circumstances.

LEADERSHIP STYLES

The Leadership Styles are the behavioral patterns that a leader adopt to influence the behavior of his followers, i.e. the way he gives directions to his subordinates and motivates them to accomplish the given objectives.

The leadership styles can either be classified on the basis of behavioral approach or situational approach. These approaches are comprised of several theories and models which are explained below:
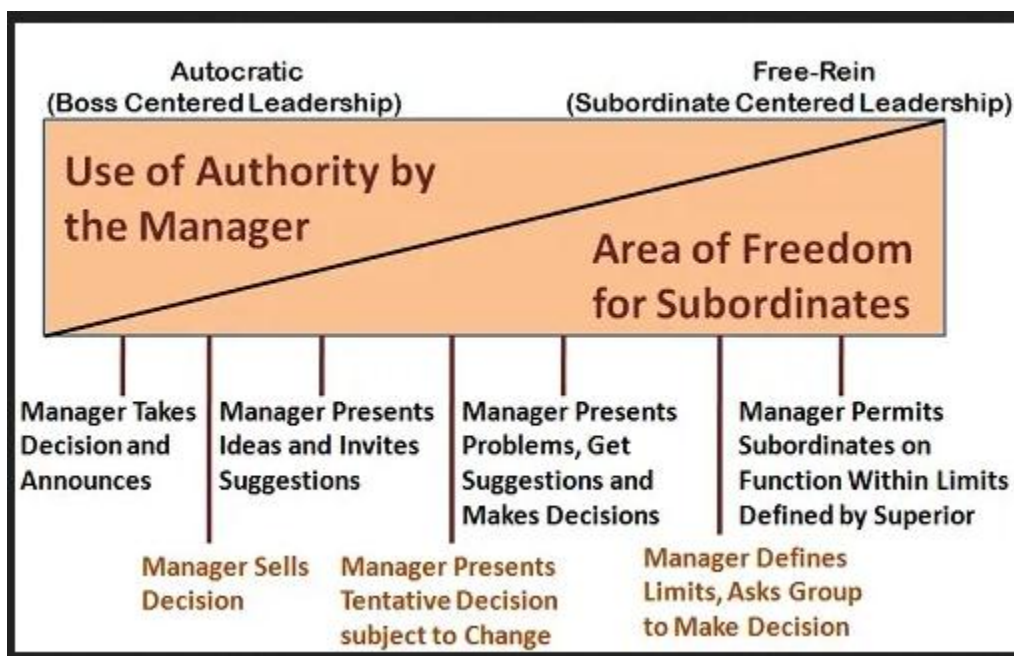
<mark>**BASED ON BEHAVIORAL APPROACH**</mark>

1. **Power Orientation**

The power orientation refers to the "degree of authority" that a leader adopts to influence the behavior of his subordinates. Based on this, the leadership styles can be further classified as:

- Autocratic Leadership
- Participative Leadership
- Laissez-Faire

2. **Leadership as a continuum**

This model is given by Tannenbaum and Schmidt, who believed that there are several leadership styles that range between two extremes of autocratic and free-rein, which are shown below:

3. **Employee-Production Orientation**

Several types of research were conducted to study the leadership behavior that gets affected by the several characteristics that are related to each other. It was found that employee orientation and production orientation play an important role in determining the leadership style.The employee orientation is based on the premise that an employee is an important part of the group and is in parallel to the democratic leadership style. Whereas the production Orientation focuses on the production and technical aspects of the job and the employees are considered as the tools for accomplishing the jobs. Thus, the production orientation is parallel to the autocratic leadership style.

4. **Likert's Management System**

Rensis Likert along with his associates studied the patterns and behavior of managers to identify the leadership styles and defined four systems of management. These four systems are: Exploitative Authoritative, Benevolent Authoritative, consultative system and participative system.

5. **Managerial Grid**

The managerial grid is the tool designed by Blake and Mouton to determine the leadership style. According to them, the leadership style gets influenced by both the task-oriented and relation-oriented behavior in varying degrees.

6. **Three Dimensional Grid**

The three-dimensional grid is also called as a 3-D leadership model given by W.J. Reddin. Reddin included the effectiveness dimension along with the task-oriented and relationship-oriented dimensions to study how a leader behaves in a given situation and a specific environment.

BASED ON SITUATIONAL APPROACH

1. **Fiedler's Contingency Model**

This theory is given by Fred Fiedler, who, along with his associates identified the situational variables and their relationship to determine the leadership styles. Thus, this model is comprised of three elements, leadership styles, situational variables and the interrelationship between these two.

2. **Hursey and Blanchard's Situational Model**

According to this model, the leader has to adopt the leadership style that matches up with the subordinate's maturity i.e. his willingness to direct his behavior towards the goal.

3. **Path-Goal Model**

The Path-Goal Model is given by Robert House, who, along with his associates tried to predict the effectiveness of leadership styles in varied situations. He believed that the foremost function of any leader is to define the goals to the subordinates clearly and assist them in finding the best path to accomplish that goal.

CONTROLLING: Nature and Scope, Limitations of Control

Controlling is one of the important functions of a manager. In order to seek planned results from the subordinates, a manager needs to exercise effective control over the activities of the subordinates. In other words, the meaning of controlling function can be defined as ensuring that activities in an organization are performed as per the plans. Controlling also ensures that an organization's resources are being used effectively & efficiently for the achievement of predetermined goals.

- Controlling is a goal-oriented function
- It is a primary function of every manager
- Controlling the function of a manager is a pervasive function

Managers at all levels of management Top, Middle & Lower need to perform controlling function to keep control over activities in their areas. Therefore, controlling is very much important in an educational institution, military, hospital, & a club as in any business organization.

Therefore, controlling function should not be misunderstood as the last function of management. It is a function that brings back the management cycle back to the planning function. Thus, the controlling function act as a tool that helps in finding out that how actual performance deviates from standards and also finds the cause of deviations & attempts which are necessary to take corrective actions based upon the same.

This process helps in the formulation of future plans in light of the problems that were identified &, thus, helps in better planning in the future periods. So from the meaning of controlling we understand it not only completes the management process but also improves planning in the next cycle.

IMPORTANCE OF CONTROLLING

After the meaning of control, let us see its importance. Control is an indispensable function of management without which the controlling function in an organization cannot be accomplished and the best of plans which can be executed can go away. A good control system helps an organization in the following ways:

1. **Accomplishing Organizational Goals**

The controlling function is an accomplishment of measures that further makes progress towards the organizational goals & brings to light the deviations, & indicates corrective action. Therefore it helps in guiding the organizational goals which can be achieved by performing a controlling function.

2. **Judging Accuracy of Standards**

A good control system enables management to verify whether the standards set are accurate & objective. The efficient control system also helps in keeping careful and progress check on the changes which help in taking the major place in the organization & in the environment and also helps to review & revise the standards in light of such changes.

3. **Making Efficient use of Resources**

Another important function of controlling is that in this, each activity is performed in such manner so an in accordance with predetermined standards & norms so as to ensure that the resources are used in the most effective & efficient manner for the further availability of resources.

4. **Improving Employee Motivation**

Another important function is that controlling help in accommodating a good control system which ensures that each employee knows well in advance what they expect & what are the standards of performance on the basis of which they will be appraised. Therefore it helps in motivating and increasing their potential so to make them & helps them to give better performance.

5. **Ensuring Order & Discipline**

Controlling creates an atmosphere of order & discipline in the organization which helps to minimize dishonest behavior on the part of the employees. It keeps a close check on the activities of employees and the company can be able to track and find out the dishonest employees by using computer monitoring as a part of their control system.

6. **Facilitating Coordination in Action**

The last important function of controlling is that each department & employee is governed by such pre-determined standards and goals which are well versed and coordinated with one another. This ensures that overall organizational objectives are accomplished in an overall manner.

PRINCIPLES OF CONTROLLING

Controlling is one of the managerial functions and it is an important element of the management process. After the planning, organizing, staffing and directing have been carried out, the final managerial function of controlling assures that the activities planned are being accomplished or not.

So the function of controlling helps to achieve the desired goals by planning. Management must, therefore, compare actual results with pre-determined standards and take corrective action of necessary.

Control can be defined as the process of analyzing whether actions are being taken as planned and taking corrective actions to make these to confirm to planning.

NATURE OF CONTROLLING

1. **Objectives**

Controls must positively contribute to the achievement of group goals by promptly and accurately detecting deviations from plans with a view to making corrective action possible.

2. **Interdependence of Plans and Controls**

The principles of interdependence states that more the plans are clear, complete and integrated, and the more that controls are designed to reflect such plans, the more effectively controls will serve the need of managers.

3. **Control Responsibility**

According to this principle, the primary responsibility for the exercise of controls rests in the manager charged with the performance of the particular plans involved.

4. **Principal of Controls being in Conformity to Organization Pattern**

Controls must be designed so as to reflect the character and structure of plans. If the organization is clear and responsibility for work done is well defined, control becomes more effective and it is simple to isolated persons responsible for deviations.

5. **Efficiency of Controls**

Control techniques and approaches are effectively detect deviations from plans and make possible corrective actions with the minimum of unsought consequences.

6. **Future-oriented Controls**

It stresses that controls should be forward looking. Effective controls should be aimed at preventing present and future deviations from plans.

7. **Individuality of Controls**

Control should be designed to meet the individual requirements of managers in the organization. Although some control techniques and information can be utilized in the

same form by various types of enterprises and managers as a general rule controls should be tailored to meet the specific requirements.

8. **Strategic Point Control**

Effective and efficient control requires that attention to be given to those factors which are strategic to the appraisal of performance.

9. **The Exception Principle**

The exception principles whereby exceptions to the standards are notified, should be adopted. Note must be taken of the varying nature of exceptions, as "small" exceptions in certain areas may be of greater significance than 'larger' exceptions elsewhere.

10. Principal of Review

The control system should be reviewed periodically. The review exercise may take some or all the points emphasised in the above stated principles. Besides, flexibility and economical nature or controls, should not be lost sight of while reviewing controls.

LIMITATIONS OF CONTROLLING

No control on external factors:

An enterprise cannot control the external factors such as government policy, technological changes, change in fashion, change in competitor's policy, etc.

Costly affair:

Control is an expensive process it involves lot of time and effort as sufficient attention has to be paid to observe the performance of the employees. To install an expensive control system organisations have to spend large amount. Management must compare the benefits of controlling system with the cost involved in installing them. The benefits must be more than the cost involved then only controlling will be effective otherwise it will lead to inefficiency.

Difficulty in setting quantitative standards:

Control system loses its effectiveness when standard of performance cannot be defined in quantitative terms and it is very difficult to set quantitative standard for human behaviour, efficiency level, job satisfaction, employee's morale, etc. In such cases judgment depends upon the discretion of manager.

Resistance from employees:

Employees often resist control and as a result effectiveness of control reduces. Employees feel control reduces or curtails their freedom. Employees may resist and go against the use of cameras, to observe them minutely.

CONTROL TECHNIQUES- (Traditional and Modern)

Techniques of Managerial Control: Traditional and Modern Techniques

1. **Traditional Techniques**

Traditional techniques refer to the techniques that have been used by business organisation for longer period of time and are still in use.

Such techniques are:

- Personal Observation
- Statistical Reports
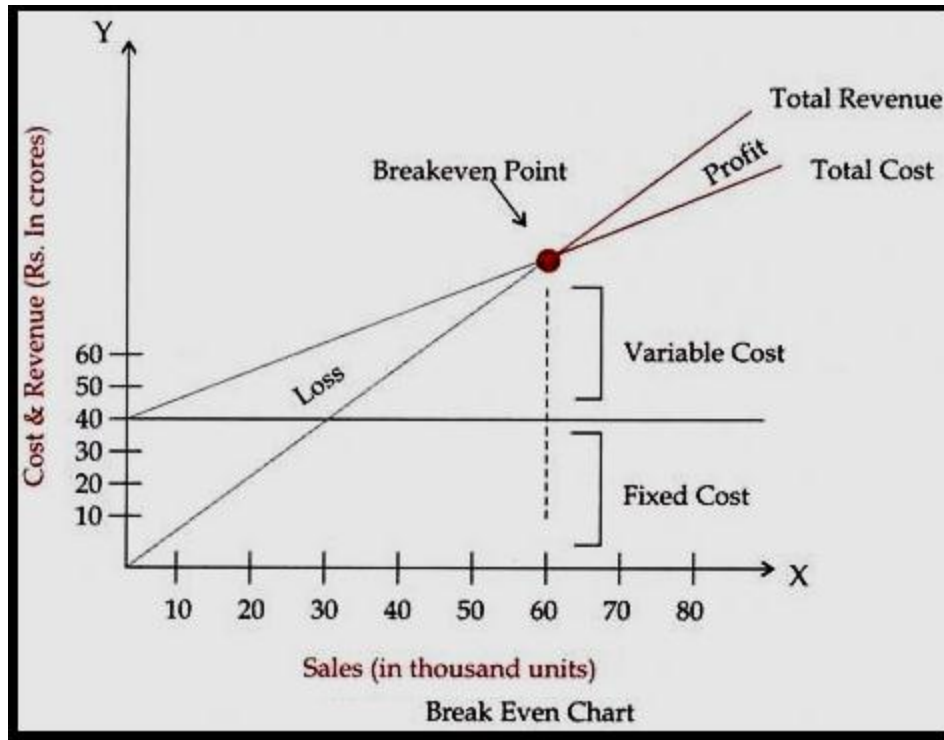- Breakeven Analysis
- Budgetary Control

(a) Personal Observation: This is the most traditional technique of control. It helps a manager to collect first hand information about the performance of the employees. It also creates psychological pressure on the employees to improve their performance as they are aware that they are being observed personally by the manager. However, this technique is not to be effectively used in all kinds of jobs as it is very time consuming.

(b) Statistical Reports: Statistical analysis in the form of percentages, ratios, averages etc. in different areas provides useful information regarding performance of an organisation to its managers. When such information is presented in the form of tables, graphs, charts etc., it facilitates comparison of performance with the standards laid and with previous years' performance.

(c) Breakeven Analysis: The technique used by managers to study the relationship between sales volume, costs and profit is known as Breakeven Analysis. This technique helps the managers in estimating profits at different levels of activities. The following figure shows breakeven chart of a firm.

The point at which the total revenue and total cost curves intersect is breakeven point. The figure shows that the firm will have the breakeven point at 60,000 units of output. At this point, there is neither profit nor loss. The firm starts earning profit beyond this point.

Breakeven Point = Fixed Cost / (Selling Price per unit - Variable cost per unit).

Break Even Chart

Through breakeven analysis, a firm can keep a check on its variable cost and can also determine the level of activity at which it can earn its profit target.

(d) Budgetary Control: Under this technique, different budgets are prepared for different operations in an organization in advance. These budgets act as standards for comparing them with actual performance and taking necessary actions for attaining organizational goals.

A budget can be defined as a quantitative statement of expected result, prepared for a future period of time. The budget should be flexible so that necessary changes, if need be, can be easily made later according to the requirements of the prevailing environment.

2. Modern Techniques

Modem techniques are those techniques which are very new in management world. These techniques provide various new aspects for controlling the activities of an organisation.

These techniques are as follows:

(a) Return on Investment.

(b) Ratio Analysis.

(c) Responsibility Accounting.

(d) Management Audit.

(e) PERT and CPM.

(f) Management Information System.

(a) Return on Investment: Return on investment is very useful technique for determining whether the capital invested in the business has been effectively used or not for generating reasonable amount of return.

Return on Investment= (Net Income / Total Investment) X 100 Net Income before or after tax can be used for calculating ROI. Total investment includes investment in fixed Assets as well as working capital.

It acts as an effective control device in measuring and comparing the performance of different departments. It also helps departmental managers to find out the problems which adversely affect ROI.

(b) Ratio Analysis: Ratio Analysis is a technique of analyzing the financial statements of a business firm by computing different ratios.

(c) Responsibility Accounting: Under this system of accounting, various sections, departments or divisions of an organization are set up as ' Responsibility Centers'. Each centre has a head who is responsible for attaining the target of his centre.

(d) Management Audit: Management Audit is a process of judging the overall performance of the management of an organisation. It aims at reviewing the efficiency and effectiveness of management and improving its future performance. Its basic purpose is to identify the deficiencies in the performance of management functions. It also ensures updating of existing managerial policies.

(e) PERT and CPM: PERT (Programme Evaluation and Review Technique) and CPM (Critical Path Method) are two important techniques used in both planning and controlling. These techniques are used to compute the total expected time needed to complete a project & it can identify the bottleneck activities that have a critical effect on the project completion date. Such techniques are mainly used in areas like construction projects, aircraft manufacture, ship building etc.

The various steps involved in using these techniques are as follows:

(i) The project is first divided into various activities and then these activities are arranged in a logical sequence.

(ii) A network diagram is prepared showing the sequence of activities.

(iii) Time estimates are laid down for each activity. PERT prepares three time estimates-(1) Optimistic (shortest time) (2) Most likely time & (3) Pessimistic (longest time).In CPM, only one time estimate is prepared. Along with this, CPM also lays down the cost estimates for completing the project.

(iv) The most critical path in the network is the longest path. Longest path consists of those activities which are critical for completing the project on time; hence the name CPM.
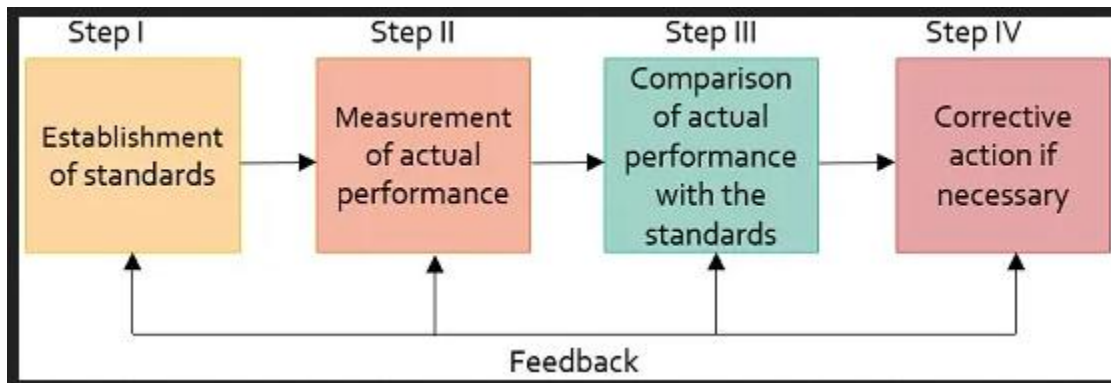
(v) If required, necessary changes are made in the plan for completing the project on time.

(f) Management Information System (MIS): Management Information System (MIS) is a computer based information system which provides accurate, timely and up-to-date information to the managers for taking various managerial decisions. Thus, it is an important communication tool as well as an important control technique. It provides timely information to the managers so that they can take appropriate corrective measures in case of deviations from standards.

Control Process

Control process involves the following steps as shown in the figure:

1. *Establishing standards*

Standards are the plans or the targets which have to be achieved in the course of business function. They can also be called as the criterions for judging the performance. Standards generally are classified into two:

- **Measurable or tangible:** Those standards which can be measured and expressed are called as measurable standards. They can be in form of cost, output, expenditure, time, profit, etc.
- **Non-measurable or intangible:** There are standards which cannot be measured monetarily. For example- performance of a manager, deviation of workers, their attitudes towards a concern. These are called as intangible standards.

Controlling becomes easy through establishment of these standards because controlling is exercised on the basis of these standards.

2. *Measurement of actual performance*

The second major step in controlling is to measure the performance. Finding out deviations becomes easy through measuring the actual performance. Performance levels are sometimes easy to measure and sometimes difficult. Measurement of tangible standards is easy as it can be expressed in units, cost, money terms, etc. Quantitative measurement becomes difficult when performance of manager has to be measured. Performance of a manager cannot be measured in quantities. It can be measured only by-

- Attitude of the workers,
- Their morale to work,
- The development in the attitudes regarding the physical environment, and
- Their communication with the superiors.

It is also sometimes done through various reports like weekly, monthly, quarterly, yearly reports.

3. Comparison of actual performance with the standard

Comparison of actual performance with the planned targets is very important. Deviation can be defined as the gap between actual performance and the planned targets. The manager has to find out two things here- extent of deviation and cause of deviation. Extent of deviation means that the manager has to find out whether the deviation is positive or negative or whether the actual performance is in conformity with the planned performance. The managers have to exercise control by exception. He has to find out those deviations which are critical and important for business. Minor deviations have to be ignored. Major deviations like replacement of machinery, appointment of workers, quality of raw material, rate of profits, etc. should be looked upon consciously. Therefore it is said*, " If a manager controls everything, he ends up controlling nothing."* For example, if stationery charges increase by a minor 5 to 10%, it can be called as a minor deviation. On the other hand, if monthly production decreases continuously, it is called as major deviation.

Once the deviation is identified, a manager has to think about various cause which has led to deviation. The causes can be-

- Erroneous planning,
- Co-ordination loosens,
- Implementation of plans is defective, and
- Supervision and communication is ineffective, etc.

4. Taking corrective actions

Once the causes and extent of deviations are known, the manager has to detect those errors and take remedial measures for it. There are two alternatives here:

- Taking corrective measures for deviations which have occurred; and
- After taking the corrective measures, if the actual performance is not in conformity with plans, the manager can revise the targets. It is here the controlling process comes to an end. Follow up is an important step because it is only through taking corrective measures, a manager can exercise controlling.

10 TYPES OF CONTROL TECHNIQUES

The ten types of traditional techniques of controlling are discussed below:-

1. **Direct Supervision and Observation**

'Direct Supervision and Observation' is the oldest technique of controlling. The supervisor himself observes the employees and their work. This brings him in direct contact with the workers. So, many problems are solved during supervision. The supervisor gets first-hand information, and he has better understanding with the workers. This technique is most suitable for a small-sized business.

2. **Financial Statements**

All business organizations prepare Profit and Loss Account. It gives a summary of the income and expenses for a specified period. They also prepare Balance Sheet, which shows the financial position of the organization at the end of the specified period. Financial statements are used to control the organization. The figures of the current year can be compared with the previous year's figures. Ratio analysis can be used to find out and analyses the financial statements. Ratio analysis helps to understand the profitability, liquidity and solvency position of the business.

3. **Budgetary Control**

A budget is a planning and controlling device. Budgetary control is a technique of managerial control through budgets. It is the essence of financial control. Budgetary control is done for all aspects of a business such as income, expenditure, production, capital and revenue. Budgetary control is done by the budget committee.

4. **Break Even Analysis**

Break Even Analysis or Break Even Point is the point of no profit, no loss. For e.g. When an organization sells 50K cars it will break even. It means that, any sale below this point will cause losses and any sale above this point will earn profits. The Break-even analysis acts as a control device. It helps to find out the company's performance. So the company can take collective action to improve its performance in the future. Break-even analysis is a simple control tool.

5. **Return on Investment (ROI)**

Investment consists of fixed assets and working capital used in business. Profit on the investment is a reward for risk taking. If the ROI is high then the financial performance of a business is good and vice-versa.

ROI is a tool to improve financial performance. It helps the business to compare its present performance with that of previous years' performance. It helps to conduct inter-firm comparisons. It also shows the areas where corrective actions are needed.

6. **Management by Objectives (MBO)**

MBO facilitates planning and control. It must fulfill following requirements:

- Objectives for individuals are jointly fixed by the superior and the subordinate.

- Periodic evaluation and regular feedback to evaluate individual performance.

- Achievement of objectives brings rewards to individuals.

7. **Management Audit**

Management Audit is an evaluation of the management as a whole. It critically examines the full management process, i.e. planning, organizing, directing, and controlling. It finds out the efficiency of the management. To check the efficiency of the management, the company's plans, objectives, policies, procedures, personnel relations and systems of control are examined very carefully. Management auditing is conducted by a team of experts. They collect data from past records, members of management, clients and employees. The data is analyzed and conclusions are drawn about managerial performance and efficiency.

8. **Management Information System (MIS)**

In order to control the organization properly the management needs accurate information. They need information about the internal working of the organization and also about the external environment. Information is collected continuously to identify problems and find out solutions. MIS collects data, processes it and provides it to the managers. MIS may be manual or computerized. With MIS, managers can delegate authority to subordinates without losing control.

9. **PERT and CPM Techniques**

Programme Evaluation and Review Technique (PERT) and Critical Path Method (CPM) techniques were developed in USA in the late 50's. Any programme consists of various activities and sub-activities. Successful completion of any activity depends upon doing the work in a given sequence and in a given time.

10. **Self-Control**

Self-Control means self-directed control. A person is given freedom to set his own targets, evaluate his own performance and take corrective measures as and when required. Self-control is especially required for top level managers because they do not like external control.

The subordinates must be encouraged to use self-control because it is not good for the superior to control each and everything. However, self-control does not mean no control by the superiors. The superiors must control the important activities of the subordinates.

TYPES OF CONTROL

1. Feed-Forward Controls

Feed forward controls are future-directed: they attempt to detect and anticipate problems or deviations from the standards in advance of their occurrence (at various points throughout the processes). They are in-process controls and are much more active, aggressive in nature, allowing corrective action to be taken in advance of the problem.

Feed forward controls thus anticipate problems and permit action to be taken before a problem actually arises.

Feed forward control devices are of two broad categories: diagnostic and therapeutic.

Diagnostic controls seek to determine what deviation is taking (or has taken) place. The sales manager, for instance, who receives the monthly sales figures (showing sales quota results) is virtually working with a diagnostic control device. It will no doubt indicate deviations from the acceptable standard (i.e., what is wrong) but not why. Discovering the 'why' is often the most difficult part of the process.

Therapeutic controls tell us both what and why, and then proceed to take corrective action. For example, engines having internal control system such as an engine speed governor and automatic transmission are designed to take necessary corrective actions when warranted by the conditions.

An example of utilisation of such control can be found in case of a manager who conducts employee training using the coaching method. When, for instance, the trainee is performing the task, the manager observes him closely by standing on his side. The objective is to discover if any deviations from the intended processes take place.

In case a deviation occurs, the manager observes it, diagnoses the reason for the incorrect technique, and corrects the deviation immediately (i.e., without any loss of time). Thus the control and correction take place during the process itself, not after a few days.

2. Concurrent (Prevention) Control

Concurrent control, also called steering control because it allows people to act on a process or activity while it is proceeding, not after it is proceeding, nor after it is completed. Corrections and adjustments can be made as and when the need a rises. Such controls focus on establishing conditions that will make it difficult or impossible for deviations from norms to occur.

An example of concurrent control is the development by companies of job descriptions and job specifications. It may be recalled that job description identifies the job that has to be done, thus clarifying working relationships, responsibility areas, and authority relationships. It thus assists in preventing unnecessary duplication of effort (work) and potential organisational conflict.

In a like manner job specification identifies the abilities, training, education and characteristics needed of an employee to do the work. It is control device inasmuch as it works to prevent a person who is totally unqualified and unfit from being selected for the job, thereby saving money and time, and thus precluding potential poor performance.

3. Feedback Controls

Feedback control is future-oriented. It is historical in nature and is also known as post-action control. The implication is that the measured activity has already occurred, and it is impossible to go back and correct performance to bring it up to standard. Rather, corrections must occur after the act.

Such post-action controls focus on the end results of the process. The information derived is not utilised for corrective action on a project because it has already been completed. Such control provides information for a manager to examine and apply to future activities which are similar to the present one. The basic objective is to help prevent mistakes in the future.

CONTROLLING PROCESS IN BUSINESS MANAGEMENT

1. Setting Performance Standards

The first step in the process of controlling is concerned with setting performance standards. These standards are the basis for measuring the actual performance.

Thus, standards act as a lighthouse that warns & guides the ships at sea. Standards are the benchmarks towards which efforts of entire organization are directed. These standards can be expressed both in quantitative and qualitative terms.

Examples of Quantitative Standards:

- Revenue to be earned.

- Units to be produced and sold.

- Cost to be incurred.

- Time to be spent in performing a task.

- Amount of inventories to be maintained etc.

Examples of Qualitative Standards:

- Improving motivation level of employees.

- Improving labour relations.

- Improving quality of products.

- Improving goodwill etc.

2. Measurement of Actual Performance

Once the standards have been determined, the next step is to measure the actual performance. The various techniques for measuring are sample checking, performance reports, personal observation etc. However, in order to facilitate easy comparison, the performance should be measured on same basis that the standards have.

Following are some of the ways for measuring performance:

(a) Superior prepares a report regarding the performance of an employee.

(b) Various ratios like gross profit ratio, debtor turnover ratio, return on investment, current ratio etc. are calculated at periodic intervals to measure company's performance.

(c) Progress made in areas like marketing can be measured by considering the number of units, increase in market share etc.

(d) In small organisations, each unit produced can be checked personally to ensure the quality standards.

(e) In large organisation, the technique of sample checking is used. Under this technique, some pieces are checked at random for quality specifications.

3. Comparing Actual Performance with Standards

This step involves comparing the actual performance with standards laid down in order to find the deviations. For example, performance of a salesman in terms of unit sold in a week can be easily measured against the standard output for the week.

4. Analysing Deviations

Some deviations are possible in all the activities. However, the deviation in the important areas of business needs to be corrected more urgently as compared to deviation in insignificant areas. Management should use critical point control and management by exception in such areas.

5. Taking Corrective Action

The last step in the process of controlling involves taking corrective action. If the deviations are within acceptable limits, no corrective measure is required. However, if the deviations exceed acceptable limits, they should be immediately brought to the notice of the management for taking corrective measures, especially in the important areas.

COORDINATION, Nature, Importance, Types, Principles, Limitations.

The purpose of organising, division of work, departmentation, span of management, centralisation and decentralisation, delegation of authority and organisation structure is to optimally achieve the organisational goals. This is possible if departments of the organisation are co-ordinated in a unified direction.

Once the activities of the organisation are broken into smaller units which are re-grouped into departments (on the basis of similarity of features), managers need to coordinate the activities of these departments by communicating organisational goals to each department, setting departmental goals and linking the performance of each department with others so that all the departments collectively contribute towards the organisational goals. Coordination is "the process of linking the activities of various departments of the organisation."

It is "the process of integrating the objectives and activities of the separate units (departments or functional areas) of an organisation in order to achieve organisational goals efficiently."

Coordination is "integration of the activities of individuals and units into a concerted effort that works towards a common aim." — Pearce and Robinson

Co-ordination maintains unity of action amongst individuals and departments. Absence of co-ordination will result in sub-optimal attainment of goals. In extreme situations, it may result in losses and liquidation of companies.

Co-ordination harmonizes and balances conflicting opinions of individuals and departments, promotes group effort and directs their movement in a unified direction — the organisational goal. For example, if production department does not coordinate its activities with the sales department, production may be more or less than the required sales.

FEATURES / NATURE OF COORDINATION:

Coordination has the following features:

1. **Group effort:**

Coordination integrates the efforts of individuals and departments to make them work as a group. The group works to maximise group goals as well as organisational goals. It ensures that individuals work as a group to promote their individual and organisational goals.

2. **Unity of action:**

Every individual and department has his own perspective or way of achieving the organisational goals. Coordination ensures unity of action amongst individual and departmental activities. It ensures that activities of each individual, group and department are headed towards the common goal. All activities should be performed within the framework of policies, procedures etc.

3. **Common goal:**

Each individual and department strives to maximise its goal. Maximisation of departmental goals at the cost of organisational goals can be harmful for the organisation. Coordination maintains balance amongst individual, departmental and organisational goals. It ensures that resources and tasks are assigned to individuals and departments in a manner that working of one department promotes the working of other departments.

All individuals, groups and departments should have a common purpose, that is, achieve the organisational goals. Sales department, for example, may want to increase expenditure on advertisement to increase sales. Finance department, however, may not release funds for advertisement to control financial costs. Coordination harmonizes conflicting departmental goals towards a common goal, that is, goal of the organisation.

4. **Continuous process**:

Coordination is not a one-time attempt to integrate the individual goals. It is a continuous process that keeps going as long as the organisation survives.

5. **Managerial responsibility:**

Co-ordination is the responsibility of every manager at every level for every operative function (production, finance, personnel and sales). All managers continuously coordinate the efforts of people of their respective departments.

6. **Essence of management:**

Coordination is not a separate function of management. It is required for every managerial function. Managers coordinate human and non-human resources, internal and external organisational environment, while carrying out the managerial functions of planning, organising, staffing, directing and controlling. Coordination is, thus, the 'essence of management.'

7. **Synthesis of efforts:**

Coordination integrates and synthesizes the efforts of people of all departments at all levels towards common organisational goals. It also synthesizes the organisational resources (physical, human and financial) to collectively contribute to organisational goals.

8. **Necessary obligation:**

Coordination is not something that managers may or may not strive for. All managers (also non-managers) must direct their efforts towards a common goal, considering this as their necessary obligation. It is an inevitable area of management.

9. **Deliberate effort:**

Coordination is not a spontaneous effort of managers. Managers make deliberate efforts to coordinate the departmental activities.

IMPORTANCE/NEED FOR COORDINATION:

The need for coordination arises because individuals and departments have different goals. They depend on each other for resources and information. Managers continuously coordinate their activities to ensure that all individuals and departments use organisational resources and information for successful attainment of organisational goals.

Coordination results in the following benefits:

1. **Non-routine jobs:**

Non-routine jobs need constant flow of information, both vertical and horizontal. Unless there is proper coordination amongst these jobs, they cannot be performed efficiently. Coordination, thus, helps in effectively carrying out non-routine jobs.

2. **Dynamic activities:**

Organisations operate in the dynamic environment. Environmental changes have to be adopted by organisations for their survival and growth. Coordination helps in integrating activities which constantly change according to changes in the environment.

3. **Standards of performance:**

When standards of performance against which actual performance is to be measured are too high, managers coordinate the various business activities to ensure that high performance standards are achieved.

4. **Interdependence of activities:**

When different units of the organisation are dependent on each other for resources or information, there is great need for coordination amongst them. Greater the interdependence, greater is the need for coordination. According to Thompson, there are three types of interdependence: pooled, sequential and reciprocal interdependence.

In pooled interdependence, organisational performance depends upon pooled or combined performance of all the departments. This happens when different divisions make different products not dependent on each other.

The need for coordination is, therefore, minimum. In a diversified market, if a company manufactures textiles and electronic items (for instance, Reliance Industries), the performance of textile industry does not depend upon the performance of electronics industry and nor does the performance of electronics industry depend upon that of textile industry but the overall coordinated performance of both the industries affects the performance of Reliance Industries.

If the need arises, financial and human resources can be transferred from one unit/department to the other if it affects the overall performance of the industry. Losses in one industry can be compensated by transferring funds from the profit-making industry to the loss-making industry.

In sequential interdependence, performance of one unit depends upon that or another (marketing department depends upon production department to make sales). This requires coordination between production and sales departments.

In reciprocal interdependence, there is give and take relationship amongst units. If trucks have to be loaded at the assembly station and unloaded at the warehouse, there is need for pooled interdependence. The loaded trucks have to be unloaded at the warehouse and unloaded trucks have to come back in time for re-loading at the assembly station.

If there is lack of coordination in the speed at which the trucks move, there will be huge wastage of time which may even result in loss of orders in extreme situations. With increase in degree of interdependence from pooled to reciprocal, the need for coordination also increases.

5. **Specialisation:**

Specialisation leads to concentration on very narrow areas of job activity. Individuals tend to overlook overall perspective of the job. This requires coordination to direct all the activities towards a common goal.

6. **Growing organisation:**

In growing organisations, number of people and divisions become so large that it becomes difficult for top managers to coordinate the activities performed by all of them. Various techniques of coordination (rules, procedures, plans, goals, slack resources etc.) help in unifying diverse and multiple organisational/departmental activities towards the common goal.

Large organisations have large number of people with diverse perspectives. In contemporary organisations, there is workforce diversity. People come from different nations, cultures, educational background, needs, habits etc. In the first instance, people work so that they satisfy their individual goals.

Coordination aims to integrate individual goals with organisational goals so that both are satisfied. Satisfied employees work towards organisational goals with commitment, dedication and loyalty than unsatisfied employees. Coordination integrates individual goals with group goals and group goals with organisational goals.

7. **Promote group effort:**

In the absence of coordination, each individual and department will carry out their objectives in a manner that they perceive as the best. People tend to maximise their individual goals. This may, however, not be the best for the organisation as a whole.

Coordination helps in promoting group effort rather than individual effort for optimally achieving the organisational goals. It harmonizes individuals goals with organisational goals and satisfies individual goals through satisfaction of organisational goals.

8. **Unity of action:**

Organisations have diverse work force, thoughts, resources, goals, activities and skills. Coordination helps to unify these diverse set of actions towards a single goal and, thus, maximise their use.

9. **Synergy:**

Coordination facilitates the sum total of output of group to increase by more than the sum total of their individual output. It integrates work of different units and produces synergistic effects by increasing the overall organisational output.

Coordination between functional departments; production finance, personnel and marketing ensures optimum utilisation of physical, financial and human resources. Production department produces according to sales estimates, finance department releases funds accordingly and human resource department recruits people according to needs of different departments. Coordination ensures that facilities remain neither under-utilised nor over- utilised.

TYPES OF COORDINATION:

Coordination can be of the following types:

1. Internal and External Coordination, and

2. Vertical and Horizontal Coordination.

1. Internal and External Coordination:

Coordination between the activities of departments and people working within the organisation is known as internal coordination. Coordination between activities of the organisation with units outside the organisation (Government, customers, suppliers, competitors etc.) is known as external coordination.

Organisations are open system which continuously interacts with the environment through the input-output conversion process. They receive inputs from the environment, process them and give them back to the environment in the form of outputs. This cycle is repeated after receiving feedback from the environment about the acceptability of their products. This requires complete coordination between what environment expects from the organisation and what organisation expects from the environment, failing which, organisational survival can be in danger.

2. **Vertical and Horizontal Coordination:**

Both these types of coordination are the forms of internal coordination. Vertical coordination is achieved amongst activities of people working at different levels. It coordinates the activities of top managers with those of middle and lower level managers.

It is "the linking of activities at the top of the organisation with those at the middle and lower levels in order to achieve organisational goals." Vertical coordination can be achieved through span of management, centralisation, decentralisation and delegation.

Horizontal coordination is achieved amongst activities of different departments working at the same level. It is "the linking of activities across departments at similar levels. It links the activities of four primary departments — production, finance, personnel and sales".

The need for horizontal coordination arises when departments depend upon each other for information or products. When information is transacted across departments, departmental managers share their views on the same problem and arrive at innovative ideas and thoughts to deal with the situation. According to Jay R. Galbraith, "the more organisations need to process information in the course of producing their product or service, the more methods of horizontal coordination they will need to use".

Different methods of achieving horizontal coordination are slack resources, information systems and lateral relations:

1. Slack resources means maintaining a cushion of resources like buffer time, money, material, inventory, people etc. by each department.

2. Information systems facilitate exchange of information among units of the organisation. Computers have eased the work of transmitting information to different departments. Information systems facilitate effective coordination amongst departments.

3. Lateral relations refers to relations between peer groups of different departments whose interaction (through direct contact or liaison officer or work groups/teams) helps in arriving at solution to the problem. Lateral relations allow the information to be exchanged across the scalar chain rather than people placed at higher levels in the organisational hierarchy. These relations are "coordination of efforts through communicating and problem solving with peers in other departments or units, rather than referring most issues up the hierarchy for resolution."

<mark>**Lateral relations can be maintained in the following ways:**</mark>

(i) Direct contact:

Mostly prevalent at middle and lower levels, people of different departments directly communicate with each other to solve their organisational problems without involving the top managers. Coordination is, thus, achieved laterally without following the chain of command.

(ii) Liaison roles:

Rather than people of different departments solving their problems through direct contact, the problems are solved by a person who maintains direct contact with people of different departments. The person known as liaison officer, is a common link between the units or departments.

Though he does not have formal authority over the groups, he facilitates the flow of information and communication between them. He coordinates the efforts of diverse groups by dealing directly with departments where problems have arisen.

(iii) Task forces:

Where liaison officer cannot coordinate the activities of departments because the inter-departmental dependence is complex or because coordination has to be achieved amongst many departments, task forces are created to facilitate coordination.

A task force is a team of members from different departments (where the problem has arisen) who form a group and share information with respect to the problems of their respective departments. When solution to the problem is achieved, the task force is dissolved and members go back to their respective positions. Coordination amongst different departments is, thus, facilitated through task forces.

(iv) Committees:

Committees are formed to look into specific organisational problems which may be recurring in nature. A committee that looks into absenteeism, promotion and transfer of employees achieves coordination with respect to labour force, keeping it satisfied and committed towards organisational goals.

(v) Managerial integrators:

They are the specifically appointed managers who coordinate the products, projects or brands that involve inter-departmental dependence or interaction. They are usually product managers, project managers or brand managers.

PRINCIPLES OF COORDINATION:

Principles refer to fundamental truths on which an action is based.

The following principles help in achieving coordination:

1. **Unity of command:**

Unity of command means one boss for one subordinate. It will be difficult to achieve coordination if one individual has to report to more than one boss. Unity of command helps in coordinating the activities of individuals and departments.

2. **Early beginning:**

It follows the principle of earlier the better. Managers should initiate efforts to coordinate organisational activities right from the planning stage. If plans are implemented without coordination in mind, it will become difficult to coordinate the organisational activities at later stages.

Well begun is half done. Framing objectives and policies through participative decision-making are the strengths to achieve coordination. Participation allows members to know the importance of everyone in the organisation. It reduces conflicts, promotes commitment and harmony to create an environment conducive for coordinated efforts directed towards organisational goals.

3. **Scalar chain:**

It refers to chain or link between top managers and lower managers. It is the hierarchy of levels where information and instructions flow from top to bottom and suggestions and complaints flow from bottom to top. This chain facilitates coordination as top managers pass orders and instructions down the chain, necessary for subordinates to work efficiently.

Subordinates also pass upwards only those suggestions and complaints, which they feel should be brought to the notice of top managers through middle level managers. Passing of only

necessary information facilitates coordination amongst various levels. Scalar chain, thus, facilitates coordination.

4. **Continuity:**

Coordination is a continuous process. It must be continuously carried out at all levels in every department. It starts the moment an organisation comes into existence and continues till the organisation exists. Coordination is not an option. It is the inevitable force that binds organisational members and resources together and, thus, is the backbone of organisational success.

5. **Span of management:**

It refers to the number of subordinates that a manager can manage effectively. It is important to place only as many subordinates under the direction of one manager as can be effectively managed by him. It affects the manager's ability to coordinate the activities of subordinates working under him. Large number of subordinates under one manager can make coordination difficult.

6. **Direct contact:**

Direct or personal contact between managers and subordinates can achieve better coordination than indirect or impersonal contact. Face-to-face interaction amongst people of different levels or same level in different departments promotes understanding of information and thoughts. This facilitates effective communication and mutual understanding and through it, effective coordination.

7. **Reciprocity:**

It refers to interdependence of activities. Production and sales department, for example, are inter-dependent. The more one sells, the more one needs to produce. The more one produces, the more one attempts to sell what is produced.

The nature and extent to which organisational activities are dependent on each other are considered by managers when they initiate to coordinate the organisational activities. More the inter-dependence amongst organisational activities, more is the need for coordination amongst them.

8. **Dynamism:**

There are no fixed and rigid rules for coordination. Changes in organisational environment necessitate changes in the techniques of coordination. It is, thus, a dynamic and not a static concept.

Limitations in Achieving Coordination:

There are some limitations also in achieving effective coordination

Some of these are discussed below:

1. **Increased specialisation:**

Though specialisation helps to increase organisational productivity, it also creates the problem of coordination. According to Paul R. Lawrence and Jay W. Lorsch, "people in specialised units tend to develop their own sense of the organisation's goals and how to pursue them." Higher the degree of specialisation, therefore, more difficult it is to coordinate the activities.

2. **High interdependence amongst units:**

Higher the degree of dependence of one unit on the other, greater is the need for coordination and more difficult it is to coordinate. Achieving coordination of units/activities with reciprocal interdependence is more complex than for activities with pooled interdependence.

Pooled interdependence:

Performance of one unit does not depend on the other, but overall performance of each unit affects the performance of the organisation as a whole. Thus, organisational performance depends upon pooled or combined performance of each unit or department of the organisation.

For example, an organisation is structured on the basis of products. Each product division has functional heads to look after activities related to its product. Success of one product division does not depend upon the other, but the overall performance of the organisation depends upon how successfully each product division operates its activities.

Reciprocal interdependence:

Where there is give and take relationship between different units, it is known as reciprocal interdependence. Loading the trucks for shipment, unloaded trucks coming back for reloading for further shipment is a two-way flow of activities between different units and a form of reciprocal interdependence.

3. **Different approach towards the same problem:**

If different departments look at the same problem in different ways, there will be problem of coordinating their activities. If a company wants to increase profits; production department may want to improve the quality of goods, while sales department may want to improve advertisement to increase the sale.

Finance department may aim at cost control as the means of increasing the profits. Since each department has different perception about the way organisational profits can be increased, top managers find it difficult to coordinate conflicting opinions of different functional heads.

4. **Uncertainty about future:**

Howsoever skilled and competent may the managers be in coordinating the activities of different units, changes in environmental factors can make coordination difficult. Unprecedented changes can result in failure of plans making coordination difficult. Internal uncertainties like strikes and lockouts also make coordination difficult.

5. **Lack of skill:**

Even in certain situations, where work flows smoothly, coordination becomes a problem if managers do not have the knowledge, skill and competence to coordinate. Coordination makes use of behavioural skills in dealing with people. Managers with autocratic style of leading can face problems in coordinating the efforts of their work force.

6. **Informal groups:**

Informal groups which are strongly bonded by forces of culture, social values and ethics can affect the ability of highly skilled managers to coordinate organisational activities.

CHANGE MANAGEMENT

Change management (sometimes abbreviated as CM) is a collective term for all approaches to prepare, support, and help individuals, teams, and organizations in making organizational change. Drivers of change may include the ongoing evolution of technology, internal reviews of processes, crisis response, customer demand changes, competitive pressure, acquisitions and mergers, and organizational restructuring. It includes methods that redirect or redefine the use of resources, business process, budget allocations, or other modes of operation that significantly change a company or organization. Organizational change management (OCM) considers the full organization and what needs to change, while change management may be used solely to refer to how people and teams are affected by such organizational transition. It deals with many different disciplines, from behavioral and social sciences to information technology and business solutions.

Reasons for change

Globalization and constant innovation of technology result in a constantly evolving business environment. Phenomena such as social media and mobile adaptability have revolutionized business and the effect of this is an ever-increasing need for change, and therefore change management. The growth in technology also has a secondary effect of increasing the availability and therefore accountability of knowledge.

Easily accessible information has resulted in unprecedented scrutiny from stockholders and the media and pressure on management. With the business environment experiencing so much change, organizations must then learn to become comfortable with change as well.

Therefore, the ability to manage and adapt to organizational change is an essential ability required in the workplace today. However, major and rapid organizational change is profoundly difficult because the structure, culture, and routines of organizations often reflect a persistent and difficult-to-remove "imprint" of past periods, which are resistant to radical change even as the current environment of the organization changes rapidly.

Due to the growth of technology, modern organizational change is largely motivated by exterior innovations rather than internal factors. When these developments occur, the organizations that adapt quickest create a competitive advantage for themselves, while the companies that refuse to change get left behind. This can result in drastic profit and/or market share losses. Organizational change directly affects all departments and employees. The entire company must learn how to handle changes to the organization. The effectiveness of change management can have a strong positive or negative impact on employee morale.

EIGHT-STEP CHANGE MANAGEMENT PROCESS

Step 1: Urgency Creation

A change is only successful if the whole company really wants it. If you are planning to make a change, then you need to make others want it. You can create urgency around what you want to change and create hype.

This will make your idea well received when you start your initiative. Use statistics and visual presentations to convey why the change should take place and how the company and employees can be at advantage.

Step 2: Build a Team

If your convincing is strong, you will win a lot of people in favour of change. You can now build a team to carry out the change from the people, who support you. Since changing is your idea, make sure you lead the team.

Organize your team structure and assign responsibilities to the team members. Make them feel that they are important within the team.

Step 3: Create a Vision

When a change takes place, having a vision is a must. The vision makes everything clear to everyone. When you have a clear vision, your team members know why they are working on the change initiative and rest of the staff know why your team is doing the change.

If you are facing difficulties coming up with a vision, read chapter one (Mission and Values) of WINNING, by Jack Welch.

Step 4: Communication of Vision

Deriving the vision is not just enough for you to implement the change. You need to communicate your vision across the company.

This communication should take place frequently and at important forums. Get the influential people in the company to endorse your effort. Use every chance to communicate your vision; this could be a board meeting or just talking over the lunch.

Step 5: Removing Obstacles

No change takes place without obstacles. Once you communicate your vision, you will only be able to get the support of a fraction of the staff. Always, there are people, who resist the change.

Sometimes, there are processes and procedures that resist the change too! Always watch out for obstacles and remove them as soon as they appear. This will increase the morale of your team as well the rest of the staff.

Step 6: Go for Quick Wins

Quick wins are the best way to keep the momentum going. By quick wins, your team will have a great satisfaction and the company will immediately see the advantages of your change initiative.

Every now and then, produce a quick win for different stakeholders, who get affected by the change process. But always remember to keep the eye on the long-term goals as well.

Step 7: Let the Change Mature

Many change initiatives fail due to early declaration of victory. If you haven't implemented the change 100% by the time you declare the victory, people will be dissatisfied when they see the gaps.

Therefore, complete the change process 100% and let it be there for sometime. Let it have its own time to get integrated to the people's lives and organizational processes before you say it 'over.'

Step 8: Integrate the Change

Use mechanisms to integrate the change into people's daily life and corporate culture. Have a continuous monitoring mechanism in place in order to monitor whether every aspect of the change taking place in the organization. When you see noncompliance, act immediately.

Change Management Foundation and Model

The Change Management Foundation is shaped like a pyramid with project management managing technical aspects and people implementing change at the base and leadership setting the direction at the top. The Change Management Model consists of four stages:

- Determine Need for Change

- Prepare & Plan for Change

- Implement the Change

- Sustain the Change

The Prosci ADKAR Model

The Prosci ADKAR Model is an individual change framework created by Jeff Hiatt. ADKAR is an acronym that represents the five building blocks of successful change for an individual:

- Awareness of the need for change

- Desire to participate and support in the change

- Knowledge of what to do during and after the change

- Ability to realize or implement the change as required

- Reinforcement to ensure the results of a change continue

Managing the change process

Although there are many types of organizational changes, the critical aspect is a company's ability to win the buy-in of their organization's employees on the change. Effectively managing organizational change is a four-step process:

- Recognizing the changes in the broader business environment

- Developing the necessary adjustments for their company's needs

- Training their employees on the appropriate changes

- Winning the support of the employees with the persuasiveness of the appropriate adjustments

Factors of successful change management

Successful change management is more likely to occur if the following are included:

- Define measurable stakeholder aims and create a business case for their achievement (which should be continuously updated)

- Monitor assumptions, risks, dependencies, costs, return on investment, dis-benefits and cultural issues

- Effective communication that informs various stakeholders of the reasons for the change (why?), the benefits of successful implementation (what is in it for us, and you) as well as the details of the change (when? where? who is involved? how much will it cost? etc.)

- Devise an effective education, training and/or skills upgrading scheme for the organization

- Counter resistance from the employees of companies and align them to overall strategic direction of the organization

- Provide personal counselling (if required) to alleviate any change-related fears

- Monitoring implementation and fine-tuning as and when required

RESISTANCE TO CHANGE

Change is basically a variation in pre-existing methods, customs, and conventions. Since all organizations function in dynamic environments, they constantly have to change themselves to succeed.

Change management contains several strategies that help in facilitating the smooth adoption of such changes.

One of the most important facets of change management is resistance to change. It is simply human nature to counteract any changes and maintain the status quo.

But since change is inevitable, instead of resisting changes the organization must try to implement them with minimum hassle.

Resistance to change may be either overt or implicit. For example, employees may react to a change in policies with outright rejection and protests.

They may even refrain from showing disapproval expressly, but they may do so implicitly by not accepting changes. Managers must understand these problems and help the employees adopt these changes smoothly.

Reasons for Resistance to Change

In order to facilitate transitions and changes, managers must first be able to identify the exact reason for resistance. Such resistance to change is common in all organizations. The following are some common reasons for this:

- People generally find it convenient to continue doing something as they have always been doing. Making them learn something new is difficult.

- Changes always bring about alterations in a person's duties, powers, and influence. Hence, the people to whom such changes will affect negatively will always resist.

- People who are adamant on maintaining customs instead of taking risks and doing new things will always resist changes. This can happen either due to their insecurities or lack of creativity and will.

Types of Resistance to Change

Resistance to change may be of the following three types:

1. **Logical resistance**

This kind of resistance basically arises from the time people genuinely take to adapt and adjust to changes. For example, when computers became common, accountants had to shift from accounting on paper to digital accounting. This naturally takes time to adapt to.

2. **Psychological resistance**

Under this category, the resistance occurs purely due to mental and psychological factors. Individuals often resist changes for reasons like fear of the unknown, less tolerance to change, dislike towards the management, etc.

3. **Sociological resistance**

This resistance relates not to individuals but rather to the common values and customs of groups. Individuals may be willing to change but will not due to peer pressure from the group they are members of. For example, if a workers' union protests against new management policies, all workers face pressure to protest together.

Overcoming Resistance

While change will almost always face resistance, it is certainly possible to overcome it. Managers must strive to help their employees adjust to changes and facilitate new variations in functioning.

Firstly, managers must be able to convince workers that the changes they are proposing are necessary. They should show how the workers and the organization itself will benefit from these changes.

Secondly, the management can keep the following considerations in mind to implement changes smoothly:

- Changes should not happen in one go because it is easier to implement them in stages.

- Changes should never cause security problems for the workers.

- Managers must consider the opinions of all employees on whom the proposed change will have an effect.

- If managers portray leadership by first adapting to the changes themselves, employees are less likely to resist.

- Sufficient prior training of employees can help them accept changes with confidence.

Importance of Participation

It is always a good idea to encourage the participation of employees when managers plan for changes. Since changes are meant for the employees, they must have a say in the planning process. Such participation will make them less likely to resist the implementation of changes.

The management can organize small informal meetings or conferences with the employees for this. Managers should explain all the relevant details of the proposed changes. Employees must be encouraged to offer their opinions as well.

Theories of Change Management

Kotter's change management theory

Kotter's change management theory is one of the most popular and adopted ones in the world. This theory has been devised by John P. Kotter, who is a Harvard Business School Professor and author of several books based on change management. This change management theory of his is divided into eight stages where each one of them focuses on a key principle that is associated with the response of people to change.

STAGES

- **Increase urgency**: This step involves creating a sense of urgency among the people so as to motivate them to move forward towards objectives.

- **Build the team**: This step of Kotter's change management theory is associated with getting the right people on the team by selecting a mix of skills, knowledge and commitment.

- **Get the vision correct**: This stage is related to creating the correct vision by taking into account, not the just strategy but also creativity, emotional connect and objectives.

- **Communicate**: Communication with people regarding change and its need is also an important part of the change management theory by Kotter.

- Get things moving: In order to get things moving or empower action, one needs to get support, remove the roadblocks and implement feedback in a constructive way.

- **Focus on short term goals**: Focusing on short term goals and dividing the ultimate goal into small and achievable parts is a good way to achieve success without too much pressure.

- **Don't give up**: Persistence is the key to success, and it is important not to give up while the process of change management is going on, no matter how tough things may seem.

- **Incorporate change**: Besides managing change effectively, it is also important to reinforce it and make it a part of the workplace culture.

Benefits of this model

- This is a step-by-step model that is easy to follow and incorporate.

- The main idea behind it is to accept the change and prepare for it rather than changing itself.

NUDGE THEORY

Nudge Theory or Nudge is a concept that finds use in behavioral science, economics, and political theory but can be applied to change management in organizations and businesses as well. This theory is mainly credited to Cass R. Sunstein and Richard H. Thaler. Nudging someone or encouraging and inspiring them to change is the basic essence of this theory. Nudge theory is not only helpful in exploring and understanding existing influences but also explaining them to either eliminate them or change them to an extent where positives may begin to be derived.

It is important to note that there are many unhelpful 'nudges' around which can either be deliberate or may just be accidental. What this theory mainly seeks is to work upon the management as well as the understanding of the many influences on human behavior that lead to the changing people. It focuses on the design of choices which is responsible for directing our preferences and influencing the choices that we make. What this theory says is that choices must be designed in such a way that it can be aligned with the way people think and decide.

As compared to other theories, Nudge Theory is more sophisticated in its approach and is radically different from other ways of transitioning. This theory eliminates traditional change

methods like punishment enforcement and direct instructions. One of the main benefits of this theory is that it takes into account the difference in feelings, opinions, and knowledge of people and also considers the reality of the situation as well as the characteristics of human nature and behavior. It thus minimizes resistance from employees of a company and is very well applied in several industries.

BRIDGES' TRANSITION MODEL

Bridges' transition model was developed by William Bridges who is a change consultant, and this theory came into the eye of the public after it was published in the book "Managing transitions". The specialty of this model or theory is that it concentrates and focusses upon transition and not change as such. The difference between transition and change may be subtle, but it is important to understand it. Where transition on one hand is internal, change on the other is something that happens to people, even when they don't realize it. Transition is something that happens to people when they are going through the change. Change can be instant, transition may take time.

The model focuses on three main stages that are given as follows:

- **The Neutral Zone**: This is the stage of uncertainty, impatience, and confusion. This stage can be considered as the bridge between the old and the new when people are still attached to the old but trying to adapt to the new. This stage is associated with low morale and reduced productivity, and one may experience anxiety and skepticism as well when going through this stage. But despite this, the neutral zone may also include innovation, renewal and a burst of creativity.

- **Ending, Losing, and Letting Go**: When people are first introduced to change, they may enter this first stage that is marked with resistance and emotional discomfort. Some of the emotions experienced at this stage include fear, resentment, anger, denial, sadness, frustration and most of all-disorientation. One has to realize that he/she is coming near to a certain end so as to accept new beginnings.

- **The New Beginning**: When the neutral phase is passed through support and guidance, the stage of acceptance and energy enters the picture. At this level, people begin to embrace the change and understand its importance. They are beginning to build the skills needed to reach the new goals and may start to experience benefits of the change already. It is associated with high levels of energy, new commitment and a zest to learn.

KÜBLER-ROSS FIVE STAGE MODEL

The Kübler-Ross five stage model was developed by Elisabeth Kübler-Ross after she pursued her research on the dying and death. This model is also thus known as the Grief Model as it talks about the various emotional states and stages a person goes through when he/she discovers that he/she may be nearing their end. The model can also be applied to other life situations such as loss of job, changes in work and other less serious health conditions. The model helps to understand and deal with personal trauma and has been widely accepted worldwide. The following are the various stages that are associated with the Kübler-Ross model:

Anger: When the news actually gets absorbed, then the first reaction is usually that of anger. The denial converts into anger when one realizes that the change will actually affect them and is for real. One starts looking for someone to blame during this stage. For different people, there can be different ways of directing anger.

Denial: Denial is the first stage of the model and is a stage when one is unable to accept the news. It is like a buffer or defense that a person tends to create due to the inability to absorb the news. One may experience shock as well as a sense of numbness during this stage and this happens because every person shows resistance towards change and may not want to believe what is happening.

Bargaining: The next step or stage involves bargaining so as to avail the best possible solution out of the situation or circumstance. Bargaining is a way for people to avoid ending up with the worst-case scenario and is a natural reaction to avoid the extreme change.

Depression: When one realizes that bargaining isn't working, he/she may end up getting depressed and may lose all faith. This is the phase when one is not bothered by anything and moves into a sad and hopeless state of mind. There are many ways to observe or identify depression and some of them include low energy, non-commitment, low motivation and lack of any kind of excitement or happiness.

Acceptance: When one realizes that there is no point in being depressed or fighting change, he/she may finally accept what is happening and may begin to resign to it. There are different ways in people handle this stage. While some may begin to explore the options left with them to make the most of the situation, others may just feel that no option is left for them and may just resign to destiny.

STEPS IN CHANGE MANAGEMENT

Change management is fundamentally about successfully guiding people through a behavior change.

Change management is a collection of activities intended to support groups, organizations and individuals during business transitions. These transitions include changes to new business models, technologies or procedures. When businesses change the way they function, the success of the change is reliant on how well its members adopt the new practices. While it's primarily a way to support the human portion of the change, change management also involves reallocating resources and assisting with the implementation of new technologies. When businesses identify a need for change management, they may organize a team or hire a consultant.

Principles of change management:

- Goal identification

- Organization

- Collaboration and communication

- Implementation

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STRESS MANAGEMENT concepts and Benefits

Stress management is a wide spectrum of techniques and psychotherapies aimed at controlling a person's level of stress, especially chronic stress, usually for the purpose of and for the motive of improving everyday functioning. In this context, the term 'stress' refers only to a stress with significant negative consequences, or distress in the terminology advocated by Hans Selye, rather than what he calls eustress, a stress whose consequences are helpful or otherwise

Stress produces numerous physical and mental symptoms which vary according to each individual's situational factors. These can include physical health decline as well as depression. The process of stress management is named as one of the keys to a happy and successful life in modern society. Although life provides numerous demands that can prove difficult to handle, stress management provides a number of ways to manage anxiety and maintain overall well-being.

Despite stress often being thought of as a subjective experience, levels of stress are readily measurable, using various physiological tests, similar to those used in polygraphs.

Many practical stress management techniques are available, some are used by health professionals and others, for self-help, which may help an individual reduce their levels of stress, provide positive feelings of control over one's life and promote general well-being. Other stress reducing techniques involve adding a daily exercise routine, spending quality time with family and pets, meditation, finding a hobby, writing your thoughts, feelings, and moods down and also speaking with a trusted one about what is bothering you.

It is very important to keep in mind that not all techniques are going to work the same for everyone, that is why trying different stress managing techniques is crucial in order to find what techniques work best for you.

An example of this would be, two people on a roller coaster one can be screaming grabbing on to the bar while the other could be laughing while their hands are up in the air (Nisson). This is a perfect example of how stress effects everyone differently that is why they might need a different treatment. These techniques do not require doctor's approval but seeing if a doctors technique works better for you is also very important.

Evaluating the effectiveness of various stress management techniques can be difficult, as limited research currently exists. Consequently, the amount and quality of evidence for the various techniques varies widely. Some are accepted as effective treatments for use in psychotherapy, while others with less evidence favoring them are considered alternative therapies. Many professional organizations exist to promote and provide training in conventional or alternative therapies.

There are several models of stress management, each with distinctive explanations of mechanisms for controlling stress. Much more research is necessary to provide a better understanding of which mechanisms actually operate and are effective in practice.

Models

The generalized models are:

- The emergency response/fight-or-flight response by Walter Cannon

- General Adaptation Syndrome by Hans Selye

- Stress Model of Henry and Stephens

- Transactional (or cognitive) Stress Model / stress model of Lazarus after Lazarus

- Theory of resource conservation by Stevan Hobfoll

Transactional model

Transactional Model of Stress and Coping of Richard Lazarus

Richard Lazarus and Susan Folkman suggested in 1981 that stress can be thought of as resulting from an "imbalance between demands and resources" or as occurring when "pressure exceeds one's perceived ability to cope". Stress management was developed and premised on

the idea that stress is not a direct response to a stressor but rather one's resources and ability to cope mediate the stress response and are amenable to change, thus allowing stress to be controllable.

Among the many stressors mentioned by employees, these are the most common:

- Conflicts in company

- The way employees are treated by their bosses/supervisors or company

- Lack of job security

- Company policies

- Co-workers who don't do their fair share

- Unclear expectations

- Poor communication

- Not enough control over assignments

- Inadequate pay or benefits

- Urgent deadlines

- Too much work

- Long hours

- Uncomfortable physical conditions

- Relationship conflicts

- Co-workers making careless mistakes

- Dealing with rude customers

- Lack of co-operation

- How the company treats co-workers

In order to develop an effective stress management program, it is first necessary to identify the factors that are central to a person controlling his/her stress and to identify the intervention methods which effectively target these factors. Lazarus and Folkman's interpretation of stress focuses on the transaction between people and their external environment (known as the Transactional Model). The model contends that stress may not be a stressors if the person does not perceive the stressors as a threat but rather as positive or even challenging. Also, if the person possesses or can use adequate coping skills, then stress may not actually be a result or develop because of the stressors. The model proposes that people can be taught to manage their stress and cope with their stressors. They may learn to change their perspective of the

stressors and provide them with the ability and confidence to improve their lives and handle all of the types of stressors.

Health realization/innate health model

The health realization/innate health model of stress is also founded on the idea that stress does not necessarily follow the presence of a potential stressor. Instead of focusing on the individual's appraisal of so-called stressors in relation to his or her own coping skills (as the transactional model does), the health realization model focuses on the nature of thought, stating that it is ultimately a person's thought processes that determine the response to potentially stressful external circumstances. In this model, stress results from appraising oneself and one's circumstances through a mental filter of insecurity and negativity, whereas a feeling of well-being results from approaching the world with a "quiet mind".

This model proposes that helping stressed individuals understand the nature of thought especially providing them with the ability to recognize when they are in the grip of insecure thinking, disengage from it, and access natural positive feelings will reduce their stress.

11 Awesome Benefits of Importance of Stress Management in the Workplace

1. Enables you to motivate employees better

Stress affects the morale of employees and hence their performance in the workplace. It not only affects the individual but the business also. Stress demotivates your employees which causes an increase in absenteeism and employee turnover. By using good stress management skills you can boost your employee morale which motivates and keeps them focused on their jobs and performance.

2. Improves productivity in a stressful situation

When the employee morale is high and remains intact with the workplace relationship. It improves employee productivity. By using good stress management skills, there will be very little chance of customer complaints or poor decision making even in the most stressful situations.

3. Enables you to lead people in tough times

When employees feel stress they look to you for guidance and direction. Some of the employees may seek help from you by discussing their issues one to one. By using good stress management skills and identifying the stressful issues correctly, you will be able to lead in tough times.

4. Reduces chances of workplace conflicts

Conflict at the workplace is very common and occurs due to differences in opinions, personalities and increased levels of stress. It breaks the relationships and weakens the overall culture. However, effective stress management skills prevent such distractions, builds teamwork and make everyone's life easier.

5. Decreases chances of unethical issues

Unethical issues often rear its ugly head during the time of high stress. There have been times when people have used this practice for shortcut purposes. During that time people start to blame games and point fingers to others. However, good stress management skills provide ethics and stress seminars to reduce the chances of unethical practices.

6. Increases the chances of meeting deadlines

When stress increases employees become distracted depending upon the source of a stressor. As a result of which they don't perform up to the expected level and miss deadlines. However, good stress management skills help them to identify the stressors before they become an issue and ensure that business should run smoothly.

7. Improves communication process

When stress levels are high, there is a negative effect on communication. Employees won't discuss jobs between individuals. Instead, they look for managers to discuss company issues or problems. However, effective stress management skill helps to identify a problem and resolve it, which strengthens the communication process.

8. Helps to run the projects smoothly

Stress and management go together. While managing a project you never know when the vendor will delay or not supplies the input. These issues make it hard to reach a required deadline. Sometimes the employee of the project is given responsibility and requested to deal with stress and meeting the deadline.

9. Enables you to develop team

When employees feel stress they couldn't concentrate on their work. Also, there is no unity in the team. They feel irritated when some of the team members comments on them. A situation arises where an employee discusses his issues with you and seek help to resolve it. By handling stress as a tool and using effective stress management resources, you can build and unite the team.

10. Enables you to provide space to employees

When employees are engaged in work and continuously busy, they don't get time to take rest and relax which in turn creates stress. Use effective stress management skills and provide space to your employees so they can take a rest or a break. Allowing employees to take a breather at work helps them to regain their energy and reduce the effects of stress.

11. Helps in the performance appraisal of employees

Every employee has a different threshold of stress. Stress factors can be directly related to job performance. It also helps to judge how well employees work within the team. It is measurable also. Effective stress management skills help you to evaluate and do the performance appraisal of them.

Potential Source of Stress Environmental, Organizational and individual

There are 3 categories of Potential Sources of Stress mentioned as follows:

1. Environmental Stress

2. Organizational Stress

3. Individual Stress

Environmental Stress

Environmental uncertainty influences stress levels among employees in an organization. Changes in the business cycle crate economic uncertainties. Political uncertainties can be stress inducing. Technological uncertainty can cause stress because new innovations can make an employee's skills and experience obsolete in a very short period of time. Heat, Cold, Noise, Traffic, Pollution are the examples of Environmental Stress.

Types of Environmental Stressors

-   Major Disturbance Stressor

    o   Natural disasters

    o   Major life changes

    o   Tragic events

-   Climate Stressors

-   Chemical Stressors

-   Anthropogenic Stressors

    o   Crowds

    o   Excess and loud noise

    o   Changes to the natural environment

-   Energetic Stress

    o   Ionizing radiation (Ultraviolet, X-rays, gamma rays)

    o   Non-ionizing radiation (microwaves, radio waves, visible light)

-   Physical Environment Stressors

    o   Too much or not enough light

    o   Colors

    o   The location of items in your environment

- Ergonomic Stressors

    o Poor posture from work environments

    o Heavy labor or exercise

    o Intellectual stress

- Biological Stressors

    o Pathogens

    o Allergens

    o Illness

Organizational Stress

Stress can be caused by a wide variety of things. Positive stress may result in an increase in energy, enthusiasm, and motivation. Negative stress has more serious consequences. The common causes are organizational stressors and life stressors.

Organizational Stressors

Organizational stressors may relate to task demands, physical demands, role demands, or inter-personal demands.

1. Task demands are stressors associated with the specific task or job the person is performing. Some occupations are naturally more stressful than others.

2. Physical demands are stressors associated with the job setting. Environmental temperatures, poorly designed offices, and threats to health can lead to stress.

3. Role demands are stressors associated with a particular position in a group or organization. Examples are role ambiguity and the various role conflicts that people experience in groups.

4. Inter-personal demands are stressors associated with the characteristics of the relationships that confront people in organizations. Examples are group pressure, personality style, and leadership style.

Individual Stress

Stress can adversely affect an individual. Individual stress has direct consequences for organizations. The performance level declines and withdrawal behaviours such as absenteeism and turnover may occur if there is too much stress. People may exhibit poor attitudes when they are under too much stress. This affects their mental health and wellbeing as well as their physiological well-being.

Type A and Type B Personality Profiles

Type A individuals are extremely competitive and very devoted to work. They have a strong sense of timing and urgency. They are likely to be aggressive, impatient, and very work-oriented. It is because of these personality traits that a Type A person is more likely to experience stress than a Type B person.

The Type B individuals tend to be less competitive and less devoted to their work. They have a weaker sense of timing and urgency. The Type B person is less likely to experience stress than the Type A person. Few people are either purely Type A or purely Type B.

Causes of Stress and its effects

The causes of stress are found within the environment, the individual, and the interaction between the two. The stress experienced by a given individual is seldom traceable to a single source. Stress has become increasingly common in organizations, largely because individuals experience increased job complexity and increased economic pressures. In exploring the causes of stress it is important that a clear distinction be made between stress and the stressor (the source of the stress). It is confusing and technically incorrect to speak of a "stressful situation" as though anyone placed in that situation would experience stress. For purposes of analysis and understanding, stressors are divided into two classes:

- Those that lie within the individual, and

- Those that are a part of the external environment.

Causes of Stress

Stressors the word coined for causes of stress. Any situation, any event can be a potential cause of stress. The causes of stress vary from person to person and situation to situation. So to say, the causes of stress are relative to person time and situation.

The following are the causes of stress or stressors:

1. **Organizational Causes**

The organizational causes include the organizational structure, managerial leaderships, rules and regulations, extent of centralization and decentralization, type of communication, delegation of powers, number of employees in a room or hall working together etc. are the potential causes of stress at the organization level. Organization structure defines authority responsibility relationship, and decision making process. Excessive nature of centralized decisions and allowing participation of employees in decision making process cause stress.

Style of leadership adopted by the managers and executives of the organization also affect the mental balance of the employees and they fall a prey to stress. Some managers create fear in the minds of the employees that become a cause of stress. While democratic style eases the tension.

Rules and regulations also become the cause of stress. Bad and coercive rules and regulations and strict adherence to them by managers are the immediate cause of stress. More centralization of authority in one or few hands may also cause stress. Decentralization of authority relieves the employees from stress.

Type of communication adopted by the organization also causes stress. Effective communication is must for smooth working. Policies rules and regulations must be communicated to the employees. Lack of communication creates problems.

Delegation of authority is effected to get the work completed early and relieve the managers of their managerial burden. Some managers do not delegate their authority and want to work themselves. This increases their burden of work and they come under stress. The large number of employees working in a room also is a cause of stress. They can't concentrate on their work in a crowd and come under tension.

The nature of job is another potential cause of stress. Certain jobs are associated with stress. These jobs pose threat for timely performance. A pressure is created for their performance on time. Timely decisions are to be taken.

Some of the high strain jobs include those of telephone operators, assembly job workers, personal assistant and secretaries, busy executives etc. These jobs require higher level of performance within a short period of time such job performers work under strain. There are certain jobs need work for long hours and have to acquire new skills.

Long working hours put them under strain. There are certain jobs where high tone noise and terrible heat is involved and working environment is not that good. Such jobs put the workers under tension. Certain employees are overloaded with work and their superiors want early disposal of the work. This naturally puts the employee under stress.

In the organization various types and kinds of people are working. They have to achieve organizational goals unitedly. Hence cooperation of all is essential. But because of lack of interpersonal relationship among employees some do not receive social support from their partners. This attitude on the part of other employees put them under stress.

2. **Group Level Causes**

At workplace human beings are working. Human beings are social animals they live in groups. This group ideology holds good at workplace also. Employees have to work in groups. Certain jobs demand teamwork. Employees' behaviour is influenced by group. The group is also a potential cause of stress where there is lack of cohesiveness and social support. Working together in groups is essential at lower level of the organization.

Lack of this is a cause of stress. Workers when they work together and in groups they develop social relationships at the workplace. They get support from each other. Lack of social support becomes a cause of stress. The conflicts between groups also are a cause of stress because inter-department or intergroup conflicts increase the burden of work and cause strain.

3. **Individual Level Causes**

There are many reasons for causing stress to an individual. At the workplace when two superiors have assigned the work to the same individual simultaneously put him under stress. He will be under tension as to whose work is to be finished first. This is because of role conflict.

Another reason for stress for an individual is when the job responsibilities are not clearly defined. The types of personality also are the causes of stress to an individual. "Type A personality" individuals are workaholics; works speedily and exactly, don't rest, and don't enjoy life.

If they fail to achieve task, they come under stress. They suffer from high blood pressure and prone to heart attack. As against them, the individuals with "Type B personality" remain stress free comparatively. These individuals do not bother if work suffers, they take their own time to complete the task, and they enjoy life and take full rest. The change in job and job responsibilities because of promotion or transfer also put an individual under stress. Dual career is also a reason for stress.

4. **Domestic Level Causes**

Several changes are taking place nowadays. Joint family system has now broken. Modern approach to life has changed the life style of individuals. Everyone wants complete freedom. To run the family according to modern life style is becoming increasingly difficult.

Majority middle class people face the identity crisis. They want to lead sophisticated life style which the rich can afford. They suffer from financial crisis which becomes a major cause of worry and tension for them. Children's education, death of a spouse, purchase of new house, soaring prices, etc. are the causes of stress to an individual on domestic front.

5. **Other Causes**

Among other include economic, political and technological changes that are going on continuously. These are extra organizational but sometimes have negative effect on jobs. E.g. in India computerization in banks and government organization was opposed by the employees unions because they took it as a threat to their jobs.

In the similar manner the Narsinhan Committee's report on banking was also opposed. The changes in economic, political and technological front sometimes have potential threat to the jobs. These reasons put the employees under stress.

Age, health and education are also the factors causing stress. The employees above the age of 35 having less chances of promotion because of pyramidal structure of organizations put them under stress. Increasing age contributes to stress.

Health is another factor that gives strength to cope with stress. Unhealthy and sick employees cannot cope with stress. Education is yet another factor for stress. Highly educated, not getting promotion lives under tension. A well educated and understandable and matured person has more ability to cope up with stress.

Internal Stimuli for Stress

The internal sources of stress are complex and difficult to isolate. There are three internal sources of stress. Each of these internal influences on stress is considered separately, although they function in continual interaction.

(i) Inner Conflicts

For many people stress is a constant companion regardless of how favourable or unfavourable external conditions may be. Non-specific fears, anxiety and guilt feelings maintain the body in a state of readiness for emergency action on a continuing basis.

(ii) Perceptual Influences

Perception is influenced by a number of internal factors. Certainly people with inner conflicts sufficient to cause stress are more likely than self-confident people to perceive environmental conditions as threatening. Because the environment is presumed to be full of danger, evidences of danger are perceived everywhere. They are selectively perceived in exaggerated form.

(iii) Thresholds of Stress

The threshold of stress is not independent of the two factors just discussed. People who have few internal conflicts and a minimum of perceptual distortion can withstand external conflict and pressure that weaken personalities would find intolerable. People who have high thresholds for stress have high levels of resistance to it.

(iv) Motivational Level

People who are ambitious and highly motivated to achieve are more likely to experience stress than are those who are content with their career status. Persons whose self-expectations exceed their abilities and opportunities are especially stress prone.

Environmental Stressors

Environmental and internal conditions that lie beyond an individual's control are called environmental stressors. Such stressors can have a considerable impact on work performance and adjustment. We can organize environmental stressors into the following categories:

(i) Task Demands

Task demands are factors related to a person's job. They include the design of the individual's job, working conditions, and the physical work layout. Changes and lack of control are two of the most stressful demands people face at work. Change leads to uncertainty, a lack of predictability in a person's daily tasks and activities and may be caused by job insecurity related to difficult economic times.

Technology and technological innovation also create change and uncertainty for many employees, requiring adjustments in training, education and skill development.

Lack of control is a second major source of stress, especially in work environments that are difficult and psychologically demanding. The lack of control may be caused by inability to influence the timing of tasks and activities, to select tools or methods for accomplishing the work, to make decisions that influence work outcomes, or to exercise direct action to affect the work outcomes.

(ii) Role Demands

The social-psychological demands of the work environment may be every bit as stressful as task demands at work. Role demands relate to pressures placed on a person as a function of the particular role he or she plays in the organization. Role conflicts create expectations that may be hard to reconcile or satisfy. Role conflict results from inconsistent or incompatible expectations communicated to a person. The conflict may be an inter-role, intra-role or person-role conflict.

- Inter-role Conflict: is caused by conflicting expectations related to two separate roles, such as employee and parent. For example, the employee with a major sales presentation on Monday and a sick child at home is likely to experience inter-role conflict.

- Intra-role Conflict: is caused by conflicting expectations related to a single role, such as employee. For example, the manager who presses employees for both vary fast work and high-quality work may be viewed at some point as creating a conflict for employees.

- Person-role Conflict: Ethics violations are likely to cause person-role conflicts.

Employees expected to behave in ways that violate personal values, beliefs or principles experience conflict. The second major cause of role stress is role ambiguity. Role ambiguity is created when role expectations are not clearly understood and the employee is not sure what he or she is to do. Role ambiguity is the confusion a person experiences related to the expectations of others. Role ambiguity may be caused by not understanding what is expected, not knowing how to do it, or not knowing the result of failure to do it.

(iii) Inter-personal Demands

These are pressures created by other employees. Lack Stress of social support from colleagues and poor interpersonal relationships can cause considerable stress, especially among employees with a high social need. Abrasive personalities, sexual harassment and the leadership style in the organization are interpersonal demands for people at work.

- The Abrasive Person: May be an able and talented employee, but one who creates emotional waves that others at work must accommodate.

- Sexual Harassment: The vast majority of sexual harassment is directed at women in the workplace, creating a stressful working environment for the person being harassed, as well as for others.

- Leadership Styles: Whether authoritarian or participative, create stress for different personality types. Employees who feel secure with firm, directive leadership may be

anxious with an open, participative style. Those comfortable with participative leadership may feel restrained by a directive style.

(iv) Physical Demands

Non-work demands create stress for people, which carry over into the work environment or vice versa. Workers subject to family demands related to marriage, child rearing and parental care may create role conflicts or overloads that are difficult to manage. In addition to family demands, people have personal demands related to non-work organizational commitments such as churches and public service organizations. These demands become more or less stressful, depending on their compatibility with the person's work and family life and their capacity to provide alternative satisfactions for the person.

STRESS MANAGEMENT TECHNIQUES

5 Stress management techniques:

1. Get Rid of Unnecessary Stress

Stress is something that is going to come for each of us at different times and in different forms. While it is impossible to completely avoid it, there are a few things you can do to eliminate the amount of stress you are dealing with.

Don't be afraid to say no: Often times we feel like we have to always be available to help other people out. While it is important to be available for our loved ones, we have to remember to take care of ourselves, too. Saying no doesn't mean you are a bad person; you just have to keep yourself from having too much on your plate at one time.

Surround yourself with positive people: Negativity is contagious and if you are around people who are bringing you down, then it is time to find some new friends to spend your time with.

Be in control: Remembering that you are the one in control of your life and your decisions will help your whole perspective on the situation.

Don't overbook your life: Keep your schedule open for downtime. When children are small, they need naps to recharge during the day. Adults also need designated time during the day to relax and do what they want to do. Keep your schedule open for this to be a possibility for you.

Change the Situation

Sometimes we are faced with situations where we cannot control the amount of stress that is being thrown at us. There are, however, ways for us to alter the situation to make it easier for us to bear.

Don't bottle it up: Bottling up your emotions only leads to an explosion later on that could have been avoided if you had just spoken your mind and let your feelings be known. Voicing your

opinion and emotions will allow other people to help you conquer the stress you are dealing with.

Manage your time better: If you are running late on deadlines, you are going to be stressed out. Keep a planner and stay on top of your obligations and life will be much easier.

Be strong: If something is being done that you do not agree with or feel to be wrong, be assertive and strong and stand up for yourself.

Change Yourself

If you cannot change the situation, consider trying to change your mindset and position on the matter at hand. Once you change your mindset, you will be better able to navigate through the stressful situations you find yourself in.

Stay positive: When you are feeling stressed out, think about all of the positive things happening in your life. This will make the stress seem small and your blessings seem much bigger.

Consider the bigger picture: Having a better perspective on the whole situation is important as you are dealing with various things. If you won't remember this current situation a week or a year from now, then it is not worth your time to be overly stressed out.

Lower your expectations: We often have very high expectations for people in our lives, and when they can't live up to them, we get disappointed and down. Don't lower them too much, but also try not to hold people to expectations you can't live up to yourself. Remember everyone is human and we all make mistakes from time to time.

Accept Your Life

When dealing with situations such as the loss of a loved one or an unforeseen illness that strikes your household, there is no way to avoid the stress that comes along with it. Instead, the best way to move past it is to just accept the situation.

You can't control the uncontrollable Knowing there are things in life that we cannot avoid is imperative to living a stress-free life.

Have Fun and Love Your Life

A great way to handle stress is to increase your resistance to it. Making your life as happy and healthy as possible will leave little to no room for stress to creep in.

- Sleep, sleep, sleep: When you are losing sleep, your whole life can be thrown out of its normal routine. Maintain a good sleep schedule so you can keep anxiety, stress, and sadness to a minimum.

- Exercise daily: Getting your endorphins running and your body healthy will help you to feel more confident and more in control of your life.

- Be with others: Surround yourself with those whom you love and can be yourself around. These people are your rock and will help you when life gets hard.

Stress Management: Stress is obvious and employees have to adapt to stress in such a way that they are no longer aware of it. Companies can effectively manage stresses by removing the stressors that cause needless tension and job burnout. Other stress management strategies may keep employees "stress-fit," but they don't solve the fundamental causes of stress. Organizations manage stress by investigating the main causes of stress in their workplace. Another suggestion is to change the corporate culture and reward systems so they support a work-life balance and no longer reinforce dysfunctional workaholism. More generally, the most effective ways to remove workplace stressors is to empower employees so that they have more control over their work and work environment. Role-related stressors can be lessened by selecting and assigning employees to positions that match their capabilities. Noise and safety risks are stressful, so improving these conditions would minimize stress in the workplace. Workplace bullying can be minimized through clear guidelines of behaviour and feedback for those who infringe those standards.

Figure: Stress management strategies:

Mangers have important contribution in the identification and intervention of constant workplace stress. Lazarus (1991) has recognized three main strategies for reducing work-related stress. In the first strategy, managers can help their employees to cope up with workplace stress is changing the working conditions so that they are more favourable to effective coping. When barriers are removed such as work overload, environmental annoyances, isolation, and lack of autonomy, an environment is created in which an employee can perform better. The second strategy to reduce work-related stress is to facilitate the employee to improve his or her transaction with the environment. Managers should provide the worker with services such as an employee assistance program or links to stress management resources to help them work through the issues that hamper adequate appraisal of the situation. Moreover, such programs

will teach the employee how to utilize behavioural skills such as implementing a new diet, meditation techniques, and relaxation techniques in order to relieve the physical and psychological effects of stress. Usually, these programs will involve cognitive behavioural interventions (Long, 1988). The third strategy is to assist the employee recognizes the stressful relationship between the individual or group and the work setting (Lazarus, 1991) and developing a strategy to help reduce the tension in that affiliation.

To summarize, Stress is an adaptive reaction to a threatening situation that is perceived by person in work setting or in his life. Stressors are the causes of stress and include any environmental conditions that place a physical or emotional demand on the person. Stressors are found in the physical work environment, the employee's various life roles, interpersonal relations, and organizational activities and conditions. Conflicts between work and non-work obligations are a common source of worker stress. Workplace stress has dangerous consequences on the health of employees such as it can cause significant psychological and physiological problems. Workplace stress has been associated with the aetiology of physical disorders such as heart disease, hypoadrenia, immunosuppression, and chronic pain. Additionally, the psychological impact of workplace stress includes depression, persistent anxiety, pessimism, and resentment.

The impact of these symptoms on organizations is significant as these symptoms lead to antagonism in the workplace, low morale, interpersonal conflict, increased benefit expenses, decreased productivity, and increased absenteeism. To cope up with stressful situation, experts provide various stress management strategies. By providing the foundation for employees to prosper while also allowing employees to take responsibility for their stress related symptoms, organizations will find considerable improvement in productivity and an improved workplace dynamism. Some tactics directly remove superfluous stressors or remove employees from the stressful environment. Other strategies facilitate employees to modify their interpretation of the environment so that it is not viewed as a severe stressor. Wellness programs promote employees to develop better physical defences against stress experiences. Social support provides emotional, informational, and material resource support to safeguard the stress experience.

Detach Involvement Detachment is distancing oneself in order to gain perspective and to expand the context.

The degree of detachment or involvement which is most appropriate will vary during the coaching relationship. It will be for the coach to choose what is most appropriate.

Involvement is the ability to be both mentally and emotionally involved.

Mentally, to ascertain and clarify the facts presented by the client.

Emotionally, being aware of the client's feelings, which enables empathy, but also to be in touch with his or her own feelings.

Together, they give the coach a fuller grasp of the client's and their own reality.

A) The inter-personal relationship:

Detached involvement is an indispensable skill of in-depth coaching. It is a skill which can be learned and developed, both by the coach and the client.

Detached involvement ensures that the coach will be present to the client in the most effective way.

It facilitates non-attachment to outcome, which can be a challenging goal for many coaches.

When detached involvement is lacking, the coach's tendency will be to become over-involved with the client's story, perhaps lapse into mentoring, offering advice and strategies, and taking too much responsibility for the outcome.

B) The intra-personal relationship:

Who will be making this choice when you are the coach in question?

Where in your personality is your locus of decision-making, of making choices when you are coaching? Which part of you decides?

It is most likely to be the part or parts of you that normally run your life, known as your Primary Selves. Hal and Sidra Stone identified some of the selves in their book, "Embracing your Selves" (1988): the Pleaser, the Perfectionist, the Inner Critic and the Controller. We might add the Hard Worker and the Helper and the Victim to this list.

These sub-selves or sub-personalities sometimes act like the dominant members of a board of directors, who come to meetings with their own agenda and set of priorities based on their point of view. In such cases, the authority of the CEO may be absent or just ignored.

Another analogy would be a kingdom in which the rightful ruler is absent, and the kingdom is actually ruled by the barons. I call this situation the Empty Throne.

C) The inter-functional relationship:

To what extent is detached involvement applicable in the external coach's relationship with the organisation which has engaged him?

Over-involvement might lead the coach to major on pleasing the coachee's employer at the coachee's expense and at the expense of the coach's integrity.

Over-detachment might lead to the coach following their own agenda at the expense of their relationship with the corporate client.

 So, which part of you will be making these choices?

Our sub-personalities come with their own perspectives, their own priorities and make their choices accordingly.

In order to practice detached involvement successfully, you will need to consciously rise above the level of your sub-personalities and attain your center, your Conscious Self. If your sub-personalities are the musicians in the orchestra, your Conscious Self is the conductor of the orchestra.

In the previous three scenarios, the coach will need to discern from a clear and stable place.

So, what can we do to arrive at our center, our Conscious Self?

The applied psychology of Psycho-synthesis offers us a technique called the Dis-identifying and Identifying Exercise which helps us to dis-identify from the contents of our personality and connect with our deeper centre of identity, our Conscious Self, also known as our "I".

How do we know when we have attained our "I"?

We typically experience a greater calm, a degree of serenity and balance beyond the daily norm.

A place where clarity and sureness of choice is more available to us.

It is from this place that we can discern most clearly and choose the appropriate levels of detachment and involvement in all the interventions in our coaching practice.

When you practice detached involvement, you're both a participant and an observer of your life at the same time. You see all experiences as part of life's journey without judging them as being good or bad. You simply experience them and are in control of your responses to them. You're fully involved, but detached from the allure of outcomes.

So, how do you learn to practice detached involvement?

- Take nothing personally

- Make no assumptions

- Make as few judgments as possible

- Let go of the need to be right

- Let go of the need to control

- Be passionate about all of life's experiences, even the painful ones

- Give all you have, your true gifts, to whatever you're doing

- Detach from future potential results

Meaning Nature, Scope, and Importance of STRATEGIC MANAGEMENT

Strategic Management

Strategic Management is all about identification and description of the strategies that managers can carry so as to achieve better performance and a competitive advantage for their organization. An organization is said to have competitive advantage if its profitability is higher than the average profitability for all companies in its industry.

Strategic management can also be defined as a bundle of decisions and acts which a manager undertakes and which decides the result of the firm's performance. The manager must have a thorough knowledge and analysis of the general and competitive organizational environment so as to take right decisions. They should conduct a SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats), i.e., they should make best possible utilization of strengths, minimize the organizational weaknesses, make use of arising opportunities from the business environment and shouldn't ignore the threats.

Strategic management is nothing but planning for both predictable as well as unfeasible contingencies. It is applicable to both small as well as large organizations as even the smallest organization face competition and, by formulating and implementing appropriate strategies, they can attain sustainable competitive advantage.

It is a way in which strategists set the objectives and proceed about attaining them. It deals with making and implementing decisions about future direction of an organization. It helps us to identify the direction in which an organization is moving.

Strategic management is a continuous process that evaluates and controls the business and the industries in which an organization is involved; evaluates its competitors and sets goals and strategies to meet all existing and potential competitors; and then reevaluates strategies on a regular basis to determine how it has been implemented and whether it was successful or does it needs replacement.

Strategic Management gives a broader perspective to the employees of an organization and they can better understand how their job fits into the entire organizational plan and how it is co-related to other organizational members. It is nothing but the art of managing employees in a manner which maximizes the ability of achieving business objectives. The employees become more trustworthy, more committed and more satisfied as they can co-relate themselves very well with each organizational task. They can understand the reaction of environmental changes on the organization and the probable response of the organization with the help of strategic management. Thus the employees can judge the impact of such changes on their own job and can effectively face the changes. The managers and employees must do appropriate things in appropriate manner. They need to be both effective as well as efficient.

One of the major role of strategic management is to incorporate various functional areas of the organization completely, as well as, to ensure these functional areas harmonize and get

together well. Another role of strategic management is to keep a continuous eye on the goals and objectives of the organization.

NATURE AND SCOPE OF STRATEGIC MANAGEMENT

Strategic management is both an Art and science of formulating, implementing, and evaluating, cross-functional decisions that facilitate an organization to accomplish its objectives. The purpose of strategic management is to use and create new and different opportunities for future. The nature of Strategic Management is dissimilar form other facets of management as it demands awareness to the "**big picture**" and a rational assessment of the future options. It offers a strategic direction endorsed by the team and stakeholders, a clear business strategy and vision for the future, a method for accountability, and a structure for governance at the different levels, a logical framework to handle risk in order to guarantee business continuity, the capability to exploit opportunities and react to external change by taking ongoing strategic decisions.
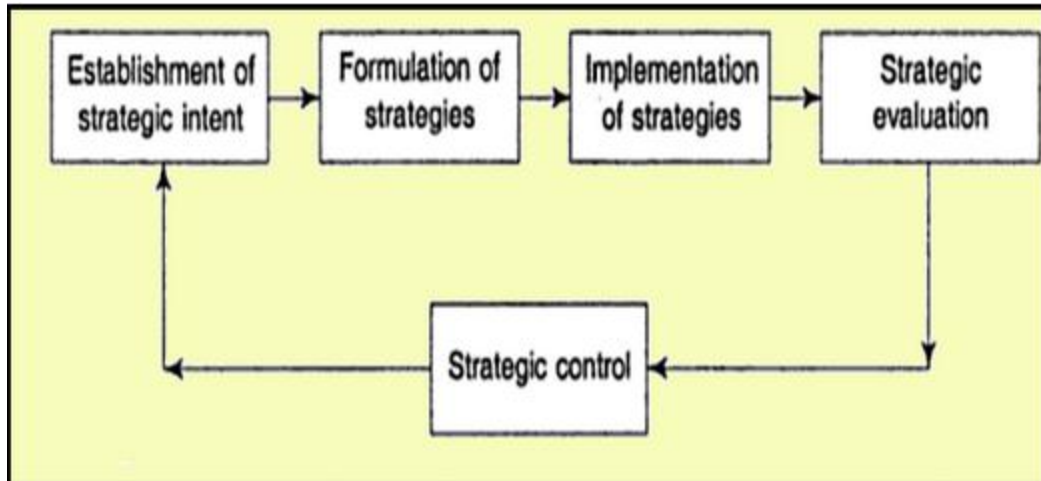
STRATEGIC MANAGEMENT PROCESS encompasses of three phases.

1. Establishing the hierarchy of strategic intent

2. Strategic formulation.

3. Implementation

4. Evaluation and control.

Strategy formulation comprises of developing a vision and mission, identifying an organization's external opportunities and threats, determining internal strengths and weaknesses, establishing long-term objectives, creating alternative strategies, and choosing particular strategies to follow.

Strategy implementation needs a company to ascertain annual objectives, formulate policies, stimulate employees, and assign resources so that formulated strategies can be implemented. Strategy implementation includes developing a strategy-supportive culture, creating an effective organizational structure, redirecting marketing efforts, preparing budgets, developing and utilizing information systems, and relating employee reward to organizational performance.

Strategy evaluation is the last stage in strategic management. Managers must know when particular strategies are not working well. Strategy evaluation is the main process for obtaining this information.

Figure: Phases of Strategic management process (Source: Azhar Kozami, 2002)

IMPORTANCE OF STRATEGIC MANAGEMENT

- Planning or designing a strategy involves a great deal of risk and resource assessment, ways to counter the risks, and effective utilization of resources all while trying to achieve a significant purpose.

- An organization is generally established with a goal in mind, and this goal defines the purpose for its existence. All of the work carried out by the organization revolves around this particular goal, and it has to align its internal resources and external environment in a way that the goal is achieved in rational expected time.

- Undoubtedly, since an organization is a big entity with probably a huge underlying investment, strategizing becomes a necessary factor for successful working internally, as well as to get feasible returns on the expended money.

- Strategic Management on a corporate level normally incorporates preparation for future opportunities, risks and market trends. This makes way for the firms to analyze, examine and execute administration in a manner that is most likely to achieve the set aims. As such, strategizing or planning must be covered as the deciding administration factor.

- Strategic Management and the role it plays in the accomplishments of firms has been a subject of thorough research and study for an extensive period of time now. Strategic Management in an organization ensures that goals are set, primary issues are outlined, time and resources are pivoted, functioning is consolidated, internal environment is set towards achieving the objectives, consequences and results are concurred upon, and the organization remains flexible towards any external changes.

- As more and more organizations have started to realize that strategic planning is the fundamental aspect in successfully assisting them through any sudden contingencies, either internally or externally, they have started to absorb strategy management starting from the most basic administration levels. In actuality, strategy management is the essence of an absolute administration plan. For large organizations, with a complex

organizational structure and extreme regimentation, strategizing is embedded at every tier.

- Apart from faster and effective decision making, pursuing opportunities and directing work, strategic management assists with cutting back costs, employee motivation and gratification, counteracting threats or better, converting these threats into opportunities, predicting probable market trends, and improving overall performance.

- Keeping in mind the long-term benefits to organizations, strategic planning drives them to focus on the internal environment, through encouraging and setting challenges for employees, helping them achieve personal as well as organizational objectives. At the same time, it is also ensured that external challenges are taken care of, adverse situations are tackled and threats are analyzed to turn them into probable opportunities.