

# Questions on theory and practice in management



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Q: What is the relationship between management theory and practice?

A: INTRODUCTION:

In this answer the relationship in between management theory & practice is clearly defined, starting with defining the meaning of management theory, later on the relation in between the two is highlighted followed by a critical review & conclusion.

WHAT IS MANAGEMENT THEORY?

Management theory is a lens that allows people to interpret modes of management, to identify a particular set of problems and to seek a variety of solutions to those problems. Management practices in different organisations depend on the theories that are applied either explicitly or implicitly (Soriano, 2009).

RELATION IN BETWEEN MANAGEMENT THEORY & PRACTICE

" Every living practioner is prisoner to the ideas of a dead theorist"(Mullins, 2007, p. 40). Management theory is a critical ingredient that helps in the production of knowledge, bringing transparency, accountability and accessibility to the research practice (Brownlie, 2007). Theories are perspectives with which people make sense of their world experiences. The relation between theory & practice is very important as without theoretical knowledge it is impossible to put the skills into practice and make the right decisions. Theory gives deep understanding and allows to view the problems from different perspectives which leads to decision-making & practice. In relation to the problems faced by organisations today, without understanding

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the basics of it, without knowing the case in depth, it becomes difficult to come to the right decision and solve the problem which causes the delays in decisions & results (Stoner et. al. 1995, pp. 31-2). Thus, Six Sigma - a system of practices evolving from best management theories was developed by Motorola in the 1980s to improve processes by eliminating 'defects' (Pande, 2007). It is therefore very important for people leading the organisations to have a good theoretical knowledge.

### CRITICAL REVIEW

As per a report in The Sunday Times (2009), in the last two decades, management theory, once rejected in Britain by both unions and management, has been deliberately implied on almost every aspect of commercial and public life (Billen, 2009). This act of blindly implying theories into practice is incorrect & moreover certain beneficial management practices are the ones not mentioned in management theories. As stated by Gary Hamel in "The Future of Management", several leading executives - including Sergey Brin and Larry Page (the "Google Guys") and John Mackey of Whole Foods Market, never went to business school & had no knowledge of management theories, still their management practices were successful (The Economist, 2007). In most of the organisations there appears a gap between theory and practice of management, this problem is attributed to converting research knowledge into practice & to solve this researchers propose a method of engaged scholarship in which researchers and practitioners coproduce knowledge that can advance theory and practice in a given domain (Ven et. al, 2006).

## CONCLUSION

In managing, as in any other field, unless practitioners try to learn by trial and error method, there is no place they can turn for meaningful guidance other than the knowledge underlying their practice; this knowledge is theory. Managers who attempt to manage without management theory must put their trust to luck, intuition, or what their experience in the past. A management who makes serious attempts to translate management theory into practice is bound to increase productivity more than a management which chooses to use the 'fire brigade' or trial and error approach(Weirich, 2004).

Q: Explain the main difficulties in studying personalities; how is this of importance to organisations?

A: INTRODUCTION:

In this answer, the difficulties in studying personalities are highlighted, by defining the meaning of personalities & mentioning the reasons for the difficulties. Later on, the importance of understanding personalities to organisations is mentioned followed by a conclusion.

MEANING OF PERSONALITY:

As per Webster's Dictionary Personality is derived from the latin word persona, which means 'mask' as in mask worn by actors on stage or 'role' as in one's role in life, so personality is 'essential character of a person.'  
(David Knights and hugh willmott, 2007, p. 80)

## **Difficulties in Studying Personalities:**

No two individuals have exactly the same personalities, as stated in The New York Times (2009)“ It is said that parents of one child believe that upbringing determines personality, but parents with two children believe in genetic tendencies. The evidence points to something more complex: genetic predispositions interact with circumstances to produce unique individuals” (Aamodt & Wang, 2009). So, studying personalities is a complex task as the techniques that are used to collect group data is questionable and the outcome that comes from it is inappropriate in understanding personalities because the richness and depth of an individual’s personality cannot be revealed in superficial pen and papers questionnaires. The personality cannot be understood outside an individual’s social context and has to be studied in the light of his/her own perceptions of the world. Moreover, the categories defined by psychologists to study personalities are quite narrow in depth and scope. We expect individual’s behaviour to be consistent or stable, however it might not be true everytime, for e. g if a person has taken drugs or is under great stress he will not behave as per his personality traits (Mullins, 2004).

## **Importance To Organisations:**

Those who manage or even aspire to manage organisations a vital part of their role is understanding human behaviour and psychology(Rollinson, 2005).“ Within the mainstream thinking and practice of management personality is seen as one of the most basic and fundamental features of an organisation”(David Knights and hugh willmott, 2007, p. 79). The study the personalities can help organisations in solving real problems that happen at

the place of work. By using personality & psychological research findings the organisations can hire better employees, decrease absenteeism, increase job satisfaction solve many other organisational problems related to work.

Understanding of personality is required in various organizational processes for e. g. Selection & Placement. As per Africa News(2005) personality is the key element organisations need to assess when recruiting people. Apart from such processes understanding personalities can help organisations in redesigning jobs to make them more meaningful and satisfying to the employees which in turn will lead to healthy and productive workforce.

An organisation should recognise and try to improve employee's personality and talent so that certain positive and encouraging traits can be developed in them which would lead to better work atmosphere and attainment of common aims and goals (Paul M. Muchinsky, 2001).

## **CONCLUSION**

It can thus be concluded that personality is a major factor that determines the success or failure of the individual but understanding personality is a complex process, so the organisations should be careful in selecting its employees by understanding their personalities & should also try & bring positive changes to their personalities for organisational success.

Q: In what ways can an understanding of motivation theory contribute to successful organizational working? Illustrate your key arguments with organizationally based examples.

A : INTRODUCTION

In this answer, the importance of understanding motivation theories for organisations is mentioned, with the help of surveys, organizationally based examples & press releases. In the beginning the different motivation theories are described in brief, followed by explanation of reasons for understanding them.

#### WHAT IS MOTIVATION & WHAT ARE THE DIFFERENT MOTIVATION THEORIES?

The term motivation derived from the Latin word ' movere', meaning to move(Kretiner, 1998). As per Robbins (1993) motivation is the willingness to put high levels of effort toward organizational goals, conditioned being the efforts should satisfy some individual need(Ramlall, 2004).

The first theory of motivation was developed by FW Taylor's & was called Scientific Management Theory. Taylor believed money was the only motivator and that there should be a ' carrot and stick' approach to motivate people. Those who worked hard should be rewarded, but those who didn't, penalties should be imposed. Other theorists felt that this was not always the way to get the best out of people(The Times 100, 2010, Motivation - how Egg unleashes the power of people).

So there other motivation theories got evolved namely Content theories attempt to explain those specific things that actually motivate the individual at work & Process theories that attempt to identify the relationship among the variables that make up motivation(Mullins, 2007).

## CONTENT THEORIES

1) Needs theories: Maslow's hierarchy of needs theory identifies five major basic needs: a) physiological, b) safety, c) love/affiliation, d) esteem, e) self-actualization. This theory provided organisations ways of motivating employees by devising programs aimed at satisfying unmet needs (Ramlall, 2004).

Champagne & McAfee (1989), cited ways for organisations to meet the needs of their employees: -Physiological: Vending machines, Drinking fountains; Safety: retirement benefits, solving grievances, Rest periods; Affiliation: creating team spirit, using periodic praise; Esteem: Encouraging participation, giving training; Self-actualization: Encouraging creativity, providing challenges.

LIMITATION: The level and type of employees need may vary, & fulfilling some needs might be really costly (Ramlall, 2004).

2) Herzberg's two-factor theory: As per Herzberg (1968) financial rewards do not always satisfy employees, as proposed by Taylor. This theory assumes that the absence of hygiene factors like salary, security, working conditions leads to demotivation amongst the employees whereas motivators like achievement, recognition, responsibility, nature of work leads to motivation (Quader & Quader, 2008). This theory teaches organisation that for an employee to be motivated, his job must be fully enriched where he has the opportunity for achievement and recognition (Ramlall, 2004).

LIMITATION: This theory can only be applied to manual workers & the theory is methodologically bound (Mullins, 2007).

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3) McClelland's Achievement motivation theory: McClelland's work originated from the relationship between hunger needs and the extent to which imagery of food dominated thought processes. McClelland saw the achievement need as the most critical need for the country's economic growth and success.

LIMITATION: The theory is generalised however, different people have different achievement needs(Mullins, 2007).

## **PROCESS THEORIES:**

1) Equity theory: Equity theory states that individuals are concerned not only with the absolute amount of rewards they receive for their efforts, but also with the relationship of this amount to what others receive. If they find any imbalance, tension is created & people can do many things to remove this inequity. Therefore organizations must develop reward systems that are fair and equitable for all the employees(Ramlall, 2004).

LIMITATION: It fails to specify what will people do to reduce the inequity/tension (Muchinsky, 2003).

2) Attribution theory: This theory suggests that behaviour is determined by a combination of perceived internal forces (skills, ability) and external forces(policies, weather)(Mullins, 2007).

LIMITATION: If an employee performs well but the manager thinks this was due to luck, the appropriate recognition/reward may not be given & employee will get demotivated.

3) Expectancy theory: As per this theory people are motivated to behave in ways that produce desired combinations of expected outcomes(Kreitner & Kinicki, 1999, p. 227).

This theory states that the task itself is key to employee motivation so organisations should follow job enrichment and job rotation to increase motivation.

LIMITATION: Expectancy models are not always easy to understand, or apply in actual management(Mullins, 2007).

4) Goal-setting theory : It says individuals are motivated by specific difficult goals & their behaviour revolves around the set goal(Gordon, 1996, p145). It helps organisations in gaining improved results as employees set specific goals directly related to their work(Mullins, 2007).

LIMITATION : If goals are set at a very high level to achieve, performance suffers, especially over a longer period(Mullins, 2007).

## **LITERATURE REVIEW:**

In the past theories of motivation a lot of importance was given to recognition factor of motivation & the only dependent variables were job satisfaction & performance. Later on, Significant advances were made in understanding how culture, characteristics of the job, and the person-organization fit influenced motivation. Earlier, motivation was restricted to research findings of North Americans. There were clashes amongst theorists that existed throughout much of the twentieth century & hence much of the

energy was spent on theory destruction rather than theory construction(Latham & Pinder, 2005).

## **WHY IS IT IMPORTANT TO UNDERSTAND THEORIES & MOTIVATE EMPLOYEES?**

Organisational investments in employee motivation create obligations on the employees to reciprocate in positive ways, which, in turn, result in better organisational performance(Lee & Bruvold, 2003). Moreover, motivation theory can “ go a long way towards helping us understand why people behave in the way they do. Armed with such knowledge, managers should be better placed to direct employee behaviour for the good of the organisation” (Hannagan, 2005, pp. 350-351).

As stated by Amer Zureikat, regional Manager, Bayt. com. in United Arab Emirates(2009), “ Organisations the world over are realising that successfully motivating staff on an ongoing basis is a fundamental element in building good rapport among staff, keeping staff loyal to the company and most of all maintaining optimal productivity levels of employees. This becomes even more crucial during these times of economic crisis, because news of job losses and an unstable future may serve to de-motivate employees significantly.”

## **MOTIVATION REDUCES ABSENTEEISM**

It is mentioned in The Irish Times that up to 50 to 80 per cent of an organisation’s total expenditure is on employees, even average absence levels can represent a serious expense in terms of reduced productivity and can reduce employee retention because of over-stretched staff. An initiative

to lower absenteeism makes financial sense to the organisation. This can be done only if the motivation theories are understood & put into practice(Madden, 2008).

## **MOTIVATION IMPROVES PRODUCTIVITY & PERFORMANCE:**

Georgopoulos et al.(1957) & Porter & Lawler(1967) found that employees for whom money was a motivator, performed better if more money was offered to them (Edwin A. Locke, 1970). West and Patterson suggest “ Where the level of satisfaction is generally high employees may be more motivated to engage in ‘ pro-social’ behaviours and make extra effort to help other departments and functions. ” Over thousands of instances of helping and motivating the employees show that it increases productivity and performance(Robin Fincham & Peter Rhodes, 2005, p. 232).

## **MOTIVATION IMPROVES TEAMWORK & CO-ORDINATION**

Certain gain-sharing programs, such as the Scanlon Plan, Improshare, or Rucker Plan, helps workers to get a share in productivity improvements. Such programs result in increased coordination, teamwork and knowledge sharing. They also contribute to better attainment of social needs, increased acceptance of change of technology and new methods. It causes more efficient management and planning, reduction of overtime for workers, increase in creativity and implementation of new ideas and more flexible labour and management relationship(Judith R Gordon, 1996).

## **CASE STUDY BLACK & DECKER:**

A new program “ Everyone Counts” based on employee’s social & self esteem needs as per the needs motivation theories was implemented at Black and Decker’s Household Products division in Shelton. “ Everyone Counts”, an employee incentive campaign, replaced the suggestion box and allowed teams of employees to provide cost saving, cost analysis and implementation suggestions. Thirty-nine teams were allowed to submit five ideas each in twelve weeks. One such idea is estimated to save the company over seven hundred dollars by substituting a new material in one of the product lines. “ Everyone counts” also improved communications with upper management, increased employee involvement and allowed more centralisation of the employee work environment (Harris & Kliener, 1993).

## **Examples to show the Link of Motivation with Organisational Success:**

American Express introduced an incentive plan for 10, 000 employees in the consumer-lending and consumer card groups after a one year pilot program, during which 98 percent of 1, 500 employees received bonuses of 4 percent of their salaries. The plan resulted in an increase in customer satisfaction, employee productivity and shareholder gains (Judith R. Gordon, 1996).

Royal Bank of Scotland: RBS provides world-class employment package for every employee & adopts an attitude that motivates its staff in both financial and personal ways. This helps RBS to compete for the best people and attract them to its business & has lead to RBS being rated as one of the best employers in the world. Thus following motivation theories has proved beneficial for RBS(The Times 100, motivating through total reward).

CASE STUDY OF HONEYWELL: Honeywell's Electro Optics Division was in serious financial trouble because of low employee morale. In order to motivate their employees they turned to the Boston office of Bernard Hodes for a motivational programme. Posters of the five great performers with their chosen quote were made and placed in the hallways. The five great performers were instant celebrities and everyone wanted to be one. It enhanced employees performance by the use of motivation. In six months Honeywell was out of the financial trouble(Harris & Kliener, 1993).

There are several examples to show importance of motivation, " Some of the better known examples include the Digital Equipment Corporation plants at Enfield in America (Perry, 1984) and Ayr in Scotland (Buchanan & McCalman, 1989). In Britain, empowered self-managing teams can also be found in The Body Shop, Unipart, Frizzell Financial Services, Ciba UK and in the Harvester Restaurant in Dulwich" (Pickard, 1993). Many American companies have adopted motivating and team working methods, like Shenandoah Life Insurance, Harley-Davidson, Compaq, Cummins Engine Company, Procter & Gamble, and General Motors( Hoerr et al., 1986; Hoerr, 1989; Peters, 1987) In most of these companies role of traditional first line supervisor was changed and in others they have been replaced by people who were more motivating(David Buchanan & Andrzej Huczynski, 1997, p. 96).

## **CONCLUSION:**

Thus, with the different examples shown it can be concluded that by understanding the importance of motivation organisations can prosper, it can also be said that apart from money there are other motivators of great importance as well, like job security, challenging tasks and working together

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with colleagues in a good working environment. It has been seen that great organisations are the ones in which the employees are motivated to bring out the best in them. It is therefore very important for the organisations to understand that the employee's are an organisation's most precious asset & anything that can be done to increase their capability should be done so that the returns come to the organisation.