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The process of management is often known as the POLC (Planning, Organising, Leading, Controlling) framework. It outlines the main tasks of management:

- **Planning:** This is about looking to the future and deciding what needs to be achieved; then developing a plan to ensure the goal is achieved. In some cases, planning needs to be done at different levels, e.g., strategic planning, tactical planning and operational planning.
- **Organising:** This is a function that develops an organisational structure and allocates material and human resources for the purpose of achieving objectives set out during the planning stage.
- **Leading:** This is about influencing and inspiring others to perform well not just for themselves and for the benefit of the team and organisation as a whole.
- **Controlling:** This is about monitoring performance and taking corrective actions when under performance occurs.

**Review question**

**What is the importance of each stage of POLC?**

### 1.3 Evolution of Management Theory

Management has been around for a long time in some form or other. But, it is only over the last hundred years that it has emerged as a separate entity. This section plots the development of management thinking from the earliest times to the present.

Early civilisations had a parochial view of the management function. Forms of ad hoc management existed in the military, the household, the Church and government. Organised efforts were typically based around family/clan/tribal/national groupings. Each group had leaders and followers, with the leaders dictating the actions of their followers.

The industrial revolutions in Britain and the USA in the 1800s led to a focus on organisation, methods and human problems. This period saw a transition from largely rural agricultural based economies to manufacturing organisations in cities and towns.

The two main driving forces for this were changes to more efficient farming practices and the introduction of steam engines that led to the development of mass production machinery. The redundant farm labourers were absorbed as workers into the factory system of manufacture or large industrial undertakings such as canal and railway...
function was to determine the “right way” in which the work was to be performed, choose the best workers for the tasks and the workers simply did the work as efficiently as possible.

Taylor’s principles

- Develop a systematic and consistent approach (or science) for each operational activity
- To replace “ad-hoc” or “rule of thumb” practice
- Determine accurately from this systematic approach the most suitable method and allowable time for each task
- Establish an organisation structure in which management takes away all responsibilities from workers, except that of actual job performance
- Make use of systematic or scientific recruitment and training of the workforce, so that the best available staff are trained to perform their tasks most efficiently

**Frank and Lilian Gilbreth**

They applied the principle of measurement to management based on the precise analysis of workers activities. They advocated “one best way” of doing things, which is what their studies sought to find out. Their work was based on “micromotion” studies - that is the timing of the smallest motion of the worker. They also identified 17 basic motions such as search, select, transport, etc, which they called “therbligs”. The analysis of these detailed micromotion studies led to recommended methods, which reduced the number of worker motions, thus increasing efficiency.

**Henry Gantt**

Gantt worked with and was largely influenced by Taylor. He did not, however, agree entirely with Taylor’s ideas that there was “one best way”. He believed that there was only a way “which seems to be best at the moment”, and advised that some discretion and initiative should be left to workers to achieve the required performance.

He also developed graphical methods to illustrate workers performance. These were in the form of bar charts that indicated desired performance and actual performance. These “Gantt” charts are now what he is best known for.

**Review question**

Consider whether modern organisations implement the ideas of scientific management in some form or other.

**Henri Fayol**

Fayol is famous for his classic definition of the management process which he identified as:

- Planning and forecasting
- Organising
- Commanding
- Co-ordinating
- Controlling
• resolves some problems of machine bureaucracy structure (spreading risk, moving capital, adding and deleting businesses)
• conglomerate diversification sometimes costly and discouraging of innovation; improvements in functioning of capital markets and boards make independent businesses more effective than divisions
• performance control system risks driving organisation towards socially unresponsive or irresponsible behaviour
• tendency to use in public organisations despite dangers due to non-measurable nature of many goals

2.4.4 Professional bureaucracy
Bureaucratic yet decentralised; it is dependent on training to standardise the skill of its many operating professionals. The key to its successful functioning is the creation of compartments within which individual professionals work autonomously, subject to the controls of the profession.

There is a minimal technostructure and middle line hierarchy, meaning wide spans of control over professional work, although it has a large support staff similar to the machine bureaucracy to support the professionals.

![Diagram of Professional bureaucracy]

Context:
• complex yet stable environment
• simple technical system
• often, but not necessarily service sector

Issues:
• advantages of democracy and autonomy
• decisions made by professional judgement and collective choice, some by administrative sanction
• problems of co-ordination between the compartments, of misuse of professional discretion, of reluctance to innovate
• unionisation exacerbates these problems

2.4.5 Adhocracy
A fluid, organic, selectively decentralised, “adhocracy” where functional experts are deployed in multi-disciplinary teams of staff, operators, and managers to carry out
Review question

Select an organisation that you are familiar with and determine how closely it resembles one of Mintzberg’s five structures.

2.6 Project Based Organisation

Most conventional organisations have functional based structures. Some companies have a project based structure. Their functional units and staff are organized around each particular project. They usually have project managers that run teams of employees from different departments. In one organisation there may be many teams operating at once, but they have no need to interact with each other because each team is focused on completing its project.

A project based organisation can be within one company. It can also be across a consortium of different companies. Construction projects usually have project based structures, which involve multiple companies. Table 2.1 below explains the characteristics of project organisations.

Due to these special characteristics, project based organisations often show the following features:

- Decisions are not repetitive. Early decisions have impact on later decisions.
- Learning time for members is limited.
- Work pattern is not well defined.
- Personnel are drawn from many organisations (matrix structure).
- Personnel may work on multiple projects simultaneously (matrix structure).
- Project organisation changes over different stages.
3. INDIVIDUAL DIFFERENCES

Most business organisations consist of many individual workers in different roles. These individuals may differ in a variety of ways, such as physique, gender, ethnic origin, value, culture background, etc. The differences can foster creativity, enjoyment, and satisfaction. They can also be sources of misunderstanding and conflict. In any case, it is important for managers to recognise individual differences and understand the demands of each individual.

3.1 How do Individuals Differ?

No two individuals are the same in the world; even identical twins are different in some ways. Some of the differences are hereditary; others are determined by the environment factors. Some of the differences are more visible, such as physique and gender. Other differences are less visible, such as attitudes, personality traits, intelligence and abilities. Some of the characteristics are shared with other, for example individuals who are from the same culture background or who have the same abilities or who share similar physical attributes.

Read (Mullins and Christy, 2010) section on “How Do Individuals Differ?”, pages 129-130

Review question

Why is it important for managers to recognise individual differences in their workers?

3.2 Personality

In daily life, we often hear people describe somebody using words, such as “easy going”, “open minded”, “nice”, “nasty”, “extravert”, “shy”, etc. These are all descriptions of a person’s personality. Personality is a combination of stable characteristics which explain why a person behaves in a particular way. These characteristics include emotional, attitudinal and behavioural response patterns.

Personality studies try to define ways to measure personality. There are two broad approaches: nomothetic approach and idiographic approach.

3.2.1 Nomothetic approach

This is a natural science approach, which defines personality as a collection of measurable traits and characteristics. It tends to view environmental and social influences as minimal, and views personality as consistent. This approach usually claims that personality is largely inherited and resistant to change.
During the perception, people also consciously or unconsciously adopt several techniques, including:

- Figure and ground
- Grouping
- Closure

Read (Mullins and Christy, 2010) pages 218-220 about description of these techniques, and pages 226-227 about their implications of perceiving other people.

Review question

Can you think of any examples of using these perception techniques from your own experience?

3.4 Cultural Differences

Read (Mullins and Christy, 2010) section on “Cultural differences”, pages 214-217

Review question

What are the important things to remember when communicating with people from a different culture background?
4.4 The Qualities or Traits Approach

Historically, leadership has been associated with tradition, office and charisma. Traditional leaders derived authority from their inheritance by birth or kinship. Official leaders derived their authority from the offices they held. Charismatic leaders exercise influence over others by force of personality or charm.
Acting as a role model and exemplar
The leader serves as a role model for the group members.

Subordinates will view the leader’s behaviour as an example from which they may wish to learn, which they may wish to emulate, or which instead they may wish to avoid. The leader’s behaviour provides a standard or yardstick against which subordinates measure his or her perceptions of what it is desirable to emulate.

Acting as ambassador, figurehead and representative.
The leader acts as a symbol for the group, thereby providing a focus for group unity. The leader as ambassador will attempt to filter out negative influences external to the group, thereby facilitating its task performance.

Effective championing of the group and the task, and attaining favourable decisions will be a source of motivation for the group. Group effectiveness may depend on the actual effectiveness of the leader in representing the group to peers and superordinates.

Acting as a tension release mechanism.
Group members, peers and superiors may focus tension and friction on the leader role. This is obviously a very stressful role as it may be the leader’s role to absorb organisational tension or friction, and to attempt to dissipate it harmlessly.

The role of scapegoat.
The leader becomes the focus for the negative or aggressive sentiments of frustrated or disappointed group members, or disillusioned peers and superiors.

4.6 Leadership as a Behaviour Category

Read (Mullins and Christy, 2010) section on “Leadership as a behaviour category”, pages 379-380

Blake and McCanse proposed a Managerial/Leadership grid, as shown in Figure 4.2. Details of the grid can be found in (Mullins and Christy, 2010), pages 461-463.
1. **Taking refuge in a specialty.** Managers retreat to their technical specialty as opposed to managing.

2. **Focusing on past performance.** Managers dwell on previous “days of glory,” instead of confronting current challenges.

3. **Exaggerating certain aspects of the leadership role.** Managers feel insecure about their command of job responsibilities and avoid certain aspects of their role or use their office to intimidate others.

The five remedies for overcoming poor performance due to a lack of ability should be implemented in this order.

1. **Resupply**—focuses on the support needs of the job, including personnel, budget, and political clout. This is the least threatening action and signals to the employee a willingness by the manager to help.

2. **Retrain**—providing additional education or job-related training. Training can take a variety of forms:
   - Interactive
   - Simulation
   - Subsidized university courses
   - In-house seminars
   - Distance learning, material offered over the Internet

3. **Refit**—the subordinate remains on the job but the components of the job are changed to better fit the individual. The result usually is a changed job description.

4. **Reassign** is more drastic because it involves a transfer, but it indicates to the employee that the company is committed to helping him or her succeed in that organization.

5. The final option, **Release** or termination, should be considered only after all other options have been explored.

### 5.3.3 Fostering a motivating work environment

The second component of employee performance is motivation. Related to motivation are the assumptions tied to Theory X and Theory Y. Theory X is a management style characterized by coercion, intimidation, and close supervision where the basic assumption is that employees really do not want to work hard or assume responsibility. Theory Y is a management style characterized by assisting workers to reach their potential where workers want to do a good job and assume more responsibility.

Managers should use motivation techniques that “integrate” concerns for both employee satisfaction and performance. There are four ways to address satisfaction and performance.

- **Indulging**—a high emphasis on satisfaction and a low emphasis on performance. The culture is one of entitlement over accountability.
- **Imposing**—a strong emphasis on performance to the exclusion of satisfaction. Employees feel exploited. Very little trust between management and employees.
- **Ignoring**—neither satisfaction nor performance is emphasized. No real leadership, no direction and ultimately failure.
- **Integrating**—emphasizes both satisfaction and performance. In the long run both satisfaction and performance are given equal consideration. Employees are still held accountable.
5.3.4 Elements of an Effective Motivation Program

Scholars’ understanding of the relationship between satisfaction, motivation and performance has changed a great deal during the past two decades. The current “four-factor” model is: \textbf{Motivation} \rightarrow \textbf{Performance} \rightarrow \textbf{Outcomes (Rewards)} \rightarrow \textbf{Satisfaction}.

Within the “four-factor” model are the six elements (Table 5.1).

Table 5.1 Six Elements of an Integrative Motivation Program

<table>
<thead>
<tr>
<th>MOTIVATION → PERFORMANCE</th>
<th>PERFORMANCE → OUTCOMES</th>
<th>OUTCOMES → SATISFACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Establish moderately difficult goals that are understood and accepted.</td>
<td>3. Use rewards and discipline appropriately to extinguish unacceptable behaviour and encourage exceptional performance.</td>
<td>4. Provide salient internal and external incentives.</td>
</tr>
<tr>
<td>Ask: “Do subordinates understand and accept my performance expectations?”</td>
<td>Ask: “Do subordinates feel that being a high performer is more rewarding than being a low or average performer?”</td>
<td>Ask: “Do subordinates feel the rewards used to encourage high performance are worth the effort?”</td>
</tr>
<tr>
<td>2. Remove personal and organizational obstacles to performance.</td>
<td>5. Distribute rewards equitably.</td>
<td>5. Distribute rewards equitably.</td>
</tr>
<tr>
<td>Ask: “Do subordinates feel it is possible to achieve this goal or expectation?”</td>
<td>Ask: “Do subordinates feel that work-related benefits are being distributed fairly?”</td>
<td>Ask: “Are we getting the most out of our performance-enhancement efforts?”</td>
</tr>
<tr>
<td>6. Provide timely rewards and specific, accurate, and honest feedback on performance.</td>
<td>6. Provide timely rewards and specific, accurate, and honest feedback on performance.</td>
<td>Ask: “Do subordinates know where they stand in terms of current performance and long-term opportunities?”</td>
</tr>
</tbody>
</table>


\textbf{(1) Establishing clear performance expectations}

Establish moderately difficult goals that are understood and accepted. The foundation of an effective motivation program is goal setting. Effective goal setting has three critical components:

1. Goal-setting process that encourages subordinates to “buy into” the goals.
2. Goal characteristics are specific, consistent, and appropriately challenging.
   - Goals should be specific meaning they are measurable, unambiguous, and behavioural.
   - Goals should be consistent meaning goals should be compatible where all goals can be accomplished simultaneously.
   - Goals should be appropriately challenging where high expectations generally foster high performance.
3. Feedback on goal accomplishment. Feedback provides opportunities for clarifying expectations, adjusting goal difficulty, and gaining recognition. Benchmarking plays a critical role in feedback.
and motivation, then probing into the nature of the relationship and the problem.

2. In seeking out the perspectives of both parties, maintain a neutral posture regarding the disputants - if not the issues. The mediator must maintain impartiality, even in private conversations. Try to keep problems and people separated.

3. Serve as a facilitator, not as a judge. Don’t evaluate solutions and instead help disputants come up with alternatives.

4. Manage the discussion to ensure fairness. Keep the discussion issue oriented, not personality oriented. Keep a collaborative, balanced climate and maintain a focus on issues and the consequences of failing to resolve the conflict. Expressions of emotion may be natural. Set and enforce ground rules about conduct.

(M) Mediator – Solution generation.

1. Explore options by focusing on interests, not positions. Look for where interests meet and where they conflict. Ask probing “why” questions to clarify interests.

2. Make sure all parties fully understand and support the solution agreed upon, and establish a mechanism for follow up. These are the last two phases of the problem solving process, so be sure and don’t terminate the entire process prematurely. Make sure that mutual understandings are achieved, a plan is in place, and follow ups are discussed.
• The level of government intervention
• European Union social legislation
• Political interests
• Scarcity of natural resources
• Rapid developments in the new technologies and the information age
• Increased demands from customers
• New way of working and management
• Change in work force

These factors lead to internal change drivers, such as:

• Improving performance
• Adopting new technology
• Changing attitude of employee
• Changes to business processes

As well as external drivers, such as:

• Compliance
• Technology
• Globalisation
• Legislation
• Changing attitudes of customers
• Merges and acquisitions

Read (Mullins and Christy, 2010) the section on “The forces of change”, pages 752-754

Review question

Is change always a good thing? What are the potential negative impacts of change?

10.4.2 Resistance to change

Despite the inevitability and potential positive outcomes, change is often resisted at both the individual and organisational level.

Resistances at the individual level include:

• Selective perception
• Habit
• Inconvenience or loss of freedom
• Economic implications
• Security in the past
• Fear of the unknown
- Establish goals.
- Activate and reinforce top management support.
- Recruit and empower change agents.
- Encourage participatory decision-making.
- Institute smaller, acceptable changes that reinforce and support change.
- Reward and celebrate success.
- Maintain open, two-way communication

**Refreezing**

Stabilize the change intervention by rebalancing driving and restraining forces.

- Build success experiences.
- Reward desired behaviour.
- Develop structures to institutionalize the change.
- Make change work.

---

Read (Mullins and Christy, 2010) the section on “Planned organisational change”, pages 753-755

**Review question**

*What are eight specific components of a planned change proposed by French, Kast and Rosenzweig?*

---

**10.6 Managing Organisational Change**

Read (Mullins and Christy, 2010) the section on “The Management of Organisational Change”, pages 759-764

**Review question**

*Review the eight steps of successful change, listed by Kotter and Cohen. Compare them with the eight components proposed by French, Kast and Rosenzweig.*

---

**10.7 Two Decades of Change in the Construction Industry**

The UK construction industry is often criticised for its poor performance (poor quality, high cost, unreliable delivery time), conservative culture (macho image, slow to adopt new technologies) and poor health and Safety records. There has been a continuous drive for a culture change for the industry.
Appendix 1: How to Assess Your Leadership Style

Appendix 2: Leadership in the construction industry

Appendix 3: Effective Teamwork: A Best Practice Guide for the Construction Industry