National Qualification Framework

Bachelor of Commerce
Business Management

Accredited and offered by
The Da Vinci Institute for Technology Management

Module

HRM100

Human Resource Management

THEORIES & PHILOSOPHIES
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BACHELORS OF COMMERCE

NQF Level 5

BMG100

HUMAN RESOURCE MANAGEMENT

THEORY & PHILOSOPHIES

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On completion of this module the student should be able to:

1. Describe the scope, function and tasks of Human Resource Management in the workplace;

2. Discuss underlying theories and philosophies that guide Human Resources Management;

3. Apply the principles of emotional intelligence to develop personal mastery;

4. Discuss the concept and benefits of diversity in the workplace; and

5. Explain the role of change, stress and time and the impact on work-life balance.
Reading
You will be provided with a series of national and international articles and literature to read that will help you broaden the subject at hand. All articles can be found in the Module Libraries.

Research
As you work through the module you will be required to do your own research.

Activity
You will be given a number of activities to complete to prepare you for your post-module assignment. These need to be submitted as they will count towards your final mark.

Ratiocination
Ratiocination is the logic reasoning that considers all alternatives and possible impacts that may result from a decision or a possibility.

Group Work
You will be required to do group work both in the classroom and as syndicate study groups.

Group Discussion
Talking to others while you learn will often illuminate a topic for you.

Self-Reflection

Take Note
A useful tip or essential element regarding the concept under discussion.

Post Module Assignment (PMA)

Submission Date

Learning Outcomes

iAssess

My Notes
Theories & Philosophies

The management of organisations is increasingly realising that leadership, not management, is the critical success factor for an organisation. The focus is increasingly on leadership and leadership development rather than on management and management development.

A number of studies have indicated that effective leadership can make a difference in organisational performance (Kotter 1990; Kirkpatrick and Locke 1991; Grobler 1996). But the determinants of leadership success are not as clear cut (Sarros and Woodman 1993:3). For example, which is more significant: leadership traits or leadership as a group activity? What is clear is that successful organisational leadership relies on a combination of traits, skills, attitudes and environmental and intra-organisational conditions. When one or more of these combinations is missing, leadership goes awry.

Despite these observations, Grobler (1996:5) considers that these are related to organisational performance. This view is shared by many authors. Which leadership attributes account for which organisational outcomes, however, is still difficult to determine. In the figure below Sarros and Woodman (1993:4) have tried to answer this question by indicating the relationship of a number of leadership attributes to organisational outcomes. Their findings, which have limitations, are based on a study involving 282 executives undertaken in Australia over a nine month period.

1. The Concept of Leadership

Leadership is a complex phenomenon involving the leader, the followers and the situation. Some leadership researchers have focused on the personality, physical traits or behaviours of the leader; others have studied the relationships between leaders and followers; still other have studied how aspects of the situation affect the ways leaders act. Perhaps the best way to begin to understand the complexities of leadership is to see some of the ways leadership has been defined. A progression of leadership researchers has defined leadership as follows over the years:

- The creative and directive force of morale (Munson 1921);
- The process by which an agent induces a subordinate to behave in a desire manner (Bennis 1959);
- The presence of a particular influence relationship between two or more persons (Hollander and Julian 1969);
- Directing and coordinating the work of group members (Fiedler 1967);
Leadership remains one of the most researched and controversial topics in management. As seen from the bullet points, many researchers have attempted to "define" leadership over the past almost century but it remains an elusive concept. A popular contemporary definition of leadership describes it as "the process of influencing employees to work willingly toward the achievement of organisational objectives". (Du Toit, Erasmus and Strydom, 2010).

2. Challenges for Leadership in South Africa

What are the challenges that future corporate leaders will have to face in South Africa? Having highlighted the importance of leadership in an organisation, what demands will leaders face in companies in South Africa during the 21st century? Leaders will also have to contribute positively to the establishment and maintenance of the golden triangle. This is an informal but permanent partnership between the state, organised labour and business. These parties share a common destiny because of their interwoven interest.

A further challenge is the development of our export markets as part of internationalisation of the country. As indicated in the World Competitiveness Reports findings, South Africa ranks very poorly in this aspect.

One of the biggest challenges facing leaders however is within the organisation. The media tells us that many corporations in South Africa today are over managed and under-led. The real challenge is to combine strong leadership and strong management and use the one to balance the other.

While management is about coping with complexity, leadership is about coping with change. Major changes are necessary to service and compete effectively in a competitive and ever-changing environment. This can only be achieved through real democratisation of the work place, with a simultaneous flattening of the hierarchy, the devolution of power and authority, the
opening up of existing communication channels and the creation of new ones (Pretorius 1995:12).

This can only be achieved when every individual begins to believe that his or her own ambitions and vision of the future coincide with those of the company. According to Pretorius (1995:13), constant, uninterrupted, enthusiastic and motivating communication is necessary to make this possible, while shared values should serve as the foundation on which constructive relationships, and mutual trust develop and thrive.

The future leader must be caring, show empathy, be willing to serve and recognise human worth. In addition, the future-orientated leader will also have to find and maintain a fine balance between functional achievement and empowerment, between efficiency and broad consultation and between democracy and a flexible adaptable strategy. To succeed in this, leaders should build on the following assumptions:

- People are trustworthy and purposeful;
- Everyone has a unique contribution to make;
- Complex problems should be handled at the lowest possible level.

1. What type of leadership approach should be followed in South Africa?

What type of leadership approach should be followed in South African companies? Grobler (1996:12) states that it is important to choose a leadership approach that will enable South African organisations to reach levels of accomplishment never before dreamed of. However, such levels cannot be achieved without everyone in the organisation working together. What we are talking about is leadership of an organisation and not leadership of an individual, as was the case historically.

According to Seltzer and Bass (1990:694), the desired results can be found in the transformational approaches to leadership. With this approach, leaders inspire their followers; deal individually with subordinates to meet their development needs and encourage new approaches for solving problems. Grobler (1996:12) found that the leader who followed a transformational approach by building a shared responsibility team, continuously developing the skills of individual subordinates and determine and building a common vision, created superior performance. We see that transformational leadership consists of three factors: charismatic leadership, individualised consideration and intellectual stimulation.
From the vast amount of management and leadership literature available, it is clear that the beginning of the 21st Century will be characterised by pressure on individual managers to perform in whatever organisational situations they find themselves. These situations, as we all know, are not static. Many of the old management certainties have been swept away by the diffusion of responsibilities and the compartmentalisation of specialities through efforts such as re-engineering.

Because leadership is the central ingredient to the way progress is made and organisations develop and survive in a changing environment, the next question is what should South Africans do?

Research by Charlton (1992), Spangenberg (1993) and others has found that a worker commitment and productivity crises exists in South Africa and that the average business leader in South Africa is out of touch with his or her people. These problems facing South Africans can be attributed to leaders who have failed to instil a vision, a sense of meaning and trust in their followers.

Leaders in South Africa need to personalise responsibility by creating a context in which routing jobs become meaningful, the human spirit is liberated and people are transformed from a position of working to live to living to work (Charlton 1992; 7).

The question is how? The author believes that the answer lies in the application of Flanagan’s and Thompson’s (1993) model of managerial leadership. This model, which has been tested with numerous managers and in various settings around the world, encompasses transactional management and transformational leadership and includes a third major component: situational sensitivity. These three macro factors are represented in the basic model below:

The managerial leadership model is an aid to help management diagnose their organisation situation and deploy the appropriate leadership response – that is, the right combination of transformational and transactional leadership required. It is important to note that the precise mix will vary from one organisation to the next and also from one time to another. Working from the basic macro factors of transformation, transaction and the situation, Flanagan and Thompson derived a range of components from these factors:
To be successful, Grobler (1996:13) states that managers will need to acquire these three macro components underlying capabilities. Once managers have these skills, they must exercise them holistically, and if manager’s actions and behaviour are in harmony with the demands and expectations of the situation, they will be successful. It is important to note that each of the components in the model builds progressively on the other. For example, once a vision has been created, it is important to agree on specific objectives that will achieve the vision.

A further critical aspect is that, after this process has been completed, the vision and objectives must also be communicated to the employee. This will give meaning to their work. Hard facts and information will also be required to set further individual objectives against which to measure performance. We also see that if employees find meaning in what they do, this can inspire them to greater efforts.

This process would be accompanied by the empowerment of employees. Devolution of authority will enable employees to stir things up and be innovative, resulting in employees taking risks by exploring new ways of managing new situations that will provide opportunities to adapt to change. If the activities mentioned are not in tune or harmony with the company’s environment, however, they will not be successful. Such harmony or fit is contingent upon the situation.

Flanagan and Thompson (1993) further identify three variables in the “situation”: the person, the job and the organisation. The expectations of the different groups in the organisation provide guidelines for management. However, the manager will be required to know which priorities require attention and will have to select the most appropriate behaviours. It is thus important to note that each job in each situation will require a blend of transformational and transactional skills and attributes.
The attribute or skill of situational sensitivity is the key factor in the model to provide congruence between expectations and behaviour. If managers lack this key factor of situational sensitivity, no matter what the range of their other skills, they are not likely to be able to identify correctly what is expected of them and will not be able to behave congruently.

The blend of transformational and transactional skills must result in behaviour which is congruent, that is, in harmony with the situational demands. This congruent behaviour is the output of the total process, the ultimate outcome being enhanced organisational performance.

2. Managing through Change

South Africa needs managers who can ride the waves of change, who can function as leaders in the process of organisational and environmental adaptation to change. They must be able to read environmental signals and translate such signals into meaningful messages to be dealt with in various ways according to the requirements of the specific work circumstances.

Skills must be developed to scan the environment in anticipation of how, for instance, changed labour resources, changed economic circumstances and changed government policy can combine to create forces that are likely to influence each other, to gather momentum and to shape the structure, culture and future of the organisation. In analysing the leadership challenges faced by South African managers, certain themes become evident (Grobler 1996:14):

- Managers must be aware that in the “crucible process” confronting South African they, as leaders, have no option but to change as well. They will have to learn to change from justifying what was done in the past to assessing strengths and weaknesses through a new perspective based on an awareness of the implications of the change that is taking place, and of how to deal with it. Managers will have to learn new skills, new competencies and new management styles.

- Managers are key players in the creation and maintenance of the organisation’s culture. Awareness of changes in workers goals, values and expectations and how these need to be integrated to form a new workplace culture is important. Two elements that are closely connected with this are power politics and worker resistance. Strategic changes are influenced by ideological and personal issues. Successful leadership requires an understanding of these dynamics, predicting the impact of change and shaping situations and circumstances to make constructive use of change. Finally, the art of negotiating is indispensable for all managers. An important aspect of negotiating is understanding how issues are interpreted, i.e. the ability to see circumstances through the eyes of other parties. Appreciating the views of others requires awareness of one’s own perspectives – it requires knowing that some of the things managers may need to learn for well beyond “management”
as it is commonly defined and practised. Managers need to develop skills that enable them to make sense and create new meaning out of change.

Finally, the art of negotiating is in dispensable for all managers. An important aspect of negotiation is understanding how issues are interpreted, i.e. the ability to see circumstances through the eyes of other parties. Appreciating the views of other’s requires awareness of one’s own perspectives – it requires knowing that some of the things managers may need to learn go well beyond “management” as it is commonly defined and practised. Managers need to develop skills that enable them to make sense and create new meaning out of change.

3. The difference between management and leadership

Some people think of leadership as a more emotional process than management. Leaders have been characterised by terms such as charismatic and inspiring, but one rarely hears of a charismatic or inspiring manager. Management is rational, a process involved with the head with little heart. Management is associated in many people’s minds with words like efficiency, planning, paperwork, procedures, regulations, control and consistency. Leadership is associated with words like risk taking, dynamic, creativity, change and vision. (Hughes et al 1993:61).

In many ways, the differences between being perceived as a leader or as a manager are a function of the specific responsibilities of a given role and how the person in that role chooses to fulfil those responsibilities. Bennis characterised managers as people who do things right and leaders as people who do the right things. This is just one among many distinctions Bennis makes between leaders and managers. The following are several more (Bennis 1989 in Hughes et al):

- Managers administer, leaders innovate
- Managers maintain, leaders develop
- Managers control, leaders inspire
- Managers have a short term view, leaders a long term view
- Managers ask how and when, leaders ask what and why
- Managers imitate, leaders originate
- Managers accept the status quo, leaders challenge it.
The following table illustrates differences between management and leadership:

<table>
<thead>
<tr>
<th>Category</th>
<th>Management</th>
<th>Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change</td>
<td>Peacemakers: maintenance work, maintaining the present</td>
<td>Pacemakers; further change and create the future</td>
</tr>
<tr>
<td></td>
<td>Repeats and follows what is desirable and necessary</td>
<td>Changes people’s ideas about what is desirable, possible and necessary</td>
</tr>
<tr>
<td></td>
<td>Administers</td>
<td>Innovates</td>
</tr>
<tr>
<td></td>
<td>Maintains</td>
<td>Develops</td>
</tr>
<tr>
<td></td>
<td>First degree (cosmetic change)</td>
<td>Second – degree (fundamental) change</td>
</tr>
<tr>
<td>People</td>
<td>Depends on systems</td>
<td>Depends on people</td>
</tr>
<tr>
<td>Attention</td>
<td>Does things right</td>
<td>Does the right things right</td>
</tr>
<tr>
<td>Planning</td>
<td>Thinks of today</td>
<td>Strategic thinking: forward planning</td>
</tr>
<tr>
<td>Thinking</td>
<td>Focuses on the present</td>
<td>Vision of the future and strategy to attain it</td>
</tr>
<tr>
<td></td>
<td>Focuses on getting things done</td>
<td>Systematic structure: patterns underlying behaviour</td>
</tr>
<tr>
<td></td>
<td>Reacts to events</td>
<td></td>
</tr>
<tr>
<td>Role</td>
<td>Make things happen; implementation</td>
<td>Influencing, guidance</td>
</tr>
<tr>
<td></td>
<td>Tailor</td>
<td>Designer (vision, social architecture)</td>
</tr>
<tr>
<td></td>
<td>Pupil</td>
<td>Teacher (more insight into reality; questions assumptions)</td>
</tr>
<tr>
<td></td>
<td>“You serve me”</td>
<td>Server (attitude of serving others)</td>
</tr>
</tbody>
</table>
These differences between leaders and managers reflect fundamentally different personality types. The point is not merely that managerial roles emphasise tasks like administration and control, whereas leadership roles emphasise tasks like innovation and inspiration. Leaders and managers are basically different kinds of people. Some people are leaders by nature. More specifically, leaders and managers differ in their views of means and ends, their sense of identity and the ways they relate to others.

Leaders are interested in determining what the ends are, have a profound sense of separateness and have extremely close relationships with followers. This involves power sharing, empowerment and allowing people to think and take decisions. Empowerment means giving people the authority to carry out their responsibilities, as well as removing factors that hamper personal and organisation development.

Managers are interested in the means to achieve ends, are much more in harmony with and at home in their environment and try to maintain a sense of equity and objectivity in procedures and decisions; as a result, managers tend to have relatively superficial levels of emotional involvement with subordinates. Good managers are therefore not necessarily good leaders, and good leaders are not necessarily good managers. From the point of view of organisation productivity, it is of course desirable that all managers should also be leaders – hence the constant search for people who are both managers and leaders.

1. Authority and Power the Basics of Leadership

There are almost as many theories and models of leadership as there are writers on the subject. However, all the theories contain two important concepts: authority and power.
**Authority:** Without authority, no manager can manage. Authority thus has to do with obtaining the right to enforce certain actions within certain guidelines, and the right to punish failure.

According to Cronje et al., authority is closely related to leadership. Authority is awarded to a manager by the management of an organisation. Unlike authority, power is not awarded to a manager, but is obtained in various ways. The difference between authority and power is important, because in practice there are many people who have authority (which has been awarded), but not the power (which must be earned) to exercise this authority effectively.

Power: Power is awarded by the subordinates of a leader or manager. To have power, a leader (manager) must therefore have subordinates or followers. Leaders can influence followers and effectively assert their authority because a leader must have some sort of power to be called leaders. Without this a leader is not able to influence followers in such a way that they voluntarily aim their activities at the productive attainment of the goals. Power, i.e. the ability to influence the behaviour of others, has nothing to do with the hierarchical position held by a manager, and it is not obtained through a title or entry on an organisational chart – it must be earned by the leader. For this reason someone with authority and power, i.e. a manager with power, is much better than a manager who only has authority.

French and Raven (in Griffin 1987:421) distinguish between the following types of power, which are generally accepted in management literature:

- **Legitimate power.** This is the authority allocated to a certain post by the organisation. According to this, a manager has the right to require subordinates to carry out their duties and the right to dismiss them if they fail to do so. Legitimate power is thus the same as authority. Even if a manager has legitimate power, this does not mean that he or she is a good leader.

- **Reward power.** This is used to give or withhold rewards. Such rewards included salary increases, bonuses, recognition or interesting tasks. The greater the number of rewards controlled by a manager and the more important these rewards are to subordinates, the greater the manager’s reward power.

- **Coercive power.** This is exercised through fear, which may be psychological or physical.

- **Referent power.** This is also known as personal power and is a somewhat abstract concept. Subordinates follow a leader with referent power simply because they like or respect him or her or identify with him or her. In other words, the leader’s personal traits make him or her attractive to others. Charismatic leaders such as Hitler, Yasser Arafat and even Idi Amin are examples.
Expert power. This type of power is based on knowledge and expertise, and a leader who has this has a certain power over those who have a need for this knowledge or information. The more important the information and the fewer the people who have it, the greater the expert power of the individual who does have it.

A further essential differentiation must be made between position power and personal power. Position power points to formal leadership and is instituted by all organisations from the top to the bottom, while personal power points to informal leadership which is allocated to a leader, because of his or her personal qualities, by subordinates or followers.

Hershey and Blanchard use position power and personal power to explain successful and effective leadership. According to them, any leadership effort will result in subordinate behaviour which may be classified as successful or unsuccessful somewhere on a continuum between the two extremes.

For the leadership effort to be effective, subordinates must perform because they want to, in other words, their performance must tie in with their personal goals and needs, and be profitable to them. The leader therefore uses personal power, even though he or she has position power. On the other hand, a leadership effort may be successful but ineffective if the leader made use of reward or punishment to influence subordinates’ behaviour. The subordinates performed as required, but only because of the leader’s position power.

4. Leadership in Practice

The search for the characteristics or traits of leaders has been on-going for centuries. History’s greatest philosophical writings e.g. Plato’s Republic and Plutarch’s Lives have explored the question “What qualities distinguish an individual as a leader?” Underlying this search was the early recognition of the importance of leadership and the assumption that leadership is rooted in the characteristics that certain individuals possess. This idea that leadership is based on individual attributes is known as the “trait theory of leadership”.

The trait theory was explored at length in a number of works in the 19th century. Most notable are the writings of Thomas Carlyle and Francis Galton, whose works have prompted decades of research. In Heroes and Hero Worship (1841), Carlyle identified the talents, skills, and physical characteristics of men who rose to power. In Galton’s Hereditary Genius (1869), he examined leadership qualities in the families of powerful men. After showing that the numbers of eminent relatives dropped off when moving from first degree to second degree relatives, Galton concluded that leadership was inherited. In other words, leaders were born, not developed. Both of these notable works lent great initial support for the notion that leadership is rooted in characteristics of the leader. (Clarke 2010)
Clarke tells us that for decades, this trait-based perspective dominated empirical and theoretical work in leadership. Using early research techniques, researchers conducted over a hundred studies proposing a number of characteristics that distinguished leaders: intelligence, dominance, adaptability, persistence, integrity, socio-economic status, and self-confidence.

1. Rise of alternative theories

In the late 1940s and early 1950s, however, a series of qualitative reviews of these studies (e.g., Bird, 1940, Stogdill, 1948; Mann, 1959) prompted researchers to take a drastically different view of the driving forces behind leadership. By existing reviewing literature, Stogdill and Mann found that while some traits were common across a number of studies, the overall evidence suggested leaders in one situation may not necessarily be leaders in other situations. Subsequently, leadership was no longer characterized as an enduring individual trait, but rather as situational approaches assumed that individuals can be effective in certain situations, but not others. This approach dominated much of the leadership theory and research for the next few decades.

2. Re-emergence of trait theory

New methods and measurements were developed after these influential reviews that would ultimately re-establish the trait theory as a viable approach to the study of leadership. This allowed trait theorists to create a comprehensive picture of previous leadership research rather than rely on the qualitative reviews of the past. Equipped with new methods, leadership researchers revealed the following:

Individually, individuals can and do emerge as leaders across a variety of situations and tasks.

Significant relationships exist between leadership and such individual traits as:

- intelligence
- adjustment
- extraversion
- conscientiousness
- openness to experience
- self-efficacy
While the trait theory of leadership has certainly regained popularity, its re-emergence has not been accompanied by a corresponding increase in sophisticated conceptual frameworks.

Considering the criticisms of the trait theory outlined above, several researchers have begun to adopt a different perspective of leader individual differences—the leader attributes pattern approach. In contrast to the traditional approach, the leader attribute pattern approach is based on theorists’ arguments that the influence of individual characteristics on outcomes is best understood by considering the person as an integrated totality rather than a summation of individual variables. In other words, the leader attribute pattern approach argues that integrated constellations or combinations of individual differences may explain substantial variance in both leader emergence and leader effectiveness beyond that explained by single attributes, or by additive combinations of multiple attributes.

What makes a person want to follow a leader? People want to be guided by those they respect and who have a clear sense of direction. To gain respect, they must be ethical. A sense of direction is achieved by conveying a strong vision of the future.

When employees respect you as a leader, they do not think about your attributes, rather, they observe what you do so that they can make a judgement as to who you really are. They use this observation to determine if you are an honourable and trusted leader or a self-serving person who misuses authority to look good and get promoted.

The basis of good leadership is honourable character and selfless service to your organization. In your employees’ eyes, your leadership is everything you do that effects the organization’s objectives and their well-being.

- what they are [be] (such as beliefs and character)
- what they know (such as job, tasks, and human nature)
- what they do (such as implementing, motivating, and providing direction).

5. Leadership Styles and Theories

From Mahatma Gandhi to Nelson Mandela, there are as many leadership styles as there are leaders.

So, whether you manage a team at work, captain a sports team, or lead a major corporation, which approach is best? Consciously, or subconsciously, you have probably used some of the leadership styles in this module at some point. Understanding these styles and their impact can
help you develop your own, personal leadership style – and help you become a more effective leader.

With this in mind, there are many different frameworks that have shaped our current understanding of leadership, and many of these have their place, when they are used appropriately.

1. Leadership theories

Researchers have developed a number of leadership theories over the years. These fall into four main groups:

2. Behavioural theories – What does a good leader do?

A good example is the Blake-Mouton Managerial Grid helps you decide how best to lead, depending on your concern for people versus your concern for production. The model describes five different leadership styles: impoverished, country club, team leader, produce or perish, or middle of the road. The descriptions of these will help you understand your own leadership habits and adapt them to meet your team's needs.

Some leaders are very task-oriented; they simply want to get things done. Others are very people-oriented; they want people to be happy. And others are a combination of the two. If you prefer to lead by setting and enforcing tight schedules, you tend to be more production-oriented (or task-oriented). If you make people your priority and try to accommodate employee needs, then you're more people-oriented.

Neither preference is right or wrong, just as no one type of leadership style is best for all situations. However, it's useful to understand what your natural leadership tendencies are, so that you can then begin working on developing skills that you may be missing.

The Managerial Grid is based on two behavioural dimensions:

**Concern for People** – This is the degree to which a leader considers the needs of team members, their interests, and areas of personal development when deciding how best to accomplish a task.

**Concern for Production** – This is the degree to which a leader emphasizes concrete objectives, organizational efficiency and high productivity when deciding how best to accomplish a task.

Using the axis to plot leadership ‘concerns for production’ versus ‘concerns for people’, Blake and Mouton defined the following five leadership styles:
Country Club Leadership – High People/Low Production: This style of leader concerned about the needs and feelings of members of the team. This leader operates under the assumption that as long as team members are happy and secure then they will work hard. What tends to result is a work environment that is very relaxed and fun but where production suffers due to lack of direction and control.

Produce or Perish Leadership – High Production/Low People: Leaders in this category believe that employees are simply a means to an end. Employee needs are always secondary to the need for efficient and productive workplaces. This type of leader is very autocratic, has strict work rules, policies, and procedures, and views punishment as the most effective means to motivate employees.

Impoverished Leadership – Low Production/Low People: This leader is mostly ineffective. He/she has neither a high regard for creating systems for getting the job done, nor for creating a work environment that is satisfying and motivating. The result is a place of disorganization, dissatisfaction and disharmony.

Middle-of-the-Road Leadership – Medium Production/Medium People: This style seems to be a balance of the two competing concerns. It may at first appear to be an ideal compromise. When you compromise, you necessarily give away a bit of each concern so that neither production nor people needs are fully met. Leaders who use this style settle for average performance and often believe that this is the most anyone can expect.

Team Leadership – High Production/High People: According to the Blake Mouton model, this is the pinnacle of managerial style. These leaders stress production needs and the needs of the people equally highly. The premise here is that employees are involved in understanding organizational purpose and determining production needs. When employees are committed to, and have a stake in the organization’s success, their needs and production needs coincide. This creates a team environment based on trust and respect, which leads to high satisfaction and motivation and, as a result, high production.

Theories of leadership have moved on a certain amount since the Blake Mouton Grid was originally proposed. In particular, the context in which leadership occurs is now seen as an important driver of the leadership style used.

And in many situations, the "Team Leader" as an ideal has moved to the ideal of the "Transformational Leader": Someone who, according to leadership researcher Bernard Bass:
๏ Is a model of integrity and fairness
๏ Sets clear goals.
๏ Has high expectations
๏ Encourages high performance
๏ Provides support and recognition
๏ Stirs people's emotions
๏ Gets people to look beyond self-interest
๏ Inspires people

The model proposes that when both people and production concerns are high, employee engagement and productivity increases accordingly.

While the grid does not entirely address the complexity of “Which leadership style is best?” it certainly provides an excellent starting place to critically analyse your own performance and improve your general leadership skills.

How leaders behave impacts on their effectiveness. Researchers have realized, though, that many of these leadership behaviours are appropriate at different times. So, the best leaders are those who can use many different behavioural styles and use the right style for each situation.

3. Contingency theories – How does the situation influence good leadership?

The realization that there isn't one correct type of leader led to theories that the best leadership style is contingent on, or depends on, the situation. These theories try to predict which leadership style is best in which circumstance.

A popular contingency-based framework is the Hersey-Blanchard Situational Leadership Theory, which links leadership style with the maturity of individual members of the leader's team.

The Hersey-Blanchard Situational Leadership Theory was created by Dr Paul Hersey, a professor and author of "The Situational Leader," and Ken Blanchard, author of the bestselling "The One-Minute Manager," among others.
The theory states that instead of using just one style, successful leaders should change their leadership styles based on the maturity of the people they're leading and the details of the task. Using this theory, leaders should be able to place more or less emphasis on the task, and more or less emphasis on the relationships with the people they're leading, depending on what's needed to get the job done successfully.

According to Hersey and Blanchard, there are four main leadership styles:

**Telling (S1)** – Leaders tell their people exactly what to do, and how to do it.

**Selling (S2)** – Leaders still provide information and direction, but there's more communication with followers. Leaders "sell" their message to get the team on board.

**Participating (S3)** – Leaders focus more on the relationship and less on direction. The leader works with the team, and shares decision-making responsibilities.

**Delegating (S4)** – Leaders pass most of the responsibility onto the follower or group. The leaders still monitor progress, but they're less involved in decisions.

As you can see, styles S1 and S2 are focused on getting the task done. Styles S3 and S4 are more concerned with developing team members' abilities to work independently.

According to Hersey and Blanchard, knowing when to use each style is largely dependent on the maturity of the person or group you're leading. They break maturity down into four different levels:

- **M1** – People at this level of maturity are at the bottom level of the scale. They lack the knowledge, skills, or confidence to work on their own, and they often need to be pushed to take the task on.

- **M2** – At this level, followers might be willing to work on the task, but they still don't have the skills to do it successfully.

- **M3** – Here, followers are ready and willing to help with the task. They have more skills than the M2 group, but they're still not confident in their abilities.

- **M4** – These followers are able to work on their own. They have high confidence and strong skills, and they're committed to the task.

The Hersey-Blanchard model maps each leadership style to each maturity level, as shown below.
To use this model, reflect on the maturity of individuals within your team. The table shows which leadership style Hersey and Blanchard consider the most effective for people with that level of maturity.

All teams, and all team members, aren’t created equal. Hersey and Blanchard argue that leaders are more effective when they use a leadership style based on the individuals or groups they’re leading.

Start by identifying whom you’re leading. Are your followers knowledgeable about the task? Are they willing and excited to do the work? Rate them on the M1-M4 maturity scale, and then use the leadership style that’s appropriate for that rating.

4. Revised Model of Situational Leadership

The validity of Hersey’s and Blanchard’s basic model has been challenged by Nicholls (1985:60) who claims that the model violates three logical principles – consistency, continuity and conformity.

It is inconsistent in the way it connects concern for task/relationships with ability/willingness. The development level continuum lacks continuity since it requires willingness to appear, disappear and reappear as the development level increases. Finally, it runs counter to conformity in that it does not start with a style of high task and high relationship for a group which is simultaneously unable and unwilling.

Nicholls suggest a corrected model which no longer violates the principles of consistency, continuity and conformity, and which presents a completely new model for situational leadership.

Mullins (1994254 – 255) explains Nicholls situational leadership model as follows:

For groups at low development level, that is both unable and unwilling, the leader acts as a parent who wishes to develop simultaneously the ability and the social skills of a child. As both ability and willingness increase, activity connected with both tasks and relationships can be reduced. This allows progression from “tell”, through “consult” to the role of a developer (bottom left quadrant)

The developer role of leadership continues with a light touch to use “participation” and “delegation” in order to develop further the ability and willingness of the group.
However, if willingness develops more quickly than ability, the leader will have the opportunity to act more in the role of a coach who is anxious to improve ability.

If, however, ability develops more quickly than willingness, the leader may have to revert to the role of driver in order to push the group to achieve results up to its potential and to prevent unwillingness causing a shortfall in performance.

To summarise, the model requires a smooth progression of the leader from parent, using a high task and high relationship leadership style; following the usual progression “tell-sell” (or consult) – participate – delegate; to the leader as developer and using a low task and low relationship leadership style. But if ability and willingness do not develop in harmony, the leader may find it appropriate to act more like a coach to develop ability, or more like a driver to overcome unwillingness. In the latest edition of their work, Hersey and Blanchard appear to make reference to the points raise by Nicholls. Some people have difficulty understanding the development of followers from R1 to R2 to R3. How can one go from being insecure to confident and then become insecure again? The important thing to remember is that at the lower levels of readiness, the leader is providing the direction – the what, where, when and how. Therefore, the decisions are leader-directed. At the higher levels of readiness, followers become responsible for task direction, and the decisions are follower directed. This transition from leader directed to self-directed may result in apprehension or insecurity. As followers move from low level of readiness to higher levels, the combinations of task and relationship behaviour appropriate to the situation begin to change.

The situational approach to leadership is most likely to result in effective leadership, as it makes provision for different leadership behaviours in different situations. No single leadership style, specific leadership functions or particular leadership qualities are recommended as being the best under all circumstances. This flexibility of the situational approach makes it particularly useful in the complex environment of South African organisations.

5. Trait theories – What type of person makes a good leader?

Early trait theories promoted the idea that leadership is an innate, instinctive quality that you either have or don't have. Thankfully research is showing what we can do as individuals to develop leadership qualities.

Trait theory does, however, help identify qualities that are helpful when leading others. Examples include empathy, assertiveness, good decision-making, and charisma. However, none of these traits, nor any combination of them, will guarantee success as a leader.

6. Power and influence theories – What is the source of the leader’s power?
Power and influence theories of leadership take an entirely different approach. They're based on the different ways in which leaders use power and influence to get things done, and the leadership styles that emerge as a result. Perhaps the most well-known of these theories is French and Raven's Five Forms of Power. This model distinguishes between using your position to exert power, and using your personal attributes to be powerful.

French and Raven identified three types of positional power – legitimate, reward, and coercive – and two sources of personal power – expert and referent (your personal appeal and charm). The model suggests that using personal power is the better alternative and, because Expert Power (the power that comes with being a real expert in the job) is the most legitimate of these that you should actively work on building this. Similarly, leading by example is another highly effective way to establish and sustain a positive influence with your team.

Another valid leadership style that’s supported by power and influence theories is Transactional Leadership. This approach assumes that work is done only because it is rewarded, and for no other reason, and it therefore focuses on designing tasks and reward structures. While it may not be the most appealing leadership strategy in terms of building relationships and developing a long-term motivating work environment, it does work, and it's used in most organizations on a daily basis to get things done.

Within all of these theories, frameworks, and approaches to leadership, there’s an underlying message that leaders need to have a variety of factors working in their favour. Effective leadership is not simply based on a set of attributes, behaviours, or influences. You must have a wide range of abilities and approaches that you can draw upon.

Having said this, however, there’s one leadership style that is appropriate in very many corporate situations – that of Transformational Leadership.

Transformational leaders are exceptionally motivating, and they are trusted. When your team trusts you, and is really "fired up" by the way you lead, you can achieve great things! (www.mindtools.org)

7. Common Leadership Styles

The leadership theories and styles discussed so far fit within formal theoretical frameworks. However, many more terms are used to describe leadership styles:

**Autocratic leadership:** Is an extreme form of transactional leadership, where leaders have absolute power over their workers or team. Staff and team members have little opportunity to make suggestions, even if these would be in the team's or the organization's best interest.
Most people tend to resent being treated like this. Therefore, autocratic leadership often leads to high levels of absenteeism and staff turnover. However, for some routine and unskilled jobs, the style can remain effective because the advantages of control may outweigh the disadvantages.

Bureaucratic leadership: Bureaucratic leaders work "by the book." They follow rules rigorously, and ensure that their staff follows procedures precisely. This is a very appropriate style for work involving serious safety risks (such as working with machinery, with toxic substances, or at dangerous heights) or where large sums of money are involved (such as handling cash).

Charismatic leadership: A charismatic leadership style can seem similar to transformational leadership, because these leaders inspire lots of enthusiasm in their teams and are very energetic in driving others forward. However, charismatic leaders can tend to believe more in themselves than in their teams, and this creates a risk that a project, or even an entire organization, might collapse if the leader leaves. In the eyes of the followers, success is directly connected to the presence of the charismatic leader. As such, charismatic leadership carries great responsibility, and it needs a long-term commitment from the leader.

Democratic leadership or participative leadership: Although democratic leaders make the final decisions, they invite other members of the team to contribute to the decision-making process. This not only increases job satisfaction by involving team members, but it also helps to develop people's skills. Team members feel in control of their own destiny, so they're motivated to work hard by more than just a financial reward.

Because participation takes time, this approach can take longer, but often the end result is better. The approach can be most suitable when working as a team is essential, and when quality is more important than speed to market, or productivity.

Laissez-faire leadership: This French phrase means "leave it be," and it's used to describe leaders who leave their team members to work on their own. It can be effective if the leader monitors what's being achieved and communicates this back to the team regularly. Most often, laissez-faire leadership is effective when individual team members are very experienced and skilled self-starters. Unfortunately, this type of leadership can also occur when managers don't apply sufficient control.

Relations-oriented leadership: This is the opposite of task-oriented leadership. With people-oriented leadership, leaders are totally focused on organizing, supporting, and developing the people in their teams. It's a participative style, and it tends to encourage good teamwork and creative collaboration.

In practice, most leaders use both task-oriented and people-oriented styles of leadership.
Task-Oriented leadership: Highly task-oriented leaders focus only on getting the job done, and they can be quite autocratic. They actively define the work and the roles required, put structures in place, plan, organize, and monitor. However, because task-oriented leaders don't tend to think much about the well-being of their teams, this approach can suffer many of the flaws of autocratic leadership, with difficulties in motivating and retaining staff.

Servant leadership: This term, created by Robert Greenleaf in the 1970s, describes a leader who is often not formally recognized as such. When someone, at any level within an organization, leads simply by meeting the needs of the team, he or she is described as a "servant leader."

In many ways, servant leadership is a form of democratic leadership, because the whole team tends to be involved in decision making.

Supporters of the servant leadership model suggest that it's an important way to move ahead in a world where values are increasingly important, and where servant leaders achieve power on the basis of their values and ideals. Others believe that in competitive leadership situations, people who practice servant leadership can find themselves left behind by leaders using other leadership styles.

Transactional leadership: This style of leadership starts with the idea that team members agree to obey their leader totally when they accept a job. The "transaction" is usually the organization paying the team members in return for their effort and compliance. The leader has a right to "punish" team members if their work doesn't meet the pre-determined standard.

Team members can do little to improve their job satisfaction under transactional leadership. The leader could give team members some control of their income/reward by using incentives that encourage even higher standards or greater productivity. Alternatively, a transactional leader could practice "management by exception" – rather than rewarding better work, the leader could take corrective action if the required standards are not met.

Transactional leadership is really a type of management, not a true leadership style, because the focus is on short-term tasks. It has serious limitations for knowledge-based or creative work, however it can be effective in other situations.
7. A Systems Approach to HRM

“What is a system?” A system is simply a number of interdependent components that form a whole and work together to achieve a common goal. The human body is a system and we encounter other systems daily:

- When you travel to work in the morning by car, bus or train, you are part of a mechanical system;
- When you are at work, you are in a social system;
- When you come home in the evenings, you are in a micro-social economic system. i.e. your family

In the literature, a distinction is made between a closed and an open system. A system is closed when it is self-sustaining and independent of external stimuli or input. An example is the development of a test-tube baby from conception (fertilisation) until it is implanted in the womb of a woman. An open system, on the other hand, requires certain input or stimuli from elsewhere, known in technical terms as the environment. A system is open if:

- It is dependent on the environment in which it operates
- The environment depends on it
- There is interaction between the system and the environment

The system takes inputs from its environment (which represents a larger system), processes them and returns them to the environment in another form as output.

ENVIRONMENT

1. The most important characteristics of a system

Most authors identify the general characteristics in their work on the systems approach to organisations. Katz and Kahn (Nunes, 2011) the pioneers in this field, describe the characteristics as:

**Energy intake:** The first characteristic of an open system is that an organisation as a system is dependent on the intake of energy to activate the functioning process. Energy includes resources and information. Energy intake may also be described as the input process.
Throughput process: All open systems transform the energy at their disposal by means of some throughput system. This throughput process differs from one organisation to the next, but it remains essential for the functioning of a system.

Output process: Each open system has an output process for the very reason that it has an input process and a throughput process. Output may be regarded as the dependent variable in a system. Outputs usually take the form of finished products, services and so on.

A system as a cycle of events: The product released by means of the output process provides a source of energy for the repetition of the cycle of events. In a profit-seeking organisation making use of resources to produce a product, monetary returns are used to procure more resources for a repetition of the process.

Mutual dependence: The components of a system are dependent on one another. If a change should take place in one part of the system, this will influence all the other components of the system, either directly or indirectly.

The organisation as an open system

Schein (Reference?) expands on these characteristics and defines an open system as follows:

- An organisation is an open system, which implies that it is continuously interacting with its environments. During this process it takes in resources, information an energy which it transforms not products and services made available to the environments in the form of outputs.

- An organisation is a system with multiple goals or functions, which implies that there are multiple interactions between an organisation and its environments. Many of the activities of the subsystems (see next point) will not be understood unless these multiple functions and interactions are taken into consideration.

- An organisation consists of a number of subsystems in a state of dynamic interaction. It is becoming increasingly important to analyse the behaviour (functioning) of these subsystems when focusing on the concept of the organisation, instead of describing individual behaviour.

- Change in one subsystem is followed by changes in other subsystems because the subsystems in an organisation are interdependent.

- An organisation functions in dynamic environments which consist of other subsystems differing in scope. The environment makes certain demands on an organisation, which inhibit
it in certain respects. Therefore thorough investigation of environmental problems and restrictions is essential to understand the overall functioning of an organisation.

The multiple connections between an organisation and its environments complicate the delimitation of the boundaries of an organisation.

The reason for the existence of the organisation lies in the needs present in the organisation's external environment. For this reason it is essential that the organisation should undertake environmental scanning to identify opportunities and threats in its external environment and to formulate its strategy accordingly. Even if an organisation identifies its needs, it will not automatically be successful, unless the external infrastructure is such that it favours the satisfaction of needs (or goal achievement).

The external infrastructure of each organisation is unique, as is the nature of its activities. These aspects, which may be regarded as conditions for success and can be classified as external success factors, are the inputs that activate the functioning of the organisation.

Organisational efficiency refers to the internal functioning of an organisation, to attempt to create an optimal fit between the external environment and the internal components of the organisation as a system. The present authors refer to the internal components as the internal infrastructure that is used in the organisation's transformation process to render desirable output. They may also be regarded as internal success factors or prerequisites for efficiency.

As far as organisational success is concerned, a distinction must be made between short-, medium-, and long-term success. This distinction will become clear during the course of the discussion below. It was mentioned elsewhere that, according to the systems approach, an organisation strives for multiple objectives. The writers are of the opinion that these objectives can be divided into two main categories, i.e. tangible outputs and non-tangible outputs. The former refers to what organisations primarily pursue, i.e. profits, return on investment and an increased market share, while non-tangible outputs generally refer to the quality of work-life of the organisation's worker corps. This includes aspects such as morale, grievances and job satisfaction.

For organisational success, management should set measurable objectives for those outputs and the attainment thereof should be measured by a set performance standard.

An organisation that pursues tangible outputs at the cost of the human element (quality of work life) will only be successful in the short term, as human resources, particularly in modern organisations, do not tolerate exploitation.
An organisation will be successful in the medium term if there is a balance between management’s focus on both types of outputs.

An organisation will only be successful in the long term if the owners, consumers and other stake-holders are consistently satisfied with the outcomes such as dividends and product reliability, which they receive from the organisation. This double feedback loop, i.e. performance standards and owner/consumer satisfaction, is known in contemporary management as the cybernetic principle, which is a characteristic of the organisation as a social system. The aforementioned thus has important implications for human resources management and organisational success.

8. Human resources management processes

The input, throughput and output processes of an employee as a subsystem within an organisation have been discussed on the basis of a systems model of employee functioning. The next section will focus on those human resources management process directed at improving individual employee functioning.

Human resources management input processes: An employee joins an organisation with certain inputs. A number of management processes may be classified as human resources management input processes as they are directed at ensuring that the right employee holds the right job at the right time in order to contribute towards the functioning of the organisation by means of the throughput process. These human resources management input processes are human resources planning, recruitment, selection, placement and induction, technology, training and motivation.

Human resources planning: An organisation must conduct human resources planning according to the nature and composition of the labour market, and according to the needs of the organisation itself. Human resources planning is therefore aimed at obtaining the required human resources of the desired calibre.

Recruitment: Recruitment as a human resources management input process is aimed at providing a pool of potential employees from which the organisation can select the required number in accordance with job requirements.

Selection: According to the systems approach all subsystems within a system are equally important. Selection plays an important part in providing suitable employees who have the aptitude, abilities, experience, etc. to meet the requirements of the job and of the organisation. This ensures that the right employee inputs are obtained.
**Placement and induction:** Placement as a human resource management process during the input phase ensures that new employees are appointed in positions which correspond to their abilities, whereas induction ensures that they will adapt in their new work environment as soon as possible. This will enable them to become productive without unnecessary delay.

**Technology:** Technology cannot be regarded as a human resources management process as such, but it is added to show the important interaction between an employee and the technology he or she uses during the throughput process in the job content environment. Technology and human resources information systems are also related to the external environment of the organisation.

**Training:** Training is more applicable to an employee’s job content environment. As a human resources management process it provides an employee with the opportunity to extend and improve skills in order to be more productive during the throughput process.

**Intrinsic motivation:** An employee’s will to perform stems mainly from the job. In other words, this stimulation comes from the job content environment. Motivation also comes from the employee’s job context environment, and this is termed extrinsic motivation. However, an employee’s general motivation is extremely important with regard to the achievement of the goals of the organisation.

The effective implementation and application of these human resources management processes will ensure the optimal utilisation of the inputs with which employees join an organisation during the throughput phase of employee functioning.

**Human resources management throughput process:** The human resources management throughput processes are related to an employee’s functioning in his or her job context environment. This entails numerous processes. The main purpose of these processes is to maintain the human resources of the organisation during the throughput phase of employee functioning.

**Development:** This human resources management throughput process is aimed at preparing employees for further career development and progress.

**Career development:** Career development as a human resources management process has a significant effect on an employee’s duration of service with an organisation. It is also closely related to the process of comparison.
Extrinsic motivation: Extrinsic motivation refers to motivational factors affecting the employee from the work environment outside the job content environment. This includes factors such as working conditions, leadership and compensation.

Leadership: Although it is impossible to say which human resources management process has the most profound effect on employee functioning during the throughput phase, leadership is certainly one of the most important influencing factors.

Quality of work life and social responsibility: The responsibility of an organisation towards its employees is strongly emphasised today. Quality of work life programmes and the involvement of an organisation in social responsibility affects employee’s duration of service with that organisation.

Labour relations: The effect of current relationships between management and the labour force causes problems in many an organisation. Labour relations are becoming increasingly important, not only for human resources management, but for the management of the entire organisation. We discuss labour relations from a human resources management point of view.

Performance appraisal: The importance of performance appraisal as a human resources management process in the throughput phase cannot be overemphasised. It is essential to the psychological contract that performance appraisal provides employees with formal feedback on their functioning within the job content and job context environments.

Compensation management: Theorists do not concur on the effect of compensation on employee attitudes. Our opinion is that it plays an extremely important part in employee’s inclination to perform as well as in their actual performance during the throughput phase.

Employee benefits and services: The benefits and services employees enjoy on the basis of their membership of an organisation are related to compensation administration.

Health and safety: Employee health and safety within the context of the organisation tie in with quality of work life and social responsibility. The importance of this human resources management throughput process is illustrated by the fact that organisations are forced by legislation to pay attention to health and safety.

An aspect that is as important as the management of an employee’s input and throughput processes within the job content environment is the positive influence of human resources management throughput processes on functioning within the job context environment. Every single human resources management process makes a positive contribution towards employee functioning, if it is effectively implemented.
The effect of the external environment on employee functioning: Although the external environment falls outside the job context, it has an indirect and a direct effect on employee functioning within the organisation. For example, the state of a country’s economy affects labour demand and supply: an oversupply of labour often forces employees to stay with an organisation even if the job content environment and the job context environment are not suited to their needs and preferences. Similarly, the rate of technological change has an effect on employees.

The management of the output process of employee functioning: The extent to which employees progress towards the achievement of personal goals owing to the impact of human resources management process, determines their will to perform. This in turn determines employees outputs.

9. Strategic HRM

Cascio in Gerber et.al states that strategic human resources management simply means getting everybody from the top of the company to the bottom to do things to implement the strategy of the business as effectively as possible. People as a resource must be used to fit the strategic needs of the company. The relationship between strategic business needs, people as a resources and human resources management has led to the development of a framework, which he terms the 5 P model.

According to Cascio (in gerber et.al) strategic business needs set the 5-P Model in motion. Organisations define such needs during times of turbulence. These needs reflect management’s overall plan for survival, growth, adaptability and profitability. Such needs (or competitive strategies as he refers to them) might be described in terms of innovation, quality enhancement, cost control, speed or a combination of these. They are affected by characteristics that are internal to the organisation (e.g. culture, nature of the business) as well as external (e.g. state of the economy, critical success factors in the industry).

To trigger specific actions, business needs are often translated into statements of strategic business objectives. These statements clearly influence the first P which is human resources philosophy. An organisations human resources philosophy is generally a broad statement about how it regards its people, the role they play in the overall success of an organisation and how they are to be treated and managed.

The second P stands for human resources policies which follow from the human resources philosophy. They provide guidelines for action on people related business issues (those that affect the success of the business and involve people).
Human resources programmes represent the third P. Programmes are developed to initiate and sustain efforts by the organisation to change in a manner consistent with its strategic business needs. Human resources programmes (or strategies) for example, can be developed to deal with projected skill shortages or surpluses, or external challenges to the survival of a business.

The fourth P to refers to human resources practices. Practices are developing leadership and managerial or operational roles (i.e. patterns of expected behaviour)

Human resources processes (the fifth P) deal with “how” all the other human resources activities. All such activities influence human behaviour and if they do not send the same messages to everyone about what is expected and rewarded, the organisation is likely to be little more than an aggregation of people pulling in different directions. Frameworks such as the 5-P model are designed to keep this from happening. Human resources strategy is naturally related to the kinds of things managers and human resources professionals actually do.

**The 5-P Model**

<table>
<thead>
<tr>
<th>STRATEGIC HUMAN RESOURCES MANAGEMENT ACTIVITIES</th>
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</thead>
<tbody>
<tr>
<td>Practices: For leadership, managerial and operational roles</td>
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<tr>
<td>Processes: For the formulation and implementation of other activities</td>
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1. The relationship between the mission, goal, strategy, value system and behavioural patterns of an organisation

Campbell and Tawadey (Gerber et al) developed a definition of the concept “mission” that is much wider than the traditional one. They identify four elements:

- **Goal**
- **Strategy**
- **Organisational values**
- **Standards of behaviour**

According to Campbell and Tawadey, the goal of an organisation is the most philosophical part of the mission. It provides an explanation of the *raison d’etre* of the organisation; in other words,
for whom or for whose benefit the effort is made. Campbell and Tawadey state that “some chief executives dedicate their companies to the shareholders, arguing that the company exists to create wealth for the shareholders” This is probably true for small and medium sized organisations, but according to the authors is not applicable to large corporations. These multi-constituency companies believe in a stakeholder definition of purpose: that the company exists to serve the needs of all its stakeholders.

Strategy is the second element of the definition of a mission. It is the business rationale of an organisation. It relates behaviour and decisions to the goal of the organisation. In order to formulate a strategy, management has to describe and define the domain in which the organisation intends to operate and compete.

Campbell and Tawadey go on to say: It must also provide some rationale that identifies the competitive advantage or destructive competence that will enable the company to hold a special position in the chosen business domain.

A strategy serves no purpose unless it is transformed into behaviour patterns and decisions. A strategy should spell out what action and behaviour it requires if it is to have an influence on the organisation. Therefore the third element of a mission is standards of behaviour. Standards of behaviour are described by Campbell and Tawadey (In Gerber et. al) as follows:

Behaviour standards are therefore part of the organisations way of doing business. They are things that managers have come to feel are important to the effective running of the business. They are the ten commandments of the business. These behaviour standards are defined not only by the company’s strategy; they are also defined by its values. Our definition of mission recognises that there are two reasons for doing something in an organisation. The first is a strategic or commercial reason; the second a moral or value-based reason.

Organisational values are beliefs that support the organisations management style and determine its attitude towards employees and shareholders, as well as its ethics.

They elaborate further on this aspect:

In organisations with a sense of mission, values provide the emotional logic for managers and employees. They are the justification for managers and employees to say that their behaviour is not only good strategically but also good in itself: the right way to behave. Employees who have personal values similar to the organisations values find a sense of fulfilment and meaning in their work and behaviour standards.
It is this sense of doing something worthwhile that gives them a sense of the company mission.

According to the authors the mission will be healthy if all the previously mentioned components form a tightly knot whole. The question arises as to how important a mission is for human resources management. Campbell and Tawadey (in Gerber et al) identify three advantages for employees who identify with the mission of the organisation. First, employees are more motivated and will work more intelligently if they believe in what they are doing and trust the organisation for which they are working.

It is well known that everybody, including employees, seeks meaning in life. If an organisation can provide meaning for an employee, irrespective of salary and other circumstances, this will engender greater loyalty and commitment (a sense of mission) on the part of employees.

Campbell and Tawadey say:

> The most powerful source of this commitment is the link between behaviours, the organisations values and the employee’s values. If the behaviour standards in an organisation are value laden (can be justified in value terms) they can have meaning for employees. Furthermore, if the values are those close to the heart of the employee, then the employee feels a sense of mission about the activity.

The benefits of creating a sense of mission are numerous. Inevitably they overlap with the benefits of clear strategy, such as better decision making, clearer communication greater ease in delegation with its benefit of a lower need for supervision. But a sense of mission, enhanced by clear values, gives additional benefits. The main advantage seems to be the loyalty and commitment of the management and employees.

The second big advantage lies in staff selection and training. Organisation with strong values find it easier to recruit, select promote, train and develop employees of the right calibre. It is implicitly a self-selection process, since prospective employees whose values and outlook on life do not agree with those of the organisation, will prefer not to join the organisation, or will resign at a very early stage. They say further:

> It is also a tool for helping managers make better decisions about selection, promotion and development. Training can be slanted to underpin the values and culture that the company is trying to reinforce, and an additional selection criterion can be used; does this person embody the clause we believe in?
The third advantage of a sense of mission, and the one that the authors consider to be the most important, is better cooperation and mutual trust. Employees with a sense of mission find it easier to work together, to respect each other and to search for solutions that will benefit the organisation as a whole, and not just individual departments.
Bibliography


