

Krzysztof Wodarski

MANAGEMENT AND DECISION MAKING METHODS



Lublin 2021

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Theoretical and practical aspects

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Reviewers:

- Prof. UŁ, Eng. Zbigniew Wiśniewski, PhD., Dsc.
- Prof. Dr Oleksii Lyulyov, Dsc.

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Project manager: prof. SUT. Aleksandra Kuzior, PhD., Dsc.
Department of Applied Social Sciences
Faculty of Organization and Management
Silesian University of Technology

Typesetting:
Monika Maciąg

Cover designer:
Marcin Szklarczyk

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Table of contents

Introduction	7
Chapter 1. Management by communication.....	13
1.1. The communication process.....	15
1. 2. Communication networks	17
1.3. Types of communication.....	20
1.4. Advantages and disadvantages of the method.....	27
1.5. Control questions and topics for discussion.....	28
1.6. References	28
Chapter 2. Management by organizational culture	31
2.1. Defining organizational culture.....	33
2.2. Ways of implementing and consolidating organizational culture.....	36
2.3. Advantages and disadvantages of the method.....	43
2.4. Control questions and topics for discussion.....	44
2.5. References	45
Chapter 3. Management by motivating.....	47
3.1. Theories of motivation	50
3.2. Motivating tools	58
3.3. Authentic organizational leadership.....	61
3.4. Advantages and disadvantages of the method.....	64
3.5. Control questions and topics for discussion.....	65
3.6. References	65
Chapter 4. Management by delegation	67
4.1. Principles.....	69
4.2. Procedure.....	71
4.3. Barriers	75
4.4. Advantages and disadvantages of the method.....	76
4.5. Control questions and topics for discussion.....	77
4.6. References	77
Chapter 5. Management by exceptions	79
5.1. Principles.....	82
5.2. Procedure.....	82
5.3. Advantages and disadvantages of the method.....	84
5.4. Control questions and topics for discussion.....	85
5.5. References	85
Chapter 6. Management by objectives	87
6.1. The essence, role and classification of objectives.....	90

6.2. Principles	91
6.3. Procedure	93
6.4. Advantages and disadvantages of the method	100
6.5. Control questions and topics for discussion	101
6.6. References.....	103
Chapter 7. Management by autonomous groups	105
7.1. The essence of autonomous groups	107
7.2. Principles	109
7.3. Procedure	110
7.4. Advantages and disadvantages of the method	113
7.5. Control questions and topics for discussion	114
7.6. References.....	114
Chapter 8. Management by quality circle	115
8.1. Principles	118
8.2. Procedure	119
8.3. Methodology and work tools of the quality circles	123
8.4. Advantages and disadvantages of the method	124
8.5. Control questions and topics for discussion	125
8.6. References.....	126
Chapter 9. Management by conflict	127
9.1. Assumptions of the method	130
9.2. Procedure	133
9.3. Advantages and disadvantages of the method	137
9.4. Control questions and topics for discussion	138
9.5. References.....	138
Chapter 10. Management by alternatives.....	141
10.1. Procedure	143
10.1.1. Normative analysis	145
10.1.1.1. Assumptions.....	145
10.1.1.2. Principles of evaluation – choosing the best alternative	148
10.1.2. Descriptive analysis	150
10.1.2.1. The concept of intuition	150
10.1.2.2. Conditions for the application.....	152
10.2. Advantages and disadvantages of the method	155
10.3. Control questions and topics for discussion	157
10.4. References.....	158
Summary.....	161

Introduction

*The real danger is not that computers will begin to think like men,
but that men will begin to think like computers.*

Sydney J. Harris

Technological progress makes the nature of human work change. Technology supports employees in performing specific tasks, supplementing their skills, but can also replace them¹. In particular, the development of cognitive technologies affects the implementation of the tasks such as:

- routine manual, requiring accuracy and conscientiousness in the operation of machines and processes, as well as clearly defined and repetitive physical activities that are performed by low- and medium-qualified employees (e.g., machine operators, fitters);
- routine mental, requiring the implementation of clearly defined and repetitive sequences of intellectual activities, allowing the transformation of incoming information that is carried out by medium-qualified employees (e.g., cashiers, officials).

Currently, routine tasks listed above are easily automated, so technology can support or completely replace employees in their performance.

However, it should be noted that the development of cognitive technologies does not significantly contribute to the automation of non-routine tasks that require unstructured and variable activities. In particular, this applies to the tasks such as:

- non-routine manual, which, although simple and can be implemented by low-skilled employees (e.g., drivers, porters), require adaptation to a specific situation, language comprehension, understanding the perceived images or rules of social coexistence, which is quite difficult to automate,
- non-routine mental, which in addition to the need to adapt to a specific situation, language comprehension, understanding the perceived images or rules of social coexistence require abstract thinking, creativity, problem-solving skills, responding to changing events, as well as above-average communication, building positive interpersonal relationships or stimulating appropriate attitudes in people. Therefore, they can be implemented by highly qualified employees (e.g., designers, managers).

For these non-routine tasks, successful attempts are being made to partially automate them using machine learning (ML). In the case of manual tasks, for example, there is a system of so-called autopilot, created to support the tasks carried out by drivers, which is a bridge between systems supporting car steering and fully automatic driving. On the other hand, in the case of mental tasks, there are, for example, computational programs created to support making various types of decisions that increase the effectiveness and efficiency of managers' work. It should be noted, however, that ML technologies are most useful in tasks where the elements entering and leaving the system are well-defined, there are clear measures of success in performing the task, reasoning does not

¹ Acemoglu D., Autor D.H., *Skills, Tasks and Technologies: Implications for Employment and Earnings*, [in]: Card D., Ashenfelter O. (eds.), *Handbook of Labor Economics*, Elsevier, Amsterdam 2011, p. 1043-1171.

require varied existing knowledge or common sense and there is no need for detailed explaining the reasons for the decision².

To sum up this part of the considerations, it can be stated that the development of cognitive technologies increases the range of tasks that can be automated and slowly blurs the boundary between routine and non-routine tasks. However, so far, robots and computers replace people primarily in the performance of tasks that can be defined by algorithms, i.e. structured and repetitive – and therefore routine³, while in the case of non-routine tasks you can only talk about their support. It can also be assumed that in the near future further automation will be oriented rather on non-routine manual tasks, and only later on mental ones. The reason for this is the relatively poorly recognized problems underlying cognitive science related to the mechanisms of functioning of the human brain and mind. Among the specific issues related to these problems, which must be understood to be able to automate the performance of non-routine mental tasks, there are phenomena that characterize people such as: perception, associations, sequential thinking, reasoning and decision-making, intuition, conscious perception and unconscious reception, states of consciousness, personality, feelings and others. It should be noted that these phenomena have a huge impact on human capital and organization management. It can therefore be assumed that tasks in this area, which are carried out by highly qualified managers, will not be subject to comprehensive automation in the near future. In particular, among these are managerial tasks oriented towards two goals:

1. Increase of employees' professional satisfaction, which leads directly to their positive attitudes towards the work environment and performed duties, and consequently, to the effectiveness and efficiency of their work for the organization.
2. Making rational decisions that affect the proper functioning and development of the organization in a competitive environment.

The indicated tasks are implemented using many management and decision-making methods. The classification of selected ones is shown in Figure 1.

This textbook describes the methods highlighted in Figure 1. It should be emphasized that the indicated methods aimed at achieving the first goal are based on the assumption that a manager can influence employees' behavior by building positive interpersonal relationships and strengthening engagement, which positively affects professional satisfaction in the following aspects:

- rational: employees understand and support organizational goals and culture, and their views and values are consistent with the values of the organization;
- behavioral: employees make an effort for the organization, see problems, initiate changes for their solution, taking responsibility for them;
- emotional: employees identify with the organization, have a sense of community, job satisfaction, and are proud that they belong to the organization⁴.

² Brynjolfsson E., Mitchell T., *What Can Machine Learning Do? Workforce Implications*, Science 358 (6370)/2017, p. 1530-1534.

³ Brynjolfsson E., McAfee A., *The Second Machine Age: Work Progress and Prosperity in a Time of Brilliant Technologies*, W.W. Norton & Company, New York 2014.

⁴ Meyer J.P., Allen N.J., *A Tree-Component Conceptualization on Organizational Commitment*, Human Resource Management Review, 1/1991, p. 61-89.

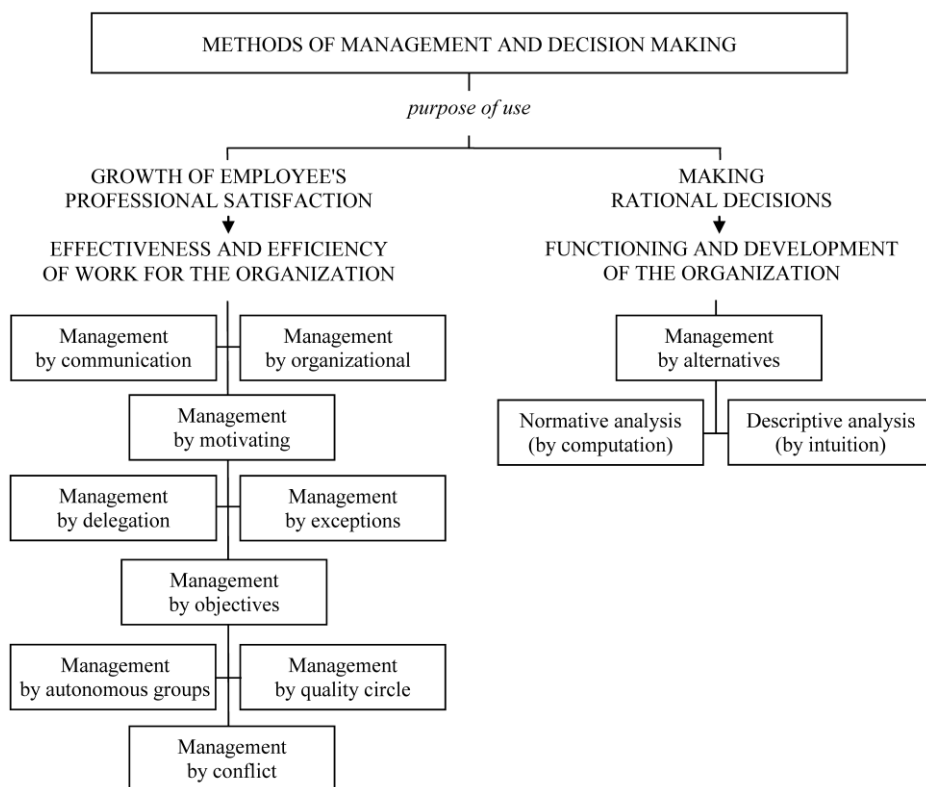


Figure 1. Classification of selected management and decision making methods. *Own study*

In management methods aimed at achieving the first goal, it is assumed that the level of work satisfaction defined in these three aspects reflects the nature of the employees' relationship with the organization. The relationship is understood here as their involvement in work, in their profession, in the environment of colleagues⁵, which determines an active attitude and enthusiasm in performing tasks, and in consequence, it leads into the effectiveness and efficiency of work for a given organization.

In turn, methods aimed at achieving the second goal are based on the assumption that decision-making, referred to as the intentional and non-random selection of one of at least two solutions to a given decision problem, can be based on the results of not only analytical but also intuitive thinking. This means that intuition is one of the tools used in management, the use of which can result in rational decisions that affect the functioning and development of the organization in the future.

⁵ Juchnowicz M., *Zarządzanie kapitałem ludzkim a poziom zaangażowania pracowników*, *Zarządzanie Zasobami Ludzkimi*, 3-4/2010, p. 57-58.

The textbook has been prepared primarily for students of Cognitive Technologies, but it can also be used in other fields of study at the Faculty of Organization and Management of the Silesian University of Technology.

Chapter 1. Management by communication

Correct communication is essential for managing human capital and organizations, and therefore also for the implementation and use of all methods considered in this manual. A modern manager spends about 70% of his work time communicating. Communication is significant in implementing the management function⁶:

- in planning it is included in the area of defining goals and methods, and means of achieving them, as well as in making decisions;
- in organizing it applies to, among others, the sphere of defining and delegating goals, tasks and powers, as well as to work coordination and implementation of changes;
- in motivating it enables recognising the employees' needs, developing an appropriate incentive system and assessing employees;
- in controlling it provides information on the obligations and responsibilities of employees or groups, as well as on the degree of their implementation and emerging problems, so that it is possible to designate corrective actions.

In addition, it is worth noting that communication also has an emotive function. It makes it possible to express emotions and feelings, thus allowing meeting the psychosocial needs of organization participants⁷.

The method of management by communication (MbC) was created from the importance of communication for human resources management and the functioning of the organization. Its essence is building and improving a system of constant informing the employees about the main goals, problems, intentions of the organization's management and about its current and target market position. The immediate goal of this method is to inform employees in the hope that it will contribute to creating a climate of mutual trust between management and subordinates, and thus to better motivation and positive behaviour for the benefit of the organization, including decentralization of powers and activities in the group⁸.

The basis for the effective application of this method is to acquire knowledge of the communication process, communication networks, types of communication, its advantages and disadvantages.

1.1. THE COMMUNICATION PROCESS

The communication process consists in transmitting (exchanging) information, feelings, desires encoded in symbols constituting messages that have a specific meaning for entities participating in this process⁹. For this process to be effective, three conditions¹⁰:

⁶ Makara-Studzińska M., *Jak zwiększyć swoją siłę, czyli o skutecznej komunikacji w biznesie*, Słowa i Myśli, Lublin 2013, p. 4.

⁷ Siemiński M., *Proces komunikacji*, [in:] Mioduszeński J. (ed.), *Metody organizacji i zarządzania*, Uniwersytet Warmińsko-Mazurski w Olsztynie, EXPOL, Olsztyn 2013, p. 126; Domachowski W., *Interakcyjny model funkcjonowania społecznego, społeczna psychologia kliniczna*, PWN, Warszawa 1991, p. 103.

⁸ Glińska-Neweś A., *Kulturowe uwarunkowania zarządzania wiedzą w przedsiębiorstwie*, Dom Organizatora, Toruń 2007, p. 100; Czerska M., *Zmiana kulturowa w organizacji. Wyzwanie dla współczesnego menedżera*, Difin, Warszawa 2003, p. 137.

⁹ Bartosik-Purgat M., *Otoczenie kulturowe w biznesie międzynarodowym*, PWE, Warszawa 2006, p. 53; Bieniok H. and team, *Metody sprawnego zarządzania*, Agencja Wydawnicza Placet, Warszawa 2011, p. 220.

should be met 1) there must be at least two people – the sender and recipient of the message, 2) there must be information that is the subject of the communication, 3) the recipient of the message must be able to interpret its meaning.

Communication includes several elements shown in Figure 2.

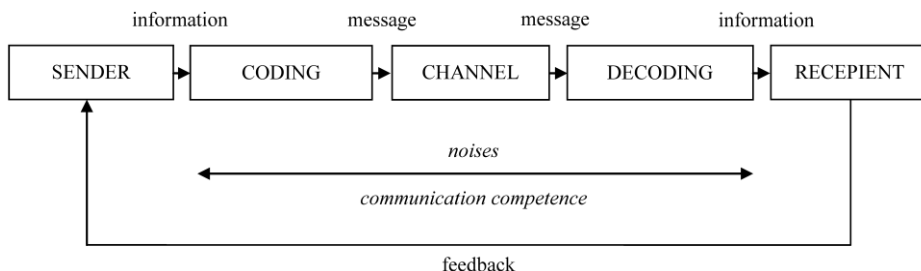


Figure 2. Elements of communication process.

Prepared on the basis of: Perechuda K. (ed.), *Zarządzanie przedsiębiorstwem przyszłości. Koncepcje, modele, metody*, Agencja Wydawnicza Placet, Warszawa 2000, p. 175.

The communication process is initiated by the sender, who codes the information into a message. Coding should ensure that the information is transformed into a symbolic form that the recipient can understand. The message can be transmitted through various channels related to the selected type of verbal or non-verbal communication. The channel may be formal or informal. The sender decides about the choice of the communication channel. The message transmitted via the selected channel must be decoded by the recipient. Feedback makes it possible to verify the conformity of the communication – the recipient becomes the sender and the sender becomes the recipient. There are several types of feedback, including among others¹¹:

- estimating, when a standpoint, opinion on a given case, is presented;
- positively evaluating when approval in a given case is shown;
- negatively assessing, when all ambiguities are cleared up and errors are corrected by the sender;
- non-judgmental when it does not refer to an opinion on a specific matter, but confirms receipt and understanding of the message.

Noises play an important role in the communication process. There are many factors that cause noise. Aside from the obvious ones, e.g., sounds, factors that disturb or prevent proper communication include among others¹²:

1. Perception, which causes a selective reading of the message, depending on the needs, motivation, experience, situation, and personality traits of the recipient.

¹⁰ Sikorski Cz., *Język konfliktu. Kultura komunikacji społecznej w organizacji*, CH Beck, Warszawa 2005, p. 77.

¹¹ Stankiewicz J., *Komunikowanie się w organizacji*, Astrum, Wrocław 2006, p. 56-57.

¹² Robbins P.P., *Zasady zachowania w organizacji*, Zysk i S-ka, Poznań 2000, p. 135-137.

2. Filtering, this means deliberate actions that distort information in such a way that it seems more favourable to the recipient. Filtering is favoured by the increase in the number of hierarchical levels that determine the opportunities for filtering.
3. Emotions, e.g., anger, hatred, jealousy, anxiety, sadness, joy. Understanding the message is mostly hampered by extreme reactions that cause people not to read the message rationally make.
4. Lack of coherence, unambiguousness in verbal and non-verbal communication, which causes the recipient to feel confused, uncertain, lost and leads him to misreading of information.
5. Language differentiation, mainly caused by education, age and organizational culture – language artefacts (e.g., jargon).
6. Cultural and national differences that cause different reading of non-verbal messages. This applies to:
 - spatial distance: in contact cultures (e.g., Arabs) small distances are preferred, and in non-contact cultures (e.g., Scandinavians) further distances between interlocutors;
 - gestures replacing words and expressing specific meanings (e.g., nodding in Bulgaria expresses negation and in Poland confirmation).
7. Speech impediment, first of all stuttering, indistinct articulation, speaking too fast, incorrect accent or para lingual sounds, e.g., sighs, sounds like "eee", "yyy".

It is worth emphasizing that the manager's communication competences, which should be a role model for employees, are important in reducing noise. Therefore, he should first of all¹³:

- have a clear message concept based on well-defined information;
- choose the message transmission form in a language known to the recipient (it is not only about the correct use of a particular national language, but also the saturation of the message with specialized vocabulary);
- choose the appropriate channel – the communication network;
- be sure that the message has reached the recipient and has been correctly understood;
- monitor the recipient's reaction, especially when the condition of respecting the content of the message is his favour;
- get feedback when circumstances require it.

1. 2. COMMUNICATION NETWORKS

Communication networks are channels that determine the direction of information flow, occurring in both formal and informal messages¹⁴. In formal communications, there are usually three types of communication networks: vertical, horizontal, diagonal, which are shown in Figure 3. In turn, informal communications usually have diagonal and corridor communication networks.

¹³ Penc J., *Komunikacja i negocjowanie w organizacji*, Difin, Warszawa 2010, p. 133.

¹⁴ Poczrowski A., *Zarządzanie Zasobami Ludzkimi*, Polskie Wydawnictwo Ekonomiczne, Warszawa 2008, p. 215.

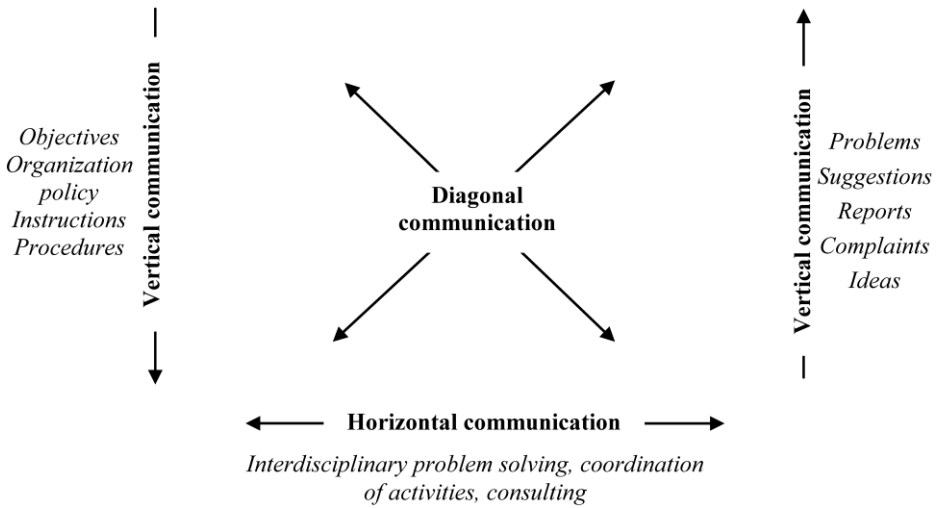


Figure 3. Types of communication networks. *Own study*

Vertical communication occurs when information flow occurs between hierarchically placed members of an organization. Most often it takes place in the "top down" or "bottom up" directions. The top-down direction reflects the transfer of information, instructions, directives, ordinances, instructions, etc. from organizational units at high levels in the hierarchy – down to employees at lower levels. The bottom-up direction usually takes the form of feedback, which is the reaction of subordinates to a message received from a supervisor. It may relate to: information on the progress of implementation of the tasks or difficulties in their performance, additional explanations related to the performed work, e.g., reports of failures, emerging irregularities, etc. However, it should be noted that a combined solution is also encountered ("top-down-top"), which is more difficult to use and time-consuming, but more effective due to feedback.

To ensure effective vertical communication, the following guidelines should be followed¹⁵:

- senior managers should provide information directly to their subordinate managers, e.g., department managers;
- managers should pass the information to subordinate employees;
- on important matters, senior managers should communicate directly with employees.

Horizontal communication occurs when information is exchanged between employees occupying equivalent positions in the organizational hierarchy. This type of communication is particularly important in organizations that use modern management concepts based on a process approach. The exchange of information between group members and groups creates conditions for gaining new experiences and mutual learning and is also a condition for the effective performance of tasks or solving emerging problems.

¹⁵ Wiejak K., Wiejak P., *Analiza systemu komunikacyjnego w organizacji*, [in:] Markiewicz K., Wawer M. (eds.), *Problemy społeczne we współczesnych organizacjach*, Difin, Warszawa 2005, p. 186.

Diagonal communication refers to organizational units occupying different positions in the structure, not connected by subordinate bonds. As a formal way of providing information, it occurs sporadically when other directions of communication are ineffective. Furthermore, it is more common in informal networks.

Corridor communication is based on an informal network. It is extremely fast, but often unreliable – it is based on pieces of information, rumours or gossip. It occurs when formal communication fails. It is unfavourable, especially during periods of crisis or implementation of changes¹⁶.

In the presented formal and informal networks, communication can take place using several of solutions referred to as types of networks, which were developed by Harold J. Leavitt. Among them stands out, among others: chain network, star network, circle network, "com-con" – integrated network¹⁷. They are shown in Figure 4.

The chain type network provides a fairly even degree of information transfer, although it does not foresee the participation of a person who can independently control the entire communication process. The position of the last recipients is characteristic here, which causes fear that they received distorted information during the transmission. For this reason, in formal communication, this type of network usually occurs while issuing business commands that are simple – not complicated.

The star network assumes that the sender of the message (e.g., manager) is in the centre of a group of recipients (e.g., employees) who are in peripheral positions. Due to such location of recipients, their mutual communication is impossible. The sender of the message controls the flow of information, but at the same time contributes to interference in the message. This type of network often ensures fast flow of information, gives great satisfaction to the sender's message and occurs during the formal issuing of business orders, which are routine, repeatable and do not require exchange of knowledge and experience with other recipients of the message.

The circular type of network excludes the existence of both a central and peripheral position. Everyone in this network has contact with two neighbours. It is assumed that due to the equal positions of group members, they achieve a high level of satisfaction, because within this network information reaches everyone and ensures a closed circulation.

The integrated network guarantees equal participation of all participants in the flow of information. This type of network often provides a fast flow of information, gives great satisfaction of the message transmission to its participants and occurs when issuing business commands that are complex, unique in nature, and require the exchange of knowledge and experience.

¹⁶ Sutherland J., Canwell D., *Klucz do zarządzania zasobami ludzkimi. Najważniejsze teorie, pojęcia, postaci*, PWN, Warszawa 2007, p. 74.

¹⁷ Bolek J., *Zarządzanie kapitałem intelektualnym w organizacji intelektualnej*, Wyższa Szkoła Promocji, Warszawa 2012, p. 135-136.

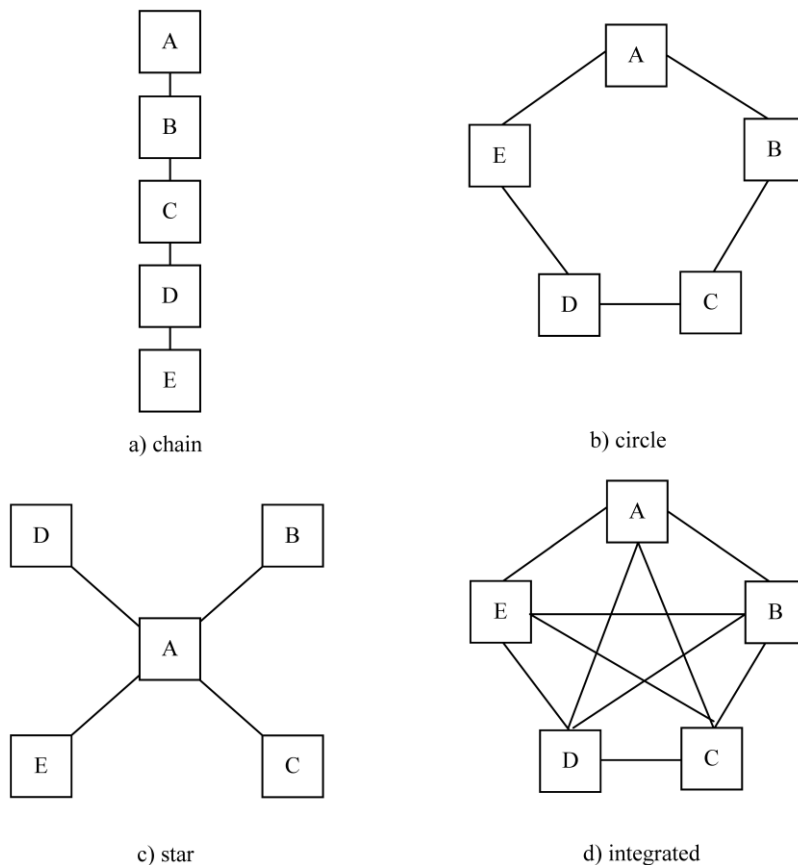


Figure 4. Types of communication networks according to Leavitt.

Prepared on the basis of: Bolek J., *Zarządzanie kapitałem intelektualnym w organizacji intelektualnej*, Wyższa Szkoła Promocji, Warszawa 2012, p. 135-136.

1.3. TYPES OF COMMUNICATION

Due to the symbols used, two types of communication are distinguished: verbal and non-verbal¹⁸. Verbal communication means communication through words and other symbols, and nonverbal communication is mainly based on body language.

Verbal and non-verbal communications complement each other. In the 1960s and '70s, research appeared on the role of verbal and non-verbal communication in the interpretation of the general meaning of the message, which led to the statement that non-verbal

¹⁸ Broader approach to this is shown by: Spitzberg B., Barge K.J., Morreale P.P., *Komunikacja między ludźmi*, Wydawnictwo Naukowe PWN, Warszawa 2015; Kinsey C.G., *Komunikacja, pozawerbalna. Znaczenie mowy ciała*, Emka Studio, Warszawa 2012; Rzepka B., *Efektywna komunikacja w zespole*, Edgard, Warszawa 2014; Pease A.B., *Mowa Ciała*, Rebis, Poznań 2017; Maj-Osytek M., *Komunikacja niewerbalna*, Edgard, Warszawa 2014; Pluska K., *Miękko o kompetencjach*, <https://www.katarzynapluska.pl/>.

communication has a greater share in this interpretation. The research conducted by Albert Mehrabian showed that people perceive the sense of the transmitted message in 55% from body language, in 38% from the features of voice (so-called paralanguage), and in 7% from the content of words. Ray Birdwhistell came to similar conclusions, according to which 35% of the information comes from words and 65% from nonverbal expression.

Why is this happening? Understanding speech is an intellectual process that involves extracting the most important content from many words, and then recognizing the speaker's intentions. Therefore, these messages are reached not directly, but after the analysis, along the paths of reasoning (intellect). It is different when you observe and hear the voice of the message sender. Data from the senses (usually first from the sight¹⁹, and then hearing) reach the recipient directly and usually allow him to quickly assess e.g., the emotional relationship of the sender (hostile or friendly), which affects the reception of the message.

Verbal communication includes the following forms: speaking and listening, reading and writing. Their percentage share in communication is shown in Table 1.

Table 1. Structure of verbal communication

form of communication	Business communication, %	Communication in general, %
<i>Listening</i>	32,7	45,0
<i>Speaking</i>	25,8	30,0
<i>Writing</i>	22,7	16,0
<i>Reading</i>	18,8	9,0

Prepared on the basis of: Brzozowski M., Kopczyński T., Metody zarządzania, Wydawnictwo Uniwersytetu Ekonomicznego w Poznaniu, Poznań, 2009, p. 52.

Listening is an active and conscious process of receiving audio information. The effectiveness of this type of verbal communication is determined by three interrelated formal elements, which are also successive stages of listening, i.e. hearing, understanding, remembering. Their occurrence determines the ability to active listening²⁰ – the most important personality trait, which is important for managers because it affects their image in the eyes of employees, building (or not) informal authority.

A manager who actively and consciously listens:

- makes sure that he understands the intentions and statements of his employee well;
- can order the statement and summarize its most important issues;
- can encourage even greater openness and disclosure of all employee's needs and doubts.

A manager is unable to listen consciously and actively if:

- distracts his attention, focuses on the details, thinks about the answers he may have to give;

¹⁹ On average each of 100 sensations is received by the brain, 87 comes from vision.

²⁰ In contrary to passive listening which is merely hearing.

- interrupts the interlocutor, non-verbally indicates impatience, tends to judge, assess others;
- comes in contact with the interlocutor with certain attitudes, expectations, beliefs and in the interlocutor's statements looks for what he wants to hear;
- is convinced that his perception of content is objective (only and true) and receives information based on his own stereotypes, beliefs, experiences.

Speaking is the formulation of verbal statements. The effectiveness of this type of verbal communication is determined by integrally related formal elements: articulation – shaping speech sounds, speech rate, audibility, melody and accent, tone of voice. All these elements should ensure that listeners' attention is attracted and retained, enable the listener to hear the speaker and create his figure.

In general, verbal statements are divided into several categories, presented in Table 2. The way of using them by managers is important because it co-creates the management style and also affects their image in the eyes of employees/subordinates.

Table 2. Categories of verbal statements

Category of the speech	Explanation	Example
Substantive presentations	The goal is to accurately present information about problems.	Program speeches, reports, lectures, presentations.
Presentations of opinions and beliefs	They are persuasive – they convince to views, influence the listeners.	Author's speeches, presentation of views, standpoints.
Relations	They refer to the arrangements made and the results of the action.	Oral reports, announcements, statements.
Occasional speeches	The main idea is to create, strengthen the mood among gathered people.	Wishes, toasts, opening speeches, jubilee speeches.

Own study

When using verbal communication, which is listening and speaking, one should remember several layers of verbal statements²¹, which are interpreted by both the sender and the recipient of the message. These are among others:

1. Material layer, transmitting specific facts, information, which is related to the substantive content of the message. It involves answering the sender's and recipient's questions – "what is the subject of the message?".
2. A layer of mutual relationship that conveys what the sender and recipient think of each other, resulting from their emotions towards each other. Signals informing about this are usually voice intonation, speaking speed, and all non-verbal communication. It involves answering the sender's and recipient's questions – "What do I think about you and our relationship?".

²¹ Dulewicz T., *Aktywne ćwiczenia i gry szkoleniowe*, Tomasz Dulewicz & Sklep.Trenera.pl., Kraków 2017, p. 69, [after:] Schulz von Thun F., *Sztuka rozmawiania, part. 1*, Wydawnictwo WAM, Kraków 2001.

3. A layer of revealing, containing information about the sender of the message and presenting his emotions and feelings that he experiences. It involves answering the following questions: sender – "what information do I provide about myself?"; recipients – "what do you tell me about yourself?".
4. A layer of appeal containing the sender's expectations of the recipient after hearing the message. This is a sort of intention of the speech. It involves answering the following questions: sender – "what do I expect from the recipient after hearing my message?"; recipients – "what do you expect from me?".

An analysis of the exemplary communication situation in the aspect of the mentioned layers of statements is presented in Table 3.

Table 3. Analysis of layers of selected verbal statements

Characteristics of the communication situation			
<ul style="list-style-type: none">Remember to do it professionally!Boss, you've told me ten times already!Nothing will happen as I say eleventh!		<ul style="list-style-type: none">– said the boss to the employee.– annoyed employee answered.– added the superior and returned to his work.	
<i>The statement selected for analysis:</i> <ul style="list-style-type: none">Boss, you have already told me ten times!			
Layers of expression			
factual	mutual relationship	revealing oneself	appeal
Boss, you've told me ten times already!	You do not believe in me	Your constant lecture annoys me	I know how to do it. believe in me
<i>The statement selected for analysis:</i> <ul style="list-style-type: none">Nothing will happen as I say eleventh!			
Layers of expression			
factual	mutual relationship	revealing oneself	appeal
Nothing will happen as I say eleventh!	I don't trust you to try	I think you have to be watched	I want you to do the job well

Prepared on the basis of: Dulewicz T., Aktywne ćwiczenia i gry szkoleniowe, Tomasz Dulewicz & Sklep.Trenera.pl., Kraków 2017, p. 73-74.

The analysis has shown that effective communication requires awareness of the existence of selected layers. It should be noted that most of them (apart from the factual one), by the fact of being hidden, may cause misunderstandings and interpersonal conflicts. To avoid them, it is worth considering a different formulation of the statement – for the clarity of the message, e.g., in the case of: "Boss, you have already told me ten times!" it can be: Boss, I think I am doing my job well, and I hear that I must remember about being professional. I am starting to lose faith in myself and think that you don't believe in my powers. Please tell me why.

Writing comprises all the means of transmitting messages in the form of specific symbols in writing (words, diagrams, drawings, etc.). Written messages include, for example, notes, letters, faxes, e-mails, notices, business orders, newspapers or company bulletins, leaflets, information brochures and others.

The written form of verbal communication is less often used by managers (Tab. 1), due to its potential disadvantages. It is believed that it blocks feedback and exchange of views, and that it is more difficult and time-consuming. This form of verbal communi-

cation obliges the sender to correct the spelling and syntax of the language, care for the proper structure of the message and its accuracy. The written message should be logical and possibly simple. The correct form of the message is also determined by the physical form of the message – type of paper, typeface, etc., as well as courtesy phrases. It should be emphasized, however, that written communication is more accurate than oral communication, thus enabling precise communication of information, e.g., business instructions on how to perform a task. This is particularly important in the case of complex, new or unique tasks. Furthermore, written communications are material, verifiable, and can be stored for a long period of time. This is important in the context of responsibility for the incorrect execution of a business order as a result of misinterpretation of the message (it is easy to determine if the fault lies with the sender who formulated it incorrectly).

Reading is a cognitive process that enables the reception of information transmitted through written communication, and consists in recognizing and understanding symbols (printed or written), which are an incentive to update the meanings built into experience and to create new meanings of already known words by manipulating already existing concepts²².

Managers should remember that the effectiveness of reading in the communication process depends on: medium (e.g., paper, monitor), type of text (e.g., commercial offer, legal regulation), substantive meaning (e.g., important or less important content). Besides, for reading to allow a full understanding of the content of the message being conveyed, it is important, among others, to choose the right pace, extract keywords, basic and final sentences, read several words at the same time, highlight important terms and phrases, and make notes in the margins.

Non-verbal communication is a set of signals presented and sent when communicating with another person. Non-verbal communication differs from verbal communication in that it is continuous – the body constantly sends signals expressing: human well-being, their mood, attitude to the world, views, etc.

The essence of non-verbal communication can be presented from the perspective of Albert Harrison, i.e., kinesics (kinetics), proxemics, and paralanguage.

Kinesis includes analysis of facial expressions, body positions and gestures as well as touch and physical contact.

Facial expressions are an important way of communicating information about emotions. For example²³:

- pursed lips can mean anger, concealment, concentration;
- open mouth can mean surprise, bafflement, boredom;
- wide open mouth can mean fear or joy;
- biting your lip may mean sadness, nervousness, shyness, fear;
- facial flushing, blush, may mean fear, shame, embarrassment;
- knitted eyebrows may mean conceit, disbelief, terror;

²² Tinkner M.A., *Podstawy efektywnego czytania*, PWN, Warszawa 1980, p. 15.

²³ Pluska K., *Miękko o kompetencjach*, <https://www.katarzynapluska.pl/komunikacja-niewerbalna-mimika-gesty-dystans-postawy/>.

- eyebrows drawn may mean anger;
- eyes wide open can mean fear, giving in to suggestions;
- eyelids lowered can mean boredom, modesty.

Eye contact is also important in facial expression analysis.

People who avoid eye contact do not inspire confidence because lack of it is often perceived as conceit or fear. The area of gazing at the interlocutor is also important, as shown in Figure 5. In professional relationships, the area of socializing is allowed – it is inappropriate to look below and above.



Figure 5. The importance of looking at the interlocutor. *Own study*

Body position and gestures also may say a lot about the sender and the recipient of the message, as shown in Figure 6. For example:

- folding your arms or crossing your legs may mean disapproval, resentment, refusal, negative assessment, discouragement – Figure 6, point a);
- outstretched hands and open hands can mean a willingness to cooperate, agreement; positive assessment, friendly attitude – Figure 6, point b);
- a straight position of the head with a hand supporting the chin or a tilted head may indicate interest – Figure 6, point c);
- supporting the head and no eye contact with the interlocutor or inappropriate sitting down may mean boredom and lack of commitment – Figure 6, point d);
- hands clasped behind the head, hands in the form of a tower or crossed at the back can mean confidence, decisiveness – Figure 6, point e);
- touching your chin or cheek with your finger extended may mean assessing and making decisions – Figure 6, point f);
- touching the nose, covering the mouth, rubbing the chin can mean lying or hiding something – Figure 6, point g);
- standing with legs slightly apart may mean confidence, relaxation – Figure 6, point h);
- standing at attention or crossing your legs may mean nervousness, stress – Figure 6, point i).

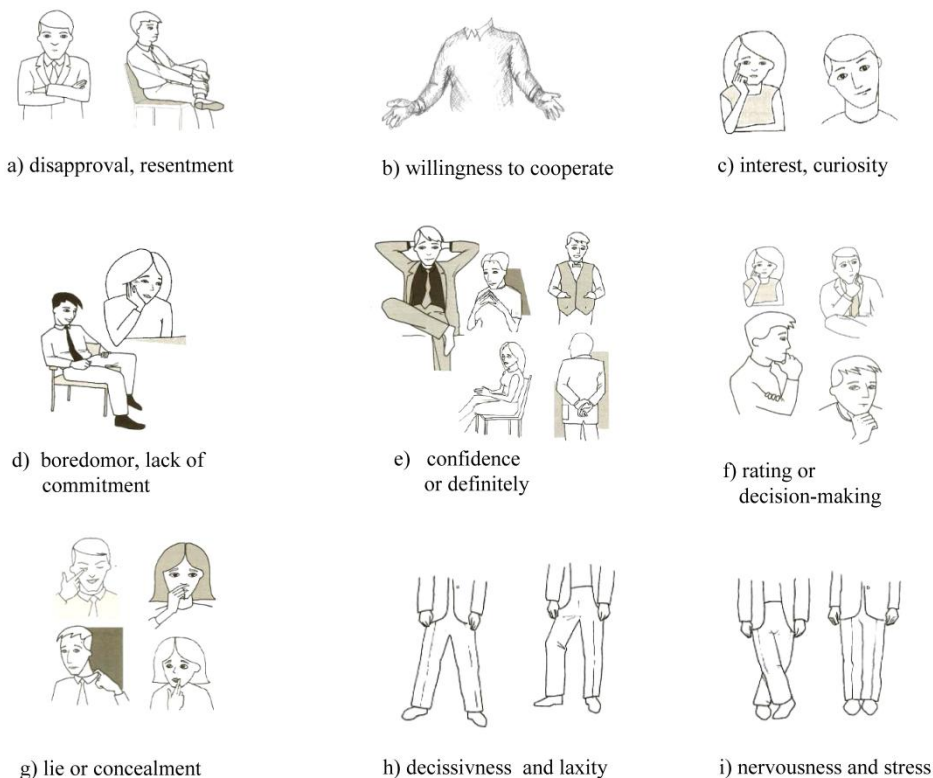


Figure 6. The importance of body position and gestures. *Own study*

Touch and physical contact are important in building a sense of closeness or distance between people. For example²⁴:

- reaching out hand for greeting usually means willingness to make contact;
- a firm handshake usually means confidence, decisiveness;
- a weak handshake usually means a lack of confidence;
- hand reached out with the back up usually means willingness to dominate, take control – Figure 7;
- wet hands usually mean nervousness;
- patting on the shoulder may mean protectionism.



Figure 7. The desire to dominate. *Own study*

²⁴ Pluska K., *Miękko o kompetencjach*, <https://www.katarzynapluska.pl/komunikacja-niewerbalna-mimika-gesty-dystans-postawy/>.

Proxemics includes analysis of the distance in space, physical distance. Edward Hall described the interpersonal distances between people:

- intimate space, approx. 15-45 cm, intended for family, the loved ones;
- personal space, approx. 45-120 cm, intended for colleagues and interpersonal professional contacts, e.g., manager – employee;
- social space, approx. 120-360 cm, intended for strangers and intra-group professional contacts, e.g., manager – a team of employees (small group);
- public space, above 360 cm, intended for social professional contacts, e.g., director – managers and employees of a company (a large group). The presented division is arbitrary, it changes, for instance, depending on where you live. An example of a greeting related to this division is shown in Figure 8.

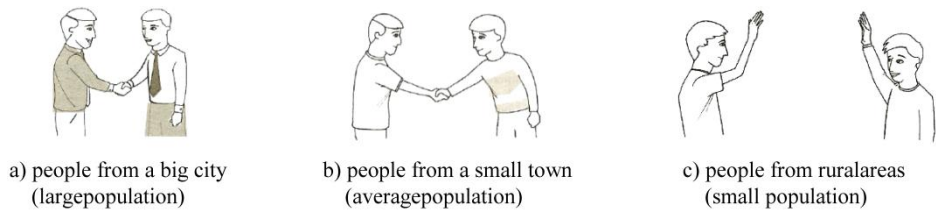


Figure 8. Preferred physical distance during the greeting depending on where you live. *Own study*

The paralinguage includes an analysis of the way of speaking and vocal features of the voice that reflect the mood, emotions, and attitude of the sender of the message. Analyses include:

- tone of speech: more intense pitch reflects stronger feelings, e.g., nervousness;
- articulation, showing the way words are spoken, e.g., merging sounds into a whole can mean nervousness, while precise separation of each syllable – calmness, determination;
- tempo: saying words too quickly can mean uncertainty or nervousness, while too slowly – indifference, boredom;
- volume: a stronger voice may indicate confidence or an oversized ego;
- rhythm: allows you to emphasize words that have important meaning.

1.4. ADVANTAGES AND DISADVANTAGES OF THE METHOD

In considerations regarding MbC, it is worth noticing many advantages, but also several disadvantages of this method.

The advantages include, above all:

- impact on efficient communication in the organization, which is important for its proper functioning;
- informing employees about the most important aspects of the organization's functioning, including its goals, problems and, as a consequence, appreciation of employees by recognizing them as equal members of the organization;
- effective implementation of management functions, fulfilling managerial roles;

- creating an atmosphere of mutual respect and trust, emotional support for employees from their managers;
- greater identification of employees with the organization, and thus – greater motivation for them to act on its behalf;
- simplified control of the change by familiarizing employees with the current situation and the reasons and objectives of the changes.

Potential disadvantages of MbC include:

- danger of employees disclosing some important information (e.g., development goals and plans) outside the enterprise, where they can be intercepted and used by the competition;
- the possibility of some discussion meetings transforming into a forum of grievance, unjustified criticism, accusations and personal attacks;
- disorganization and decrease in work efficiency in the event of communication noise or information overload.

1.5. CONTROL QUESTIONS AND TOPICS FOR DISCUSSION

1. What is the essence of MbC?
2. Which of the factors that disturb or prevent proper communication are the biggest barrier in MbC?
3. What is the essence of the advantages and disadvantages of MbC. What are the benefits and risks of implementing and using this method?
4. Which type of verbal communication is better: speaking and listening or writing and reading?
5. Which areas of MbC can be automated – where cognitive technologies can support or completely replace employees in their performance?

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Chapter 2. Management by organizational culture

Organizational culture is considered to be an important immaterial resource that greatly affects interpersonal relationships, creating a sense of belonging and identity with the organization, and shaping the behaviour and attitudes of its entire community. Important research in the field of organizational culture appeared already during the development of the field of human relations management. Especially significant for its existence was the research conducted in the 1930s by Australian sociologist and psychologist Elton Mayo²⁵, which concerned employee cooperation for the effective functioning of the organization. Also research from the 1950s conducted by Canadian psychologist Elliott Jacques was important. It is believed that it was he who first used the word "culture" to refer to an organization, which resulted in the dissemination of its concept. In his work *The changing culture of a factory*, he described the organizational culture as a conventional and standard way of thinking and acting, which a given group should learn and accept – in order to find themselves and work well in the organization²⁶. It should be emphasized, however, that the flourishing of research on organizational culture took place in the 1970s, when anthropological research pushed to the fore. The great interest in organizational culture during this period was associated with the economic crisis. Namely, American enterprises paid attention to the functioning of Japanese enterprises, in which the effects of the crisis were much smaller due to the application of a special set of standards and values toward their employees. So they began to be interested in the invisible ally of the success of Japanese companies – their specific culture affecting contacts and interaction with the society²⁷.

As Sławomir Lachowski notes, currently most of the described cases of success or failure in business are more or less related to organizational culture²⁸. For this reason, the method of management by organizational culture (MBOC) is gaining more and more popularity. The basis for its understanding is acquiring knowledge in the field of: defining organizational culture, ways of implementing and consolidating organizational culture, advantages and disadvantages of this method.

2.1. DEFINING ORGANIZATIONAL CULTURE

As stated in the introduction, organizational culture has its roots in many disciplines, primarily in social psychology, organizational sociology or anthropology. The variety of analytical approaches in the study of organizational culture in these disciplines has influenced the formulation of very different definitions²⁹, which are not completely contradictory but create a picture of various aspects of its complex phenomenon³⁰. A compromise between the definitions set out in these disciplines is the concept of organizational

²⁵ British Library (P.F.), *Elton Mayo*, <https://www.bl.uk/people/elton-mayo>.

²⁶ Szymańska K., *Kulturowy kontekst zarządzania*, [in:] Zakrzewska-Bielawska A. (ed.), *Podstawy zarządzania. Teoria i ćwiczenia*, WoltersKluwer, Warszawa 2012, p. 470.

²⁷ Perechuda K. (ed.), *Zarządzanie przedsiębiorstwem przyszłości. Koncepcje, modele, metody*, Agencja Wydawnicza Placet, Warszawa 2000, p. 286.

²⁸ Lachowski P., *Droga ważniejsza niż cel. Wartości w życiu i biznesie*, EMKA studio, Warszawa 2012.

²⁹ Dajczak K., *Różnorodność kultury organizacyjnej*, Zeszyty Naukowe Wydziału Nauk Ekonomicznych Politechniki Koszalińskiej, 11/2007, p. 35-46.

³⁰ Sułkowski Ł., *Czy jest możliwe kształtowanie kultury organizacyjnej?*, Organizacja i Kierowanie, 4/2001, p. 99-110.

culture understood as a system of collectively accepted meanings that are understandable to the participants of the organization, causing a repetition of both individual and collective behaviours, ideas, emotions and attitudes³¹. The combination of these three perspectives of cognition allows you to fully understand the phenomenon of organizational culture. Organizational culture is created both in the organizational environment (independent variable), inside the organization (dependent variable), and in "people's minds" (core metaphor). This is because organizational culture depends both on the culture of a given country, region or society's value system, market conditions or competition, as well as on internal elements of the organization, including its age, history, size, form of ownership or employment structure, as well as may be (from the above two areas of influence) partly independent due to the autonomy of human behaviour and activities in organizations. Organizational culture can affect the functioning of some elements of the organization and the culture of a given country. Such a view on organizational culture reflects the essence of this phenomenon and the dynamics of its creation, and the success of enterprises can be attributed to its conscious shaping by the managerial staff as part of the organizational culture management method.

However, it should be noted that the presented approach to organizational culture carries some imperfections. It is believed, among others, that the lack of analytical approach and operationalization of such a broad definition of organizational culture limits its cognitive usefulness³². For this reason, in the literature one can rather find the definition of organizational culture as a learned and constantly shaping product of group experience based on the components of culture – values, norms and symbols that result in the artefacts and behaviour of members of the organization. Such a picture of organizational culture is significant for its researchers, including Edgar Schein, Mary Jo Hatch, Geert Hofstede, and Philip Kotler. For example, the first of the distinguished researchers described organizational culture as "a pattern of basic assumptions invented, discovered or developed by the group during learning how to deal with the problems of external adaptation and internal integration, which proved to be sufficiently valuable and which new members should assimilate as the right way of perceiving, thinking and feeling in the context of aforementioned problems"³³. This understanding of organizational culture results in its model (often referred to as the Schein iceberg model), which organizes three basic components – levels, presented in Figure 9.

³¹ Aniszewska G., *Geneza pojęcia „kultura organizacyjna”*, Przegląd Organizacji, 10/2003, p. 17-20, [after:] Konecki K., *Kultura organizacyjna. Główne perspektywy analityczno-badawcze*, [in:] Konecki K., Tobera P., (eds.), *Szkice z socjologii zarządzania*, Wyd. Uniwersytetu Łódzkiego, Łódź 2002; Frost P., Moore L., Louis M., Lundberg C., Martin J. (eds.), *Reframing Organizational Culture*, Sage Publications, Londyn 1991; Sikorski C., *Kultura organizacyjna*, C.H. Beck, Warszawa 2002.

³² Sułkowski Ł., *Czy jest możliwe kształtowanie kultury organizacyjnej?*, Organizacja i Kierowanie, 4/2001, p. 99-110.

³³ Schein E., *Organizational Culture and Leadership*, 4th edition, Jossey-Bass, John Wiley & Sons, San Francisco 2010, p. 23-24; Piwowski-Sulej K., *Kultura organizacyjna i jej wpływ na działalność projektową – studium przypadku*, Marketing i Rynek, 5/2014, p. 143-148; Krupski R., *Zarządzanie strategiczne – koncepcje, metody*, Wydawnictwo Akademii Ekonomicznej im. Oskara Langego, Wrocław 2007, p. 400.

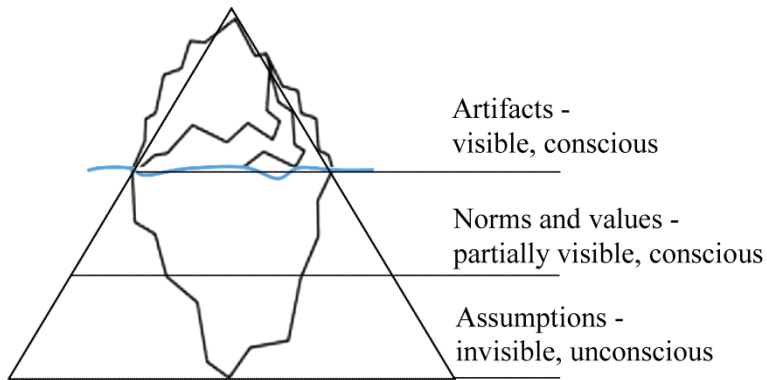


Figure 9. Model of organizational culture according to Edgar Schein.

Prepared on the basis of: Schein E., *Organizational Culture and Leadership*, 4th edition, Jossey-Bass, John Wiley & Sons, San Francisco 2010, p. 23-24; Krupski R., *Zarządzanie strategiczne – koncepcje, metody*, Oskar Lange Publishing, Wrocław 2007, p. 400.

According to Edgar Schein, the basis of organizational culture are the assumptions that were discovered, invented or developed by a group during confrontation with internal or environmental problems. These assumptions, although most often are quite invisible and unaware:

- determine the way of understanding the environment, authorities, visions of human actions and interpersonal relations, the importance of work;
- allow understanding the essence of organizational culture, as well as its sources;
- should form the basis for formulating the strategy in relation to such spheres as: the type of association of the organization with the environment, rules of behaviour, human nature and employee relations toward the group, mode of operation, mutual relations with other employees.

Another, partially visible and conscious levels of organizational culture are norms and values that define the rules of conduct of members of the organization creating its philosophy because:

- include maxims, ideologies, behaviour guidelines, value hierarchies;
- indicate what should be in contrast to what is;
- allow quick understanding of what is important, and thanks to them the proposed solutions become beliefs and assumptions.

The last, visible and conscious levels of organizational culture artefacts that result from norms and values. Most often they are an artificial product of a given culture, constituting its tangible element. They are divided into:

1. Physical, that is, material artefacts that may differ in functional and symbolic value. They include, among others, dress-code, i.e., the manner of dressing in force in the organization, logo, interior design, products.
2. Behavioural artefacts, i.e., all behaviours in the organization. They include, among others, ways of greeting or saying goodbye such as shaking hands or nodding,

organizational processes and structural elements, such as statutes, as well as ceremonies, rituals, traditions and customs, including taboos, i.e., things that are not spoken about or things that must not be done.

3. Language artefacts, or specific phrases and expressions typical of the organization. They include, among others, nicknames, situational abbreviations, metaphors, symbols, slogans, jargon or language dialect.

The indicated model, which is one of many, has a strong impact on the practice of the functioning of the organization. In particular, organizational culture formulated at those three levels mentioned above³⁴:

- enables efficient and unambiguous communication between participants of the organization;
- standardizes human behaviour, increasing predictability and replacing short-term control;
- enables similar interpretation and assessment of the surrounding reality and changes occurring in it by the members of the organization;
- affects the aspirations, goals, ambitions, hopes and fears of the members of the organization.

It should be emphasized here that obtaining the indicated translation of organizational culture into the practice of functioning of an organization depends, to a large extent, on the competence of the managerial staff. It results from the existence of a strong relationship between the effectiveness of management and the ability of managers to recognize the proper system of standards in force in a given organization – values, norms of behaviour as well as principles and methods of conduct which should be followed by subordinates. Within the competence of the managerial staff, knowledge and skills regarding the use of management methods by organizational culture are also important³⁵.

2.2. WAYS OF IMPLEMENTING AND CONSOLIDATING ORGANIZATIONAL CULTURE

The use of MbOC can be done in two ways.

The first way is based on the selection of candidates for work in the organization, as shown in Figure 10.

³⁴ Koźmiński A.K., Jemielniak D., Latusek D., *Współczesne spojrzenie na kulturę organizacji*, E-mentor 3 (30)/2009, <http://www.e-mentor.edu.pl/artukul/index/numer/30/id/648>.

³⁵ Serafin K., *Kultura organizacyjna jako element wspierający realizację strategii przedsiębiorstwa*, Studia Ekonomiczne. Zeszyty Naukowe Uniwersytetu Ekonomicznego w Katowicach, 222/2015, p. 94-98; Perechuda K. (ed.), *Zarządzanie przedsiębiorstwem przyszłości. Koncepcje, modele, metody*, Agencja Wydawnicza Placet, Warszawa 2000, p. 287-289.

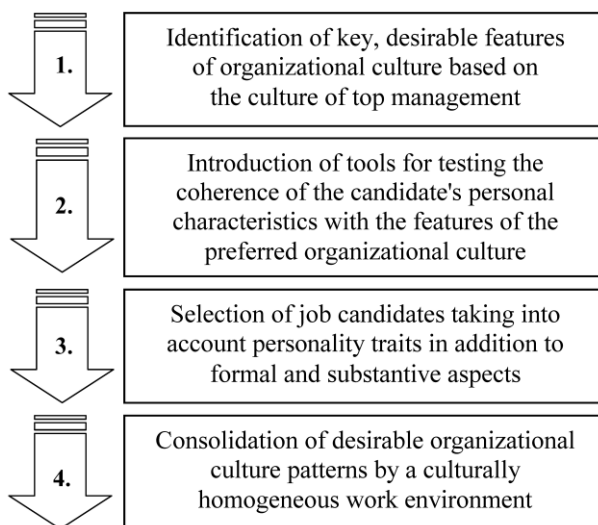


Figure 10. The process of implementing and consolidating organizational culture based on the selection of job candidates.

Prepared on the basis of: Perechuda K. (ed.), Zarządzanie przedsiębiorstwem przyszłości. Koncepcje, modele, metody, Agencja Wydawnicza Placet, Warszawa 2000, p. 289.

In this way of method application, it is believed that organizational culture is absorbed from candidates who have features relevant to a certain desired pattern. Therefore, only candidates with the desired features of the represented culture are employed, so there is no need to shape the organizational culture for a set of individuals.

The basis of this method is to recognize the key, desirable features of organizational culture based on the culture of top management, and then their identification in the model. In creating a model of the organizational culture, it may be helpful to use typologies, of which there are many. They were developed by researchers of organizational culture, who were, among others Kim S. Cameron and Robert E. Quinn, Roger Harrison and Charles Handy, Geert Hofstede, Allan A. Kennedy and Terrence E. Deal and Jeffrey Sonnenfeld. None of these typologies are evaluated and assessed in the literature because the criterion for choosing the right model for determining a culture model is the degree of its adaptation to the organization's requirements. In addition, it should be noted that these typologies are only a proposal that can be included in the culture model of a particular organization, can support its development, but can also be omitted by the managerial staff independently creating their own culture model.

This handbook introduces two sample typologies. The first of these was developed by Kim S. Cameron and Robert E. Quinn³⁶. It is called the competing values model, which is characterized in Table 4.

³⁶ Cameron K. P., Quinn R.E., *Kultura Organizacyjna – diagnoza i zmiana*, Oficyna Ekonomiczna Oddział Polskich Wydawnictw Profesjonalnych, Kraków 2006; Cameron K.P., Quinn R.E., *Kultura*

Table 4. Typology of organizational culture according to Cameron and Quinn

Flexibility and freedom of action		
orientation on the interior of the organisation and on integration	CLAN CULTURE Work environment: very friendly – people are happy to work together and strongly engage, the organization's sense of responsibility for employees. The ideal leader: fatherly approach, guardian, mentor, counsellor, teacher. Management style: promoting teamwork, participation, consensus, universal agreement and employee development. Focus on: personal development, trust, openness, participation. Measure of success: development of human resources, care for employees, employee involvement, teamwork, good internal atmosphere.	ADHOCRATIC CULTURE Work environment: dynamics, energy, entrepreneurship, creativity, risk taking. The ideal leader: enterprising, visionary, innovative, inventive, risk taker, staring at the future. Management style: promoting risk taking, showing initiative, innovation, adaptability. Focus on: innovative products, creative solutions and ideas, taking challenges, growth. A measure of success: offering unique, hard to replace products, maintaining a leadership position, readiness to change, facing challenges, creating visions
	HIERARCHY CULTURE Work environment: highly formalized and hierarchical, management procedures. The ideal leader: a good organizer, coordinator, administrator, observer, focused on efficiency; Management style: ensuring employment security, stability, predictability, unchanging relationships, and subordination. Focus on: maintaining the smooth operation of the organization, producing identical products in an efficient and reliable manner; efficiency, timeliness, efficiency, speed, predictability. Measure of success: efficiency – reliable deliveries, keeping schedules, low production costs, etc.	MARKET CULTURE Work environment: orientation on results, care for the best implementation of tasks, ambitious and goal-oriented employees. The ideal leader: ruthless, demanding, firm, caring for performance, results and profits. Management style: promoting fierce competition, high expectations and orientation on achievements. Focus on: achieving ambitious goals, winning a competitive battle, expanding market share, improving financial results and growth. Measure of success: market share and its penetration, maintaining leadership position, market leadership, overcoming competition, competitive prices.
stabilisation and control		
orientation on the outer side of the organisation and variety		

Prepared on the basis of: Bojanowska A., *Tworzenie kultury organizacyjnej zorientowanej na klienta*, HANDEL WEWNĘTRZNY, 1 (360)/2016, p. 205.

The second example is the typology developed by Roger Harrison and then modified by Charles Handy, characterized in Table 5.

Table 5. Typology of organizational culture according to Charles Handy

<p>"Zeus"</p> <p>CLUB CULTURE</p> <p><i>power orientation</i></p> <p>Characteristic for competitive and uncompromising organizations that try to dominate the environment. Is based on the person of the leader who makes decisions related to organizational culture, has a strong impact on the entire organization, and the quality of his decisions depends on his qualifications.</p> <p>The basis for the functioning of this culture are Leadership competence.</p>	<p>"Appolo"</p> <p>FUNCTION CULTURE</p> <p><i>role orientation</i></p> <p>Characteristic for bureaucratic organizations, where the emphasis is on the legality of actions and a sense of responsibility. Great importance is attached to functions, positions or specialization. Compliance with policies, regulations and procedures is sometimes more important than employee knowledge and skills. The bases for the functioning of this culture are law and procedures.</p>
<p>"Athena"</p> <p>INTENTION CULTURE</p> <p><i>task orientation</i></p> <p>Characteristic for organizations that respond quickly to changes in the environment, flexible. Actions are focused on solving problems and the interests of the individual are devoted to maintaining the team's existence. Teamwork and convergence of opinions on the value system and actions taken are important.</p> <p>The basis for the functioning of this culture are teamwork and cooperation.</p>	<p>"Dionysus"</p> <p>UNIT CULTURE</p> <p><i>people orientation</i></p> <p>Characteristic for organizations focused on meeting employees' needs related to the implementation of their individual goals. This is a rare type of culture, occurring among others in professional associations, monopolizing a certain type of skill, e.g., an association of doctors or lawyers. The power distance is small.</p> <p>The bases for the functioning of this culture are the competences and freedom of action of employees.</p>

Prepared on the basis of: Nizard G., Metamorfozy przedsiębiorstwa. Zarządzanie w zmiennym otoczeniu organizacji, PWN, Warszawa 1998, p. 83; Aniszewska G., Kultura organizacyjna w zarządzaniu, PWE, Warszawa 2007, p. 15.

Returning to the first way of applying the management method in question, after determining the organizational culture model, a tool should be adopted to examine the consistency of personality traits of candidates for work in the organization with this model. This tool can be an interview questionnaire containing questions about professed values and attitudes that can be asked to a job applicant during an interview. In practice, this conversation is increasingly being replaced by tests. For Cameron and Quinn's typology, the Organizational Culture Assessment Instrument is used³⁷, while in the case of Charles Handy's typology, the questionnaire presented in Table 6.

Table 6. Questionnaire for testing the consistency of personality traits of job candidates with the adopted organizational culture model according to Charles Handy

To the following statements please assign the appropriate numbers: 1 – I strongly agree, 2 – I rather agree, 3 – I don't really agree, 4 – I strongly disagree.	
1.	A good boss is: a) strong, directive and demanding but fair; is caring, generous and indulgent to loyal subordinates,

³⁷ <https://www.ocai-online.com/>

	<p>b) impersonal and professional, avoiding abuse of power for his own benefit, requiring subordinates to conscientiously fulfill their formal obligations,</p> <p>c) practical and affecting subordinates only in matters that can accelerate the achievement of the goal, using their power only to provide the resources needed to do the work,</p> <p>d) focused on the personal needs and values of subordinates, using their position to create tasks satisfying and stimulating the development of subordinates.</p>
2.	<p>A good subordinate is:</p> <p>a) submissive, hardworking and loyal to the superior,</p> <p>b) responsible and reliable, well-performing their duties and avoiding actions that may surprise the superior or put him in an embarrassing position,</p> <p>c) motivated to contribute their work to the task, willing to share their ideas and advice, without hesitation transfers leadership to others, if they show that they are more competent,</p> <p>d) keenly interested in developing their potential and open to learning and receiving the necessary help, respecting the needs and values of other employees whom they want to help in development.</p>
3.	<p>A good employee gives priority to:</p> <p>a) personal instructions from the boss,</p> <p>b) the obligations and requirements of their professional role and customary standards of behaviour,</p> <p>c) requirements arising from the task regarding skills, abilities, energy and material resources,</p> <p>d) personal needs of colleagues.</p>
4.	<p>People who are successful in the company are:</p> <p>a) smart and competing with a strong need for power,</p> <p>b) conscientious and responsible, with a strong sense of loyalty to the company,</p> <p>c) efficient and effective, goal-oriented,</p> <p>d) able to create positive relationships with other people, with a strong desire to develop the potential of colleagues.</p>
5.	<p>The company treats a person as:</p> <p>a) an employee whose time and energy are at the disposal of the superior,</p> <p>b) an employee whose time and energy are available to the company under a contract with rights and obligations of both parties,</p> <p>c) a colleague who, thanks to his skills and abilities, contributes to achieving a common goal,</p> <p>d) an interesting and valuable person whose rights must be respected.</p>
6.	<p>People are influenced and controlled by:</p> <p>a) personal authority and decisions of superiors (awards and penalties),</p> <p>b) impersonal authority serving to ensure appropriate procedures and operating standards,</p> <p>c) the requirements set by the task, agreed by the contractors through discussion and exchange of information, and internal motivation to achieve the goal,</p> <p>d) personal willingness to participate in the undertaking and care for the needs of other persons involved.</p>
7.	<p>The source of the right to control the actions of others is:</p> <p>a) having greater authority and power in the organization,</p> <p>b) the professional role and job description of the person, insofar as it consists in managing others,</p> <p>c) having more knowledge in relation to the task,</p> <p>d) acceptance by others as a person whose help and advice are helpful in learning and development.</p>
8.	<p>The goals are set on the basis of:</p> <p>manager's personal needs and their assessment of the situation,</p> <p>formal division of functions and responsibilities in the company,</p> <p>the sources and competences needed to perform the tasks,</p> <p>the employees' personal preferences and needs to develop.</p>

9.	<p>People work because:</p> <p>they count on the prize, are afraid of punishment or are loyal to the boss, respect the contract concluded and are loyal to the company, they enjoy their satisfaction with the task and / or their contribution to the goal, enjoy their personal participation in the venture or respect the interests of other persons involved in the task.</p>
10.	<p>People work together when:</p> <p>a) they are obliged to do so by their superiors or when they are counting on using others to achieve their own advantage,</p> <p>b) cooperation, coordination of activities and exchange of information is included in their professional role,</p> <p>c) cooperation is needed to perform the tasks,</p> <p>d) cooperation is satisfactory and helps in personal development.</p>
11.	<p>The reason for internal competition in the company is:</p> <p>a) willingness to increase one's own power,</p> <p>b) willingness to achieve a high position in the formal system,</p> <p>c) willingness to increase one's contribution to the task,</p> <p>d) willingness to draw the attention of others to one's own interests and needs.</p>
12.	<p>The conflict is:</p> <p>a) controlled by the intervention of a person with more power, who often uses it to strengthen their authority,</p> <p>b) suppressed by appealing to rules, procedures and responsibilities,</p> <p>c) solved by substantive discussion of people involved in the task,</p> <p>d) resolved through open discussion about individual needs and values.</p>
13.	<p>Decisions are made by a person who:</p> <p>a) has the greatest power and authority,</p> <p>b) plays a role in the company that requires making decisions,</p> <p>c) has the greatest knowledge of the task,</p> <p>d) is the most involved in activities and interested in their effect.</p>
14.	<p>In the decision-making and communication structure:</p> <p>a) commands flow from top to bottom, so anyone who stands higher in the "pyramid" has more power than those standing below; information flows up along the chain of commands,</p> <p>b) commands flow from top to bottom and information from bottom to top along functional "pillars" that converge at the top; power and responsibility is usually limited to their own "pillar"; communication between the "pillars" is small,</p> <p>c) information on the requirements and difficulties associated with the task flows from the centre of activities to those places of the organization where the resources or staff are needed whose help is needed; management can set priorities at the level of the entire organization based on information coming from task centres; the structure changes with tasks,</p> <p>d) information and impacts flow from person to person based on voluntary relationships arising from work, study, help or shared values; the coordinator may specify the level of this flow necessary to maintain the organization's efficiency, but this requires the acceptance of those involved.</p>
15.	<p>The company's environment is for us:</p> <p>a) a competitive jungle in which everyone is against everyone and the one who does not use others is used oneself,</p> <p>b) an orderly and rational system in which competition is regulated by law and negotiations and compromises are a way of resolving conflicts,</p> <p>c) a set of imperfect forms and systems that can be changed and improved as a result of the company's activities,</p>

	d) source of potential support and threats; the company uses the environment as a source of resources for its operation and a source of challenges allowing employees to improve in their operation.		
<i>Please add the number of points "a", "b", "c" and "d" and enter them in the table below. The person assessing the statements is characterized by the culture with the lowest number of points.</i>			
a)	b)	c)	d)
"Zeus" power orientation	"Apollo" role orientation	"Athena" task orientation	"Dionysus" people orientation

Prepared on the basis of: Handy Ch., *Understanding Organisations*, Oxford University Press. 4th ed., Dec 2, 1993

The results of using the adopted tool make it possible to assess the coherence of the candidate's personal characteristics with the features of organizational culture, and, consequently, allow the selection of candidates for work, based not only on formal and substantive aspects, but also on personality traits. Next, it is important to constantly strengthen the organizational culture by consolidating its desired characteristics. This is called cultural homogenization of the organization's social system.

The second way used to apply the method is presented in Figure 11. In this method, the implementation and consolidation of culture consist in a kind of incubation of cultural features from a group of people having the right attitude to work, to clients and cooperation, and above all those who adhere to a philosophy consistent with the philosophy of the organization.

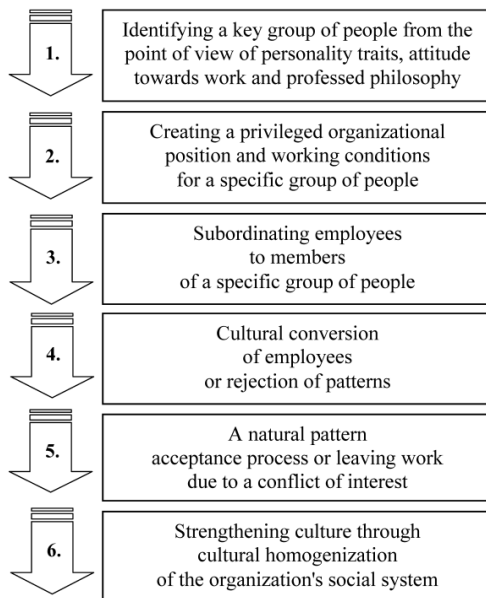


Figure 11. The process of implementing and consolidating organizational culture based on incubation or conversion of culture with key people of the organization.

Prepared on the basis of: Perechuda K. (ed.), *Zarządzanie przedsiębiorstwem przyszłości. Koncepcje, modele, metody*, Agencja Wydawnicza Placet, Warszawa 2000, p. 289.

Key people in the model group must enjoy informal authority among employees. It is also important to create a privileged position for this group and subordinate all employees to it, regardless of whether they accept or reject the patterns imposed on them. If they reject them – they are made to leave the organization. Similarly to the first method, the company is constantly striving to strengthen its organizational culture. Undoubtedly, the key role here is played by the managerial staff, which by means of the implemented function should consolidate specific patterns that shape the desired behaviour of employees. It should also recognize the cultural mechanisms to which employees' behaviour is subjected.

Understanding these mechanisms (e.g., reward system, leadership attitudes, selection and socialization of new employees) will allow choosing such tools with which one can properly influence the manager-employee relationship, as well as relationships between employees. These relationships should translate into positive attitudes towards the work environment and performed duties, and as a consequence of the effectiveness and efficiency of work and implementation of the organization's strategy.

It should be noted that the effects achieved in this regard depend on the degree of intensity, i.e., the strength of the impact of organizational culture on employees, which is determined by three dimensions:

- expressiveness, i.e., unambiguity and readability of cultural patterns;
- level of dissemination, i.e., practical acceptance and observance of cultural patterns by the members of the organization;
- the depth of rooting, i.e., the extent to which members of the organization assimilate its patterns and the duration of their use.

A strong culture is characterized by the fact that its core values are both deeply rooted and widely recognized. The more members accept its core values and the greater their commitment to these values the stronger the culture is. According to this approach, a strong culture has a greater impact on the behaviour of members, because a significant degree of recognition and intense feeling of values creates an internal climate of strict behaviour control. A special feature of a strong culture is the lesser flow of staffing. Strong culture shows a high level of agreement among members regarding the organization's goals. Unanimity in pursuits leads to coherence, loyalty and commitment, which in turn weakens people's tendency to change jobs.

2.3. ADVANTAGES AND DISADVANTAGES OF THE METHOD

MbOC has many advantages that determine the benefits and several disadvantages that entail threats³⁸.

Among its most important advantages related to the implementation and consolidation of organizational culture, one should mention above all:

³⁸ Perechuda K. (ed.), *Zarządzanie przedsiębiorstwem przyszłości. Koncepcje, modele, metody*, Agencja Wydawnicza Placet, Warszawa 2000, p. 290.

- fostering the achievement of internal integration in the organization, thanks to:
 - developing a common language and conceptual categories enabling employees to communicate quickly and clearly,
 - determining the boundaries of a given social group and the criteria for acceptance or rejection, which give a sense of belonging and separation,
 - satisfying emotional needs of camaraderie and friendship against the background of a community of beliefs and social experiences;
- providing employees with information on the necessary degree of self-control, perception of specific order and understanding of rationality;
- stabilizing reality by developing ready-made patterns of responding to changes occurring in the group's environment, which has the effect of reducing uncertainty;
- influencing employees: shaping their sense of belonging to the organization and responsibility, strengthening emotional ties between employees, strengthening the work ethos, and thus mobilizing behaviours and attitudes conducive to the implementation of the goals and strategies assumed by the organization;
- supporting management functions: planning, organizing, motivating and controlling, and thus the work of the managerial staff;
- providing a clear picture of the organization, making it understandable and transparent not only to its employees but also to the environment.

Benefits resulting from these advantages are met by those organizations that implement and consolidate cultures that recognize employees as their most important subjective element, facilitating their self-realization and affecting professional satisfaction³⁹. On the other hand, organizations that adopt non-employee cultures do not have these benefits.

Among the most important disadvantages associated with the implementation and consolidation of organizational culture, one should mention:

- limiting flexibility, ability to respond to changes in the environment, in particular when it is dynamic;
- consolidation of accepted patterns and "shutting down" – blocking new orientations,
- the possibility of employees not adapting to the culture, resulting from a lack of acceptance of its patterns, making them leave the organization, even despite high substantive competences.

2.4. CONTROL QUESTIONS AND TOPICS FOR DISCUSSION

1. What is the essence of MbOC?
2. What levels does the organizational culture model cover according to Edgar Schein?
3. Which of the ways to implement MbOC is easier to use?
4. What are the main advantages and disadvantages of MbOC?
5. Which areas of MbOC can be automated – where cognitive technologies can support or completely replace employees in their performance?

³⁹ Kopczeński M., Pączek B., Tobolski M., *Istota kultury organizacyjnej w zarządzaniu przedsiębiorstwem produkcyjnym*, www.ptzp.org.pl/files/konferencje/kzz/artyk_pdf_2012/p084.pdf, p. 937.

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Chapter 3. Management by motivating

The basis of the correct functioning of every organization are its employees whose competences – knowledge, skills and experience – contribute to success in a competitive environment⁴⁰. Note that using these competences to gain quality results would be difficult without motivating, since employees' activity relies on the power of their motivation⁴¹. It makes workers engage – they perform their duties more willingly, take responsibilities, try to act so that their work results are better, and they are likely to develop their competences, which translates into achievements of the organization. Therefore, what are motivation and motivating, are they the same notions? There are numerous definitions of these notions and it is a mistake to treat them as synonyms. Motivation represents a state and it is attributive⁴². In particular, it is understood as the state of an individual's readiness for taking up an activity⁴³, which elicits, directs and maintains their behaviour, and determines its level and persistence⁴⁴. In turn, motivating is functional in nature⁴⁵. In the theory of management, it is a managerial process performed by a manager who may activate and stimulate motivation because it is about influencing the employees' behaviour using the knowledge of their motives – reasons for a particular behaviour. In this process, the motives result from needs whose prospects of fulfillment are the stimuli transformed by the employees into actions expected by the manager, according to the objectives of the organization⁴⁶.

Due to its key role, motivating is one of the functions of management. Due to the importance of this function, the method of management by motivating (MbM)⁴⁷, whose core is conscious and targeted influence of managers on the employees' behavior and stimulating them to maximize their efforts in order to reach objectives and performing tasks, so that it translates into the performance of the organization and leads to its development. Implementation of this method involves a continuous search of the answer to the fundamental question puzzling every manager: how to successfully motivate your subordinates? The answer seems to be simple because it may be included in one short statement: you need to develop and implement a motivating system which should be tailored for a particular organization. However, practically it is not easy, because the system should, among others:

- be based on meeting the employees' needs, regarding the knowledge of the ways they use to fulfill their needs and the modification of their behaviour;

⁴⁰ Definitely, it is not only the employees, it is also affected by resources, conditions, etc.

⁴¹ Penc J., *Motywowanie w zarządzaniu*, Wydawnictwo Profesjonalnej Szkoły Biznesu, Kraków 2000, p. 137.

⁴² Mazur M., *Motywowanie pracowników jako istotny element zarządzania organizacją*, Nauki społeczne, 2 (8)/2013, p. 159.

⁴³ Kostera M., Kownacki P., Szumski A., *Zachowania organizacyjne: motywacja, przywództwa, kultura organizacyjna*, [in:] Koźmiński A., Piotrkowski W., *Zarządzanie: teoria i praktyka*, PWN, Warszawa 2007, p. 315-316.

⁴⁴ Schermerhorn J.R., *Zarządzanie – kluczowe koncepcje*, PWE, Warszawa 2008, p. 259.

⁴⁵ Mazur M., *Motywowanie pracowników jako istotny element zarządzania organizacją*, Nauki społeczne, 2 (8)/2013, p. 159.

⁴⁶ Kopertyńska M.W., *Motywowanie pracowników – teoria i praktyka*, Agencja Wydawnicza Placet, Warszawa 2008, p. 18.

⁴⁷ Bieniok H. and team, *Metody sprawnego zarządzania*, Agencja Wydawnicza Placet, Warszawa 2011, p. 247-255.

- comprise a set of motivating tools which is more favourable in comparison with other organizations;
- take into account the fact that motivating requires authentic organizational leadership, based on informal authority.

Taking it into account, for practical use of the method of MbM, requiring development and implementation of the motivating system, it is vital to gain knowledge in the following: meeting the needs of the employees – theories of motivation, set of motivating tools, authentic organizational leadership, advantages and disadvantages of the method.

3.1. THEORIES OF MOTIVATION

The basis for development and implementation by the manager of a motivating system considering meeting the employees' needs is to familiarize with the scientific deliberations in this field, conducted by researchers of the motivating phenomenon. The results of such deliberations are theories which are categorized into the following⁴⁸:

- theories of content, determining what motivates an employee to act in a particular way;
- theories of process, determining how to motivate an employee;
- theories of reinforcement, determining how the results of previous actions modify an employee's behaviour in the future (in the process of learning).

The authors of the theory of content looked for the answers to two key questions: 1) what needs do people want to be fulfilled in their jobs? 2) what stimulates their involvement? Some of the most commonly in this group are classical theories of needs developed by: Abraham Maslow, Clayton Alderfer, Frederick Herzberg, David McClelland at al., as well as contemporary theories, developed by, among others, Andrew J. Elliot with Marcy A. Church and Holly A. McGregor.

Maslow's theory of hierarchy⁴⁹ was presented in a pyramid where the base stands for lower-level needs going up to higher needs. According to this theory, satisfying lower-level needs affects the feeling of higher-level needs, as well as the fact that when the needs are met they decrease motivation. The employees of an organization may not always present all levels of needs, furthermore the order of these needs may be reversed⁵⁰. This theory might be interpreted in the context of the possibility of motivating an employee by meeting their needs, see Figure 12.

⁴⁸ Mazur M., *Motywowanie pracowników jako istotny element zarządzania organizacją*, Nauki społeczne, 2 (8)/2013, p. 162-168; Stoner A.F., Wankel Ch., *Kierowanie. PWE*, Warszawa 1997, p. 362-364.

⁴⁹ Maslow A., *Motivation and personality (2nd ed.)*, MA: Addison-Wesley, Reading 1970; Maslow A., *Motivation and personality*, PWN, Warszawa 2009, p. 62-76.

⁵⁰ Griffin R.W., *Podstawy zarządzania organizacjami*, PWN, Warszawa 2004, p. 523.

Levels of needs according to Maslow

Examples of motivating capacity

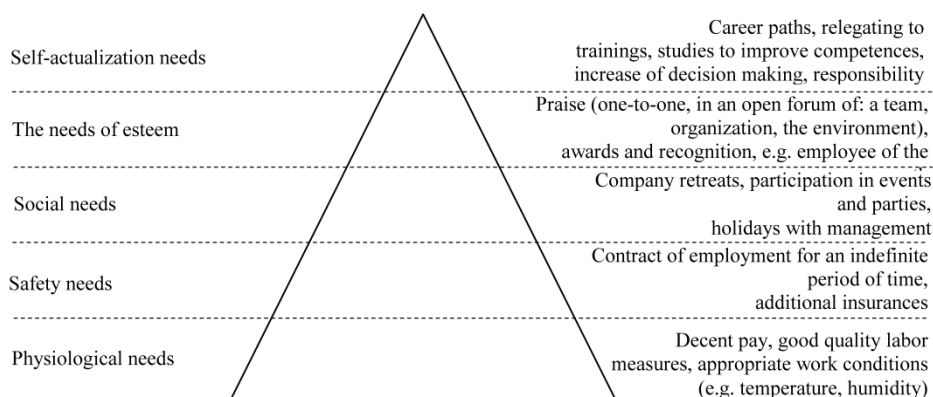


Figure 12. Maslow's pyramid of needs and its interpretation in the context of possible ways of motivating employees by the management.

Prepared on the basis of: Griffin R.W., *Podstawy zarządzania organizacjami*, PWN, Warszawa 2004, p. 522.

Alderfer theory⁵¹ is a modified hierarchy of needs by Maslow, called ERG after the first letters of the three groups of human needs, i.e., existence needs, relatedness needs, growth needs, which were presented in Figure 13.

Alike Maslow, Alderfer claimed that meeting the lower needs is a necessary condition for higher-level needs to appear⁵². Moreover, he assumed that human actions may be evoked by a couple of categories of needs simultaneously. If a given need is unmet, then the individual feels frustration, goes down to a lower level of needs and starts looking for new ways of fulfilling the needs of the lower level⁵³.

Herzberg theory⁵⁴ is called two-factor theory because it is based on two groups of factors occurring in the workplace, causing satisfaction (group of motivating factors) and dissatisfaction (group of hygiene factors), which are presented in Figure 14.

⁵¹ Alderfer C.P., *Existence, relatedness, and growth*, NY The Free Press, New York 1972; Lundy O., Cowling A., *Strategic Human Resources Management*, Oficyna Ekonomiczna, Kraków 2001, p. 148.

⁵² Juchnowicz M., *Motywowanie w toku pracy*, [in:] Sajkiewicz A. (ed.), *Zasoby ludzkie w firmie*, Poltext, Warszawa 2000, p. 209.

⁵³ Griffin R.W., *Podstawy zarządzania organizacjami*, PWN, Warszawa 2004, p. 523-524.

⁵⁴ Herzberg F., *One more time: How do you motivate employees?*, Harvard Business Review, 46/1968, p. 53-62; Kozioł L., *Motywacja w pracy – determinanty ekonomiczno-organizacyjne*, PWN, Warszawa-Kraków 2002, p. 43.

Levels of needs according to Maslow

Levels of needs according to Alderfer

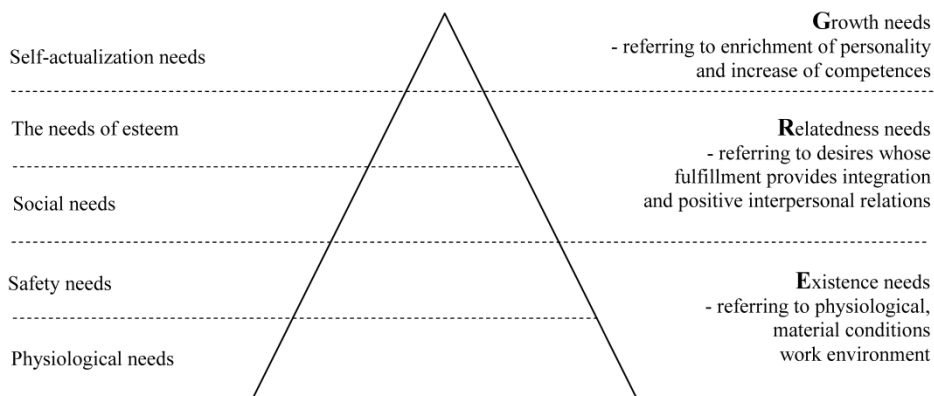


Figure 13. ERG theory of Alderfer with reference to Maslow's theory.

Prepared on the basis of: Koziol L., *Motywacja w pracy – determinanty ekonomiczno-organizacyjne*, PWN, Warszawa-Kraków 2002, p. 42.

The group of motivating factors is connected with the content of work and its needs which, when met, lead to satisfaction but when unmet do not lead to dissatisfaction. However, the group of hygiene factors is connected with the workplace. Not meeting the needs within these factors leads to dissatisfaction and demotivation, although their fulfilment does not contribute to the occurrence of satisfaction.

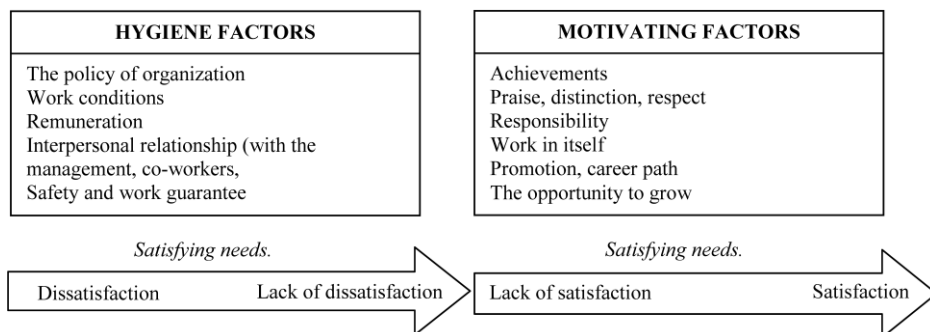


Figure 14. Herzberg's two factor theory.

Prepared on the basis of: Koziol L., *Motywacja w pracy – determinanty ekonomiczno-organizacyjne*, PWN, Warszawa-Kraków 2002, p. 43.

According to Herzberg, the process of motivating employees consists of two steps. In the first step, the management staff must provide appropriate i.e. discontent-eliminating influence of hygiene factors, in the second step – you should move to fulfilling the needs connected with the motivating factors.

McClelland's theory of needs⁵⁵, also referred to as Three Needs Theory, is based on considerations conducted by Henry Murray. Searching for the answer to the question of which individual traits may influence an individual's motivation to work, McClelland reached a conclusion that a motivated person is driven by three forces – higher-level needs characterized in Figure 15, although their distribution and balance is different for every individual.

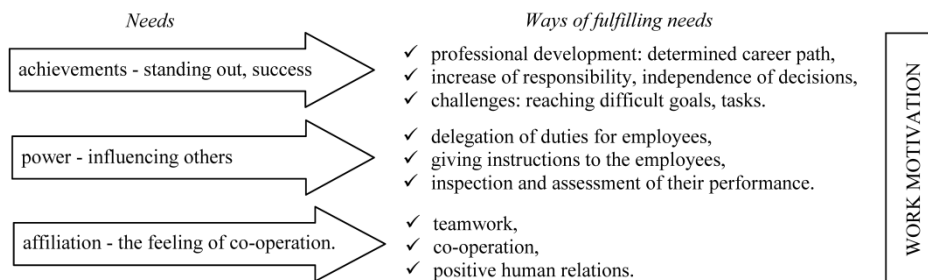


Figure 15. Human needs affecting motivation to work according to McClelland's theory.
 Prepared on the basis of: Bańka A., *Motywacja osiągnięć*, Pub. Stowarzyszenie Psychologia i Architektura PWN, Poznań-Warszawa 2016, p. 20-25.

Needs for achievement refer to people who praise distinction and work itself more than a monetary reward. Such employees are motivated by e.g., professional development (career path and consistent heading in this direction), taking personal responsibility for work, independent decision-making, possibility to take up initiatives, determining difficult goals or tasks and their realization. Needs for power should be understood as the need to influence subordinates. Such employees are motivated by e.g., managing and delegation – assigning duties to other employees, instructing and assessing their performance. Meeting such needs may be positive in nature in case of individuals who, having gained the power necessary to influence others, reach the organization's goals. But they can also be negative in case of individuals who, having gained the power, aim at dominating others merely for marking their superiority over others. Needs for affiliation, also called the needs for belonging, refer to people who present the following: strong pursuit of approval, tendency to yield to people who they respect or care, sincere interest in the feelings of other people. Such employees are motivated not only by the possibility of team work but also work which requires various, interesting contacts and wide co-operation in a friendly atmosphere.

Since McClelland and his co-workers claimed that the strongest human need is the need for achievements, discussion in this field was continued within contemporary theories of achievement motivation.

⁵⁵ McClelland D.C., *Personality*, Dryden Press, New York 1951; McClelland D., Atkinson J., Clark J., Lowell E., *The achievement motive*, Appleton-Century-Crofts, New York 1953; McClelland D.C., *Human motivation*, Cambridge University Press, Cambridge 1985; Bańka A., *Motywacja osiągnięć*, Pub. Stowarzyszenie Psychologia i Architektura PWN, Poznań-Warszawa 2016, p. 18-20.

First of them is the three-factor theory of motivation by Elliot and Church, which differentiates and describes⁵⁶:

- motives of mastery directed at pursuing the goal as the path to success (mastery goals);
- motives of comparison with others directed at the performance of a task at the same or better level of relationship with others (performance-approach goals);
- motives directed at avoiding the task fearing the embarrassment in the eyes of others (performance-avoidance goals).

In the three-factor hierarchical model of avoidance and pursuit motivation of goals, presented in Figure 16, dispositions for motives (giving the direction: avoidance or pursuit of goals), i.e. motivation of goals and fear of failure represent the higher order of motivation constructs.

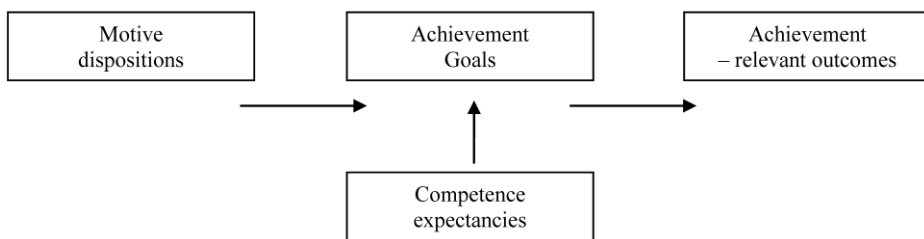


Figure 16. Hierarchical model of achievement motivation according to Elliot and Church's theory.
 Prepared on the basis of: Elliot, A., Church, M., *A Hierarchical Model of Approach and Avoidance Achievement motivation*, *Journal of Personality and Social Psychology*, 1/72/1997, p. 220.

Achievement motives, namely motives of mastery and motives of comparison with others, avoiding and pursuing, represent the medium level of motivation hierarchy. Expected competences specific for a particular task are put as an independent precedent of achievement motives. Thus, both dispositions for motives and expected competences directly precede and affect the type of achievement motives, and these influence directly particular behaviours connected with the type of motivation. The last item in the hierarchical model is the relationship between achievement motives and their consequences, namely the proper, actual motivation and the extent of the goal achievement. According to the authors, the connection between mastery motives and proper motivation is obvious because at the root of the mastery motives, there is the pursuit form of motivation which assumes such processes as taking up challenges, excitement and satisfaction. Unfortunately, the described connection is not obvious because studies did not reveal a formula of such a relationship⁵⁷.

⁵⁶ Elliot A., Church M., *A Hierarchical Model of Approach and Avoidance Achievement motivation*, *Journal of Personality and Social Psychology*, 1/72/1997, p. 218-232; Bańka A., *Motywacja osiągnięć*, Stowarzyszenie Psychologia i Architektura PWN, Poznań-Warszawa 2016, p. 26-28.

⁵⁷ Bańka A., *Motywacja osiągnięć*, Stowarzyszenie Psychologia i Architektura PWN, Poznań-Warszawa 2016, p. 28.

In the course of further study, Elliot and McGregor⁵⁸ developed a four-factor theory of achievement motivation (A 2×2 Achievement Goal Framework). Its essence is presented in Figure 17. In this theory, the following were distinguished:

- motives directed at pursuing mastery as the path to success (mastery-approach goals);
- motives directed at avoiding mastery caused by prospects of failure (mastery-avoidance goals);
- motives directed at realization of a certain level of task performance with reference to the standard performance of others, the same or better (performance-approach goals);
- motives directed at avoiding the task fearing the embarrassment, although others can perform such a task and do it (performance-avoidance goals).

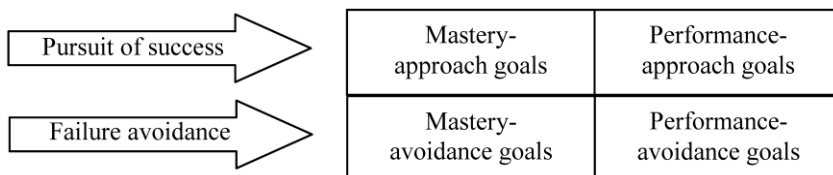


Figure 17. Four-factor hierarchical model of achievement motivation according to Elliot and Church's theory.

Prepared on the basis of: Bańka A., Motywacja osiągnięć,

Pub. Stowarzyszenie Psychologia i Architektura PWN, Poznań-Warszawa 2016, p. 30

The second group of the theory of process focuses on the way of motivation creation and concentrates on the explanation of why people choose some variants of behaviour to satisfy their needs and how they assess their satisfaction afterwards. The basic process theories⁵⁹ include the expectancy theory whose author was Victor Vroom, and the theory of justice, whose author was John Stacey Adams.

According to the expectancy theory by⁶⁰ Vroom, employee's motivation depends on how much they urge something and on the expected probability of fulfilling this urge. At the basis of human behaviour there are the following assumptions:

- behaviour is determined by a combination of factors present at a given individual and their environment;
- behaviour of an individual is the result of conscious decisions;
- individuals have different needs, goals and desires;
- the choice of a given behaviour depends on the expectations of the achievement of the behaviour's desired result.

⁵⁸ Elliot A.J., McGregor H.A., A 2x2 Achievement Goal Framework, Journal of Personality and Social Psychology, 80,3/2001, p. 501-519; Bańka A., Motywacja osiągnięć, Pub. Stowarzyszenie Psychologia i Architektura PWN, Poznań-Warszawa 2016, p. 28-31.

⁵⁹ Zając Cz., Zarządzanie zasobami ludzkimi, Wydawnictwo Wyższej Szkoły Bankowej, Poznań 2007, p. 124.

⁶⁰ Vroom V.H., Work and motivation, CA Jossey-Bass, San Francisco 1964; Lunenburg F.C., Expectancy Theory of Motivation: Motivating by Altering Expectation, International Journal of Management, Business, and Administration, 15 (1)/2011, p. 1-6.

According to this theory, motivation requires effort, which combined with the employee's capabilities (skills) and factors present in the environment lead to achievements at work. The achievements produce different results and each of them presents a certain valence. The co-dependence of results, valence and their functions shapes the employees' motivation⁶¹, which has been shown in Figure 18.

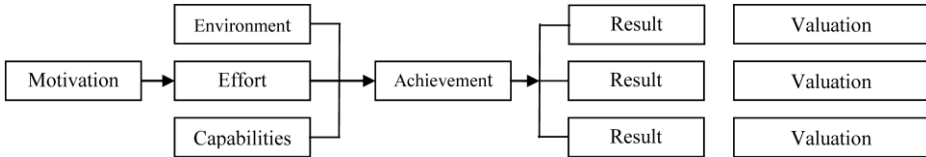


Figure 18. Motivation model according to Vroom's expectancy theory.
 Prepared on the basis of: Griffin R.W., *Podstawy zarządzania organizacjami*,
 PWN, Warszawa 2004, p. 528-529.

The terms used in the model shown in Figure 18 are defined in the following way:

- expected effort-achievement ratio: the probability perceived by an individual that their effort should bring better achievements;
- expected achievement-effort ratio: the individual's feeling that the achievements at work lead to a particular result;
- results: consequences of behaviour in the organizational system, usually rewards;
- valence: index showing how much the individual desires a particular result.

To evoke a required behaviour in the course of motivating, you need the following three conditions:

1. the achievement-effort ratio must be above zero (the employee must be convinced that the effort should bring higher achievements);
2. the achievement-effort ratio must be above zero (the employee must be convinced that the effort should bring higher achievements);
3. the sum of the values of particular results should be above zero (one or more results may have a negative value if only it is compensated with a surplus valence of other results).

Here the attention should be drawn to an interesting development of the achievement theory, whose authors are Lyman Porter and Edward Lawler⁶². They claim that satisfaction and achievements at work may be connected. They think that higher achievements may lead to greater satisfaction. Achievements at work result in the form of external rewards (remuneration, promotion) as well as internal ones (self-respect and achievement awareness). The employee assesses the validity of rewards connected with the effort and the achieved results. They are content if the rewards are perceived as fair which is connected with another theory – proposed by Adams.

⁶¹ Griffin R.W., *Podstawy zarządzania organizacjami*, PWN, Warszawa 2004, p. 528-529.

⁶² I.a. Porter L.W., Lawler E.E., *Managerial attitudes and performance*, IL: Dorsey Press and Richard D. Irwin, Homewood 1968.

Adams' theory of justice⁶³ assumes that the main factor of motivation and satisfaction at work is the assessment by the employee if the reward is adequate. Justice is perceived by the employees as a belief that they are treated equally with other individuals who are in the same situation within the organization. Inequality of treatment makes the employee feel injustice and dissatisfaction in proportion to the inequality⁶⁴. The structure of assessment in the workplace is based on the ratio of input (e.g., effort and time) to the achieved results (e.g., remuneration, promotion), which has been shown in Figure 19.

<i>Equality - justice - satisfaction</i>		<i>Inequality - injustice - dissatisfaction</i>	
$\frac{\text{Employee's results}}{\text{Employee's input}}$	=	$\frac{\text{Others' results}}{\text{Others' inputs}}$	
		\neq	

Figure 19. Assumptions of Adam's theory of justice.
 Prepared on the basis of: Zajęc Cz., *Zarządzanie zasobami ludzkimi*,
 Wydawnictwo Wyższej Szkoły Bankowej, Poznań 2007, p. 126.

The theory of justice plays an important role in motivation. It indicates that fair assessment of employees by the management is a motivating factor and affects their engagement and work satisfaction. Moreover, it can affect the employee's behaviour in the future, which is connected with another theory – reinforcement theory.

The reinforcement theory by Burrhus Frederic Skinner⁶⁵, is behaviourist in nature and is also called a theory of behaviour modification or learning theory⁶⁶. This theory assumes that human behaviour is shaped by environment, reinforcement factors in particular, namely consequences of previous behaviours, which has been shown in Figure 20. It implies that employees are motivated and willing to repeat such reactions (actions and attitudes) that have resulted in success, tangible results and have been a source of pleasant feeling, but they avoid reactions which have brought them failure or are associated with distress.

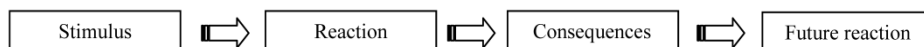


Figure 20. Assumptions of Skinner's reinforcement theory – modification of behavior.
 Prepared on the basis of: Stoner J.A.F., Freeman R.E., Gilbert D.R., *Kierowanie*, PWE,
 Warszawa 1999, p. 362; Zajęc Cz., *Zarządzanie zasobami ludzkimi*, Wydawnictwo Wyższej Szkoły
 Bankowej, Poznań 2007, p. 127.

⁶³ Adams J.S., *Inequity in Social Exchanges*, [in:] Berokwitz L. (ed.), *Advances in Experimental Social Psychology*, Academic Press, New York 1965, p. 267-300.

⁶⁴ Adams J.S., *Toward an understanding of inequity*, *Journal of Abnormal and Social Psychology*, 67/1963, p. 422-436.

⁶⁵ Skinner B.F., *The Possibility of a Science of Human Behavior*, NY: The Free House, New York 1953.

⁶⁶ Stoner J.A.F., Freeman R.E., Gilbert D.R., *Kierowanie*, PWE, Warszawa 1999, p. 362.

Skinner distinguished a few methods of modifying human behaviour, in particular⁶⁷:

- positive reinforcement, meaning rewards or other positive results of required behaviour, e.g., rewarding or praising an employee for turning up at work early may stimulate future behaviour of this kind;
- negative reinforcement, meaning avoiding by the employee unpleasant consequences of behaviour contrary to the required one, e.g., the employee performs his tasks better because their results in the past received negative notes which led to lack of praise or bonus;
- punishment, meaning dimming the undesirable behaviour by applying negative or unpleasant consequences, e.g., suspending an employee for not obeying the organizational rules;
- extinction, meaning dimming the undesirable behaviour by not recognizing them by the manager and removing the reward, e.g., if an employee no longer receives a reward or bonus for their work, they may feel that their behaviour is undesirable.

3.2. MOTIVATING TOOLS

The basis of effective motivating of employees are motivational tools. Generally speaking, they are divided as follows:

- external, including tools of enhancement and pressure;
- internal, including tools of persuasion.

Enhancement tools are tools for positive motivating, which:

- are based on positive enforcement namely rewards;
- they are connected with "aiming at" behaviour which is the stronger one, the closer one the reward.

Enhancement tools are conventionally divided into tangible and intangible stimuli. Tangible stimuli are usually associated with remuneration which consists of different elements. They can be divided as follows⁶⁸:

- connected with the input (basic pay, bonus payment, duty allowance);
- connected with working time (additional remuneration for overtime work and night shifts);
- connected with work conditions (hazard pay);
- connected with long-term job contract (seniority bonus and jubilee award).

Among them, the bonus payment is the element of remuneration which has basic motivational meaning, related to the results achieved by the employee, a group of employees or the whole organization. The conditions and amount of so-called statutory bonuses are determined by a special statute which is usually subject to negotiation between the representatives of the employer and the employees. Incentive bonuses are awarded to particular employees by their managers or staff. Rational distribution of bonuses is

⁶⁷ Griffin R.W., *Podstawy zarządzania organizacjami*, PWN, Warszawa 2004, p. 535-536.

⁶⁸ Zając Cz., *Zarządzanie zasobami ludzkimi*, Wydawnictwo Wyższej Szkoły Bankowej, Poznań 2007, p. 153.

enabled by the employee rating system. Apart from bonuses, there are several different elements included in material stimuli, which the employee can receive in a non-monetary form but countable in money. These are so-called benefits in kind, such as⁶⁹: free housing, company car or mobile, that may be used for private purposes, swimming pool passes, package holidays, etc.

Intangible stimuli serve mainly to praise outstanding employees through⁷⁰:

1. Creating prospects for professional development which is an important factor of job satisfaction. It means that the organization shall invest in the employee's qualifications, e.g., through training activities which are an added value to their skills.
2. Pointing out a career path, i.e., promotion, which strongly motivates the employee to improve his performance. Promotion involves a change of position in the organizational structure, it means delegating more responsible tasks and increasing decision-making powers. It is an important motivating element since it fulfils the need of recognition and favourable self-esteem, as well it provides access to higher values and raise the standard of living.
3. Participation in management due to development of organizational solutions enabling employees to take part in decision-making, in two forms: direct and indirect. Direct participation allows affecting personally decisions concerning shaping the workplace and work process, but indirect participation relies on the participation of the employees' representatives in the process of management, e.g., in the board of directors.
4. Flexible form of organization of work which can be an important motivational stimulus for employees who want, for instance, balance work and children or further education. The base of this type of work is trust in employees, that they shall discharge their duties. Some of the most popular solutions in this form of organization are: flexible working hours, part-time job, sharing workplaces, contracting work, remote working.

It is to be noted that the intangible stimuli which play an important role in the context of motivating include also the ones described in the previous chapter:

1. Correct communication which affects positive interpersonal relations and maintains a proper atmosphere at work, affects work involvement and the trust in management and co-workers.
2. Proper organizational culture which should aid interpersonal relations, create atmosphere of trust, openness and honesty, rest on fulfilling the needs of respect and recognition as well as let the subordinates be independent in planning and organization of goals.

Coercive measures are tools for negative motivating which:

- is faster and cheaper in use than positive motivating;
- evokes in the employee a feeling of danger and insecurity which in turn strongly affects their actions and can evoke a lot of energy to avoid punishment;

⁶⁹ Kopeć J., Piwowarczyk J., *Wybrane instrumenty rozwoju personelu*, Wydawnictwo Uniwersytetu Ekonomicznego w Krakowie, Kraków 2008, p. 81.

⁷⁰ Mazur M., *Motywowanie pracowników jako istotny element zarządzania organizacją*, Nauki społeczne, 2 (8)/2013, p. 173-177;

- brings expected effect in situations which require fast reaction or in threat situations, but it is ineffective when the organization needs creativity and staff integration;
- assumes submission of staff behaviour to the best interest of the organization, does not allow space for their interests and expectations.

Coercive measures include all commands (imperatives and prohibitions), manager's orders and recommendations, and own obligations and duties willingly accepted by the employee, forcing a particular behaviour and actions within the organization⁷¹. These measures differ in the extent of firmness as to the deadline, way and methods of performance. In particular the obligations and duties wilfully accepted by the employee are not formal in nature but they often result from a particular behaviour, consistent with the declared attitude, position or obligation. These behaviours become essential to maintain concordance with the environment and oneself. However, commands, orders and recommendations of a manager are obligatory in nature and include a deadline. Some of them, particularly recommendations, provide the employee with freedom of choice of the way and methods of their performance, but the supervisors who use coercive methods think that their advice is right and the employees should take it. Not following orders or instructions may result in punishments that constitute stimuli which fall into tangible and intangible. Referring to the discussion on enhancement tools, a punishment is refusing all these tools, e.g., in case of tangible measures – a bonus, and intangible – flexible forms of work organization.

Means of persuasion appealing to internal motivation which:

- is a form of creating involvement and refers to natural human features affecting their behaviour, state of mind and attitude, such as: sense of responsibility, freedom of actions, opportunity to use skills, sense of performing interesting work;
- is a stimulating force which is a virtue in itself;
- is devoid of elements of compulsion, assumes partnership of supervisors and subordinates, thus leading to change of habits and attitudes;
- is a measure changing not only the personality of an individual but also their situation through interference in the emotional or rational sphere⁷².

Means of persuasion usually comprise:

- appeal for a particular attitude or action;
- suggestion of desired interpretation and assessment;
- information and rational justification of the rightness of the presented views;
- coaching, which promotes development of an individual or organization, to increase effectiveness and reach goals.

Currently, the latter is extremely popular which may be directed, for instance, at the following:

- expansion of the internal sphere of an individual: personal coaching;

⁷¹ Penc J., *Motywowanie w zarządzaniu*, Wyd. Profesjonalnej Szkoły Biznesu, Kraków 2000, p. 205-206.

⁷² Penc J., *Motywowanie w zarządzaniu*, Wyd. Profesjonalnej Szkoły Biznesu, Kraków 2000, p. 206-208.

- professional development: occupational coaching;
- coping with employees' problems, e.g., in interpersonal relations within an organization: group coaching;
- stimulation of professional competence development through improving skills to provide high-quality work and implementing applicable standards and necessary innovativeness: business coaching.

3.3. AUTHENTIC ORGANIZATIONAL LEADERSHIP

In a successful motivating process, the key role is played by the immediate supervisor – manager. Increasingly, it is thought that if they present informal authority and are authentic leaders, then they are more significant than any other motivation factor, making the employees involved. It is a result of research i.a.⁷³:

- conducted by Bruce Tulgan and Rain-maker Thinking Inc. comprising in total over 1 million respondents, which proved that the immediate supervisor is the most important person for the employee in the organization;
- conducted by GFMP Management Consultants in several leading companies in Poland, which proved that good or bad relationship with the immediate supervisor affects not only the engagement but also general level of job satisfaction and assessment of a given company.

According to research of Robert Blake and Jane Mouton⁷⁴, behaviour of the management staff may be characterized by the people-oriented and task-oriented approach, determining the applied style of management. A people-oriented manager allows the employees to participate in decision-making, encourages initiatives, tries to create a friendly atmosphere at work, cares for the staff's well-being, defends them, and represents their interests before other groups or higher rank management. On the other hand, a task-oriented manager cares for the effectiveness of work, thus tends to supervise and control employees' actions, to find out how to optimize them, to set high-level requirements. Depending on the intensity of a given orientation there are:

1. Autocratic style – TASK MANAGEMENT. Also called dictatorial or perish style. Here leaders are more concerned about production and have less concern for people. The style is based on theory X of McGregor. The employees' needs are not taken care of and they are simply a means to an end. The leader believes that efficiency can result only through proper organization of work systems and through the elimination of people wherever possible. Such a style can definitely increase the output of the organization in a short run but due to the strict policies and procedures, high labour turnover is inevitable.

⁷³ Kopera A., *Zarządzanie zaangażowaniem pracowników i wspieranie menedżerów w budowaniu zaangażowania pracowników*, <http://www.hrmpartners.pl/docs/artykuly/4-zarzadzanie-zaangazowaniem-pracownikow.pdf>.

⁷⁴ Blake R., Mouton J., *The Managerial Grid: The Key to Leadership Excellence*, Houston, TX: Gulf Publishing Company, Houston 1964; Szwajca D., *Identyfikacja stylów zarządzania w aspekcie kreowania reputacji przedsiębiorstwa jako pracodawcy*, *Kwartalnik Naukowy Organizacja i Zarządzanie*, 2/2014, p. 103-104; Holstein-Beck M., *Jak być menedżerem*, CIM, Warszawa 1995, <http://nf.pl/manager/sprawdz-jakim-liderem-jestes>, 8386,147.

2. Liberal style – COUNTRY CLUB. This is a collegial style characterized by low task and high people orientation where the leader gives thoughtful attention to the needs of people thus providing them with a friendly and comfortable environment. The leader feels that such a treatment with employees will lead to self-motivation and will find people working hard on their own. However, a low focus on tasks can hamper production and lead to questionable results.
3. Laissezstic, non-interfering style – IMPOVERISHED MANAGEMENT. Managers with this approach are low on both the dimensions and exercise minimum effort to get the work done from subordinates. The leader has low concern for employee satisfaction and work deadlines and as a result disharmony and disorganization prevail within the organization. The leaders are termed ineffective wherein their action is merely aimed at preserving job and seniority.
4. Balanced style – MIDDLE-OF-THE-ROAD. This is basically a compromising style wherein the leader tries to maintain a balance between the goals of the company and the needs of people. The leader does not push the boundaries of achievement resulting in an average performance for the organization. Here neither employee nor production needs are fully met.
5. Democratic style – TEAM MANAGEMENT. Characterized by high people and task focus, the style is based on the theory Y of McGregor and has been termed as the most effective style according to Blake and Mouton. The leader feels that empowerment, commitment, trust, and respect are the key elements in creating a team atmosphere which will automatically result in high employee satisfaction and production.

Practically speaking, it is possible to identify the style of management preferred by managers. A further example of a tool which allows doing so is shown in Table 7.

Table 7. Style of management identification questionnaire (for Blake and Mouton's Managerial Grid)

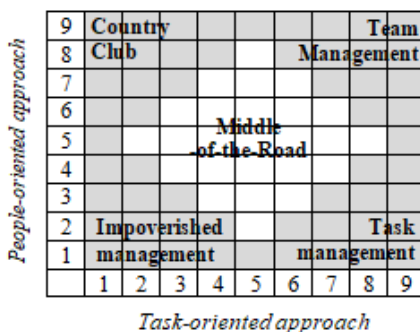
Please circle the statement that you agree with (A or B)
1. You are cutting down the quarterly bonus of one of your employees... A. I arrange a meeting with the employee before and explain the reasons for such a decision B. I have my own important reasons which I don't have to explain to the employee
2. Recently most of your team work overtime... A. It is of secondary importance to me because the most important task of a team is its effectiveness – even at the cost of overtime hours B. I need to change this situation, i.e. identify the cause and indicate a solution to this problem
3. You are participating in an informal meeting with your subordinates... A. I like such meetings, because I belong to the team B. I feel uneasy and awkward because I am their supervisor
4. During the control of your team job you discovered some irregularities... A. Now I am done with trust and I'm going to control my subordinates and assess their work more often B. It can happen any time but I trust my subordinates and believe that in the future they will perform their duties better
5. One of your clients complains about your employees... A. In such cases I find the culprit who shall take the consequences B. I excuse my employees and try to appease the client

6. Your team is already overloaded with work and now there is a new task to complete... A. I seek how to increase their efficiency B. I look for people who could support my team because I cannot expect them to work beyond endurance.						
7. You intend to introduce regular meetings with your employees... A. I want to improve the information flow among the workers B. I want my employees to have some influence on my decisions						
8. You take on some new employees... A. I talk with them for a long time and try to get to know them better B. I prefer recruiters to do their job						
9. Due to your mistake, you cannot give your employees an extra bonus... A. I think you shouldn't inform your employees about your mistakes B. I will have to explain it to my employees						
10. You receive a praise for the good performance of your team... A. It is to my merit because I like the professional approach to performing tasks and I expect it from my people B. It is to the merit of the team, they work so hard so they deserve an appraisal						
11. The company is introducing a new system of employee assessment... A. A very good idea, it will support me in supervising the work of my team B. It might be useful but I still trust my team						
12. After your promotion you have the first meeting with the new team... A. I need to get to know them better – and see who I am dealing with B. First I need to formulate clearly my own expectations, procedures, tasks that I shall present to the team at the meeting						
13. The CEO distributes jubilee awards among the departments of the company... A. I suggest giving them to all the employees – adequately to their input B. I suggest that my employees should get the most						
14. Two employees are asking you for a holiday in "peak" time... A. I refuse - work first, then pleasure B. It is a difficult situation for me – I try to find a solution						
15. One of the employees is asking you for help in some family matters... A. I don't like to get involved in somebody's personal life - so I don't help B. It is hard but I do my best						
16. You need to leave immediately in an urgent and important matter... A. I find time to designate tasks to particular employees B. I trust that my employees distribute the tasks themselves						
17. This year your company results are worse than last year... A. It is not my staff fault but the success of our competition company which is better B. I need to find a way to change the situation – even at the cost of some radical changes and increasing my employees' effectiveness						
18. One of your subordinate managers invites you to a birthday party... A. I go but I try to keep my distance B. It is a good opportunity to get to know each other						
Record your answers A or B onto the following points and sum up						
Question no.	A	B		Question no.	A	B
1.	1	0		2.	1	0
3.	1	0		4.	1	0
5.	0	1		6.	1	0
7.	0	1		10.	1	0

8.	1	0
9.	0	1
13.	0	1
15.	0	1
18.	0	1
Sum		
PEOPLE-ORIENTED APPROACH		

11.	1	0
12.	0	1
14.	1	0
16.	1	0
17.	0	1
Sum		
TASK-ORIENTED APPROACH		

The sum results at the people-oriented and task-oriented approaches should be displayed on the diagram.
The intersection of particular results indicates the preferred style of management.



Prepared on the basis of: <http://nf.pl/manager/sprawdz-jakim-liderem-jestes,,8386,147>; Sz wajca D., Identyfikacja stylów zarządzania w aspekcie kreowania reputacji przedsiębiorstwa jako pracodawcy, *Kwartalnik Naukowy Organizacja i Zarządzanie*, 2/2014, p. 103-104.

3.4. ADVANTAGES AND DISADVANTAGES OF THE METHOD

MbM has many advantages and one main disadvantage⁷⁵. In particular, correct use of this method allows gaining advantages, mainly:

- making the manager perceive their employees individually in the aspect of their needs and expectations;
- increasing effective influence on the employees, creating desired attitudes and behaviors through a developed incentive scheme;
- enhancing employees' engagement and activity;
- integration of the employees' individual goals with the goals of the organization;
- developing culture promoting proeffectiveness approaches towards the organization;
- employees' job satisfaction which translates into the organization's results.

⁷⁵ Perechuda K. (ed.), *Zarządzanie przedsiębiorstwem przyszłości: koncepcje, modele, metody*, Agencja Wydawnicza Placet, Warszawa 2000, p. 148.

The main defect of management by motivating is connected with the difficulty and time- and work-consuming of developing a complex incentive scheme. Lack of such scheme and using only its particular elements may lead to many mistakes in motivating, i.a.:

- inaccurate recognition of the employees' needs and expectations;
- choice of inadequate motivational tools or using only some of them, e.g., coercive measures;
- rewarding employees without a reason or in the same way, regardless of their work results;
- lack of authentic leadership, characterized i.a. by constructive criticism, keeping necessary distance and objectiveness, loyalty towards employees and representing them in the organization.

3.5. CONTROL QUESTIONS AND TOPICS FOR DISCUSSION

1. What are motivation and motivating, and are they the same notions?
2. What is the essence of MbM?
3. What is the essence of content, process and reinforcement motivation theories?
4. Which external and internal tools are the most important for motivating in the long run?
5. Which areas of MbM can be automated – where cognitive technologies can support or completely replace employees in their performance?

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Chapter 4. Management by delegation

Delegating is one of the important factors determining the success of an organization⁷⁶, which is inseparable from the implementation of managing functions. At present, one of the most important managerial competences is the ability to share your work with other people, connected with using the management by delegation method (MbD).

Generally speaking, MbD consists in assigning employees, usually subordinate to the manager, part of tasks including the responsibility and authority necessary to fulfill them⁷⁷, which differentiates this method from management by participation⁷⁸. In MbD it is not solely about relieving the manager of routine and operational matters because it is an excellent method to develop employees' competences. It is thought that its use leads to an increased organizational engagement of employees which happens when they feel like co-creators of some solutions⁷⁹. Moreover, MbD makes employees think independently, increases their self-belief and inclination to taking initiative. This method may also be used to improve employees' competences at the workplace, because it enables continuous training, without the need to engage new resources or affecting the existing organizational bonds. It may be a serious competition for off-site trainings which are occasional and their content is often loosely connected with the employee's duties⁸⁰.

The base for successful use of MbD is gaining knowledge concerning general principles of this method, its procedures, barriers – reasons for the reluctance to delegation, as well as its disadvantages and advantages.

4.1. PRINCIPLES

There are seven principles for delegation of powers:

1. *Principle of decomposition of goals*
If managers intend to succeed in achieving their goals, they should decompose them among the lower levels in the organizational hierarchy. This principle means that the goals should be achieved at the lower possible level, still capable of their proper realization⁸¹.
2. *Principle of freedom*
Employees who took up the decomposed goals must be given an appropriate range of independence in taking decisions and choosing the methods (activities) for achieving these goals. It is the matter of freeing the employees from instructions, orders and strict control in order to activate their potential and hidden resources which would not be used in a different situation⁸².
3. *Principle of dual responsibility*

⁷⁶ Antoszkiewicz J., *Metody zarządzania*, POLTEXT, Warszawa 2007, p. 71.

⁷⁷ Payne S., *Jak być dobrym menedżerem. Zestaw wskazówek*, Wolters Kluwer Polska, Kraków 2009, p. 175.

⁷⁸ Kożusznik B., *Zachowania człowieka w organizacji*, Polskie Wydawnictwo Ekonomiczne, Warszawa 2002, p. 161.

⁷⁹ Poczrowski A., *Zarządzanie zasobami ludzkimi. Strategie – procesy – metody*, PWE, Warszawa 2007, p. 211.

⁸⁰ Supernat J., *Techniki decyzyjne i organizatorskie. Wyd. II*, Kolonia Limited, Wrocław 2003, p. 37.

⁸¹ Nalepka A., *Struktura organizacyjna*, Antykwa, Kraków 2001, p. 54.

⁸² Armstrong M., *Jak być lepszym menedżerem*, Dom Wydawniczy ABC, Warszawa 1997, p. 175.

It is crucial to determine the range of responsibility of the manager and employee for the subject of delegation⁸³. If the subject of delegation is a particular goal, the subordinate must know that they become responsible before the manager for taking up appropriate activities to achieve the goal, and the manager – that they remain responsible for the achievement. In case of failure, the subordinate answers for the non-performance of their duties, and the manager answers for the range of responsibilities and their choice of the person responsible, as well as for their supervision. More responsibility rests with the management⁸⁴.

4. *Principle of delegating tasks to a particular employee, not a team*

Avoid imposing direct responsibility on more than one person because groups cannot be accounted for responsibility⁸⁵, pursuant to the saying that "where everyone is responsible, no one is responsible".

5. *Principle of hierarchy*

Require a clear and commonly understood subordination scheme, which indicates a vertical distribution of competences (decision-making and co-participation)⁸⁶ and thus determines the freedom of decision-making and leads to correct understanding of, among others, what can be delegated? who can it be delegated to? who can delegate in the organization? before whom do you bear responsibility?

6. *Principle of command oneness*

Every person within an organization should report directly to and obtain new duties from only one superior. Following this principle is not always possible, e.g., in case of delegating in organizations oriented at projects, which have matrix organizational structure.

7. *Principle of gradual increasing the scope of delegating*

Duties should be assigned gradually, which is illustrated by, among others, the description of levels of delegating⁸⁷:

- [1] "No delegating" – employees do not contribute to the manager's goals and do not perform necessary tasks.
- [2] "Instructing" – due to the manager's instructions, the employees carry out particular tasks, not bearing too much responsibility but still provide input into achieving the goals.
- [3] "Substitution" – employees are prepared to carry on their duties without the manager's instructions.
- [4] "Sharing" – the manager and employees together determine the tasks necessary to achieve their goals and share them, acquiring appropriate powers and responsibility.
- [5] "Delegating" – the employees are ready to determine and carry on the tasks on their own in order to achieve the goals, as well as to acquire powers and responsibility. They inform the manager about emergencies only, which is connected with the method of management by exceptions.

⁸³ Dźwióg-Barosz M., *Delegowanie uprawnień jako metoda rozwoju kompetencji pracowników*, Zeszyty Naukowe Politechniki Śląskiej, Organizacja i Zarządzanie, 59/2011, p. 149.

⁸⁴ Supernat J., *Techniki decyzyjne i organizatorskie*, Wyd. II, Kolonia Limited, Wrocław 2003, p. 36.

⁸⁵ Bieniok H. and team, *Metody sprawnego zarządzania*, Agencja Wydawnicza Placet, Warszawa 2011, p. 174.

⁸⁶ Nalepka A., *Struktura organizacyjna*, Antykwa, Kraków 2001, p. 54.

⁸⁷ Coates J., Breeze C., *Delegowanie władzy*, Wydawnictwo Petit, Warszawa 1998, p. 23.

Regarding the principle of gradual increase of the scope of delegating, there has been developed a concept of a competence delegating ladder⁸⁸, presented in Figure 21.

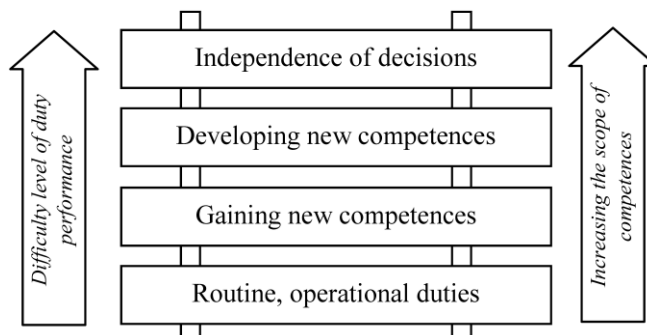


Figure 21. Concept of the ladder of delegating.

Prepared on the basis of: Dźwigoł-Barosz M., *Delegowanie uprawnień jako metoda rozwoju kompetencji pracowników*, Zeszyty Naukowe Politechniki Śląskiej, Organizacja i Zarządzanie, 59/2011, p. 156.

According to this concept, the first subject of delegating are routine and operational duties. The manager who accepts their performance by the employee should assign them for further, more complex ones, until they reach ambitious goals. Therefore, this concept assumes that the more competent the employee, the more trust is put in them by the manager who assigns them with more and more interesting and ambitious duties, which is a strong motivational stimulus for the employee and positively affects their engagement. Each level means increasing the scope of competence which is raised simultaneously with the level of difficulty of duties. The last level in this concept is reached by a competent, independent employee who can think and act, also creatively, and take responsible decisions, to a great relief of the superior. The presented concept is worth referring to Webber's 8 levels of delegating⁸⁹, which similarly reflect the employee development path, influencing their engagement and job satisfaction.

4.2. PROCEDURE

From a formal point of view, MbD should be performed in a few stages. In literature there is no unified approach to their scope. Generally, the organizational proceedings in MbD may be described by three stages⁹⁰:

1. Delegation of duties.
2. Conferral of powers.
3. Creating responsibility for the results.

⁸⁸ Dźwigoł-Barosz M., *Delegowanie uprawnień jako metoda rozwoju kompetencji pracowników*, Zeszyty Naukowe Politechniki Śląskiej, Organizacja i Zarządzanie, 59/2011, p. 155-156.

⁸⁹ Koźmiński A., Piotrowski W. (eds.), *Zarządzanie. Teoria i praktyka*, Wydawnictwo Naukowe PWN, Warszawa 2000, p. 686.

⁹⁰ Griffin R.W., *Podstawy zarządzania organizacjami*, PWN, Warszawa 2004, p. 361.

Whereas in a more detailed exploration, MbD procedure is described by the following seven stages⁹¹:

1. Awareness of the need of delegating by the manager.
2. Analysis of current duties and deciding which competences might be delegated now and which in the future (determining the scope of delegating and priorities).
3. Calculating the costs and benefits of the planned delegating and assessment of failure risks and decision errors.
4. Choosing the employee who shall take the new duties and powers as well as the analysis of their workload so far, and mental readiness of the subordinate to take up more duties.
5. Writing down and passing the new duties and powers as well as determining the scope of responsibilities, and passing all essential information concerning the way of performing the duties.
6. Determining with the employee the way of reporting to the manager the performance of the duties as well as the freedom of action.
7. Considering the possibilities and forms of bolstering and rewarding the employee due to proper accomplishment of the accepted duties.

There are also many other guidelines concerning the process of delegating, described, among others, by practical experts who conduct trainings in this field. Some examples are shown in Figure 22. From the guidelines, it has been assumed that from the point of view of the employee's engagement, the best subject of delegating is the goal for which the employee should determine the essential actions. Certainly, such an approach refers to independent employees. Before they become such, at first they are given routine and operational tasks⁹².

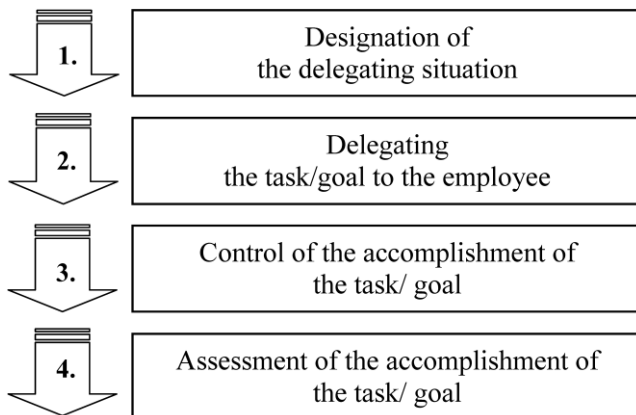


Figure 22. Stages in MbD.

Prepared on the basis of: *Jak skutecznie delegować zadania:*

<https://kadry.infor.pl/kadry/hrm/zarzadzanie/770482,Jak-skutecznie-delegowac-zadania.html>

⁹¹ Dźwigoł-Barosz M., *Delegowanie uprawnień jako metoda rozwoju kompetencji pracowników*, Zeszyty Naukowe Politechniki Śląskiej, Organizacja i Zarządzanie, 59/2011, p. 150-151.

⁹² Bieniok H. and team, *Metody sprawnego zarządzania*, Agencja Wydawnicza Placet, Warszawa 2011, p. 173.

Stage 1 – determining the delegating situation, it involves gaining by the manager the answers to the following questions:

1. Who is the subject of delegating?, what task or goal?
2. Which employee can be delegated the task or goal to?
3. Are the employee's current competences proper in reference to the competences required to carry on the task or goal?
4. Shall the employee be motivated enough by the assigned task or goal?

The answer to the first question involves general guidelines referring to the scope of delegating duties by the manager, which are presented in Table 8.

In turn, the answer to the fourth question involves the need of assessment by the manager the effects of delegating the task or goal to the employee in the context of engagement. The effects depend on how the employee assesses the degree of difficulty of the assignment or goal, which has been shown in Table 9.

Table 8. Guidelines referring to the scope of delegating

<i>Manager</i>	
<i>should not delegate</i>	<i>should delegate</i>
duties resulting from managerial position, including: strategic planning, e.g., determining the mission, strategy, investments, determining the structure of organization, approving the budget, staff policy, e.g., employment and dismissing staff, granting honours, awards and reprimands, coordination of different scopes of activity.	duties connected with routine, operational activity of employees, which they can perform better and faster than the manager, duties that are new, difficult tasks for which the employees have qualifications so they can be performed professionally without the manager's participation, duties that are goals in nature, which can be reached by employees but it is connected with the need to develop their competences and sometimes more supervision.

Own elaboration

Table 9. Effects of delegating the goal depending on the degree of difficulty

<i>Characteristics of the goal/duty</i>	<i>Characteristics of the influence on the employee's engagement – effects of delegating</i>
Tasks or goal are too difficult, their implementation requires competences beyond the employee's capabilities	Destructive influence – little engagement The employee thinks that if they were assigned such a task/goal, then they must be able to perform it. Fear of failure may cause an attempt to falsify the results. Failure shall determine the employee's resistance to delegating, caused by the fear of another embarrassment.
The task or goal is ambitious their implementation requires competences, gaining which is beyond the employee's capabilities	Positive influence – extensive commitment The employee is challenged to increased activity and developing their competences. An ambitious task/goal meets their need of recognition and personal fulfilment. The employee shall be willing to accept similar delegated tasks/goals, because they find it the source of satisfaction.

<p>The task or goal is too easy their implementation requires competences which are definitely below the employee's capabilities</p>	<p>Frustrating influence – no engagement The employee thinks that they cannot use their competences and that they are underestimated. They are afraid that they are not going to use them. The employee shall oppose being delegated similar tasks/goals which are below their professional aspirations.</p>
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Own elaboration

Stage 2 – delegating a task or goal to an employee, it involves informing the employee on the subject of delegating, connected with the following questions:

1. What is the essence of the task or goal?
2. What are the main stages and deadlines that the employee must meet?
3. What are the resources assigned to the accomplishment of the task or goal?
4. What is the scope of delegating powers and responsibility?
5. What are the benefits for the employee for accomplishing the task or goal?

Stage 3 – control of the accomplishment of the task or goal, it involves giving the employee information concerning the following questions:

1. Should the employee inform the manager, namely report the advancement in a spoken or written form?
2. What are the deadlines of the reports?
3. What shall be subject to inspection?
4. What margin of error shall be tolerated?
5. What are the consequences for failing to accomplish the task or goal?

Stage 4 – assessment of the accomplishment of the task or goal, it consists in giving the employee information concerning the following questions:

1. To what extent has the task or goal been achieved? does the result meet the expectations?
2. What is the employee's assessment of the accomplishment of the task or goal?
3. What are the consequences for the employee in connection with a given assessment?

It is highlighted that in order to use the method of management by delegating successfully, it is necessary to create proper conditions conducive to be used in the whole organization. These include, among others⁹³:

- obeying to a rational extent the right to mistakes made by employees in good faith (a response to mistakes cannot be giving up delegation but instructions and training the subordinates);
- paying attention to the process of communication between the management and employees to improve mutual understanding, thus the effectiveness of delegating to the lower levels of organizational hierarchy;

⁹³ Dźwigoł-Barosz M., *Delegowanie uprawnień jako metoda rozwoju kompetencji pracowników*, Zeszyty Naukowe Politechniki Śląskiej, Organizacja i Zarządzanie, 59/2011, p. 157-158.

- precise definition of the subject and scope of delegating as well as the powers and responsibilities;
- application of the principles set out in point 4.1.

4.3. BARRIERS

Although delegating powers is now one of the integral determinants of successful management of an organization, it encounters barriers which are caused both by managers and their subordinates⁹⁴.

On the side of managers, one of the basic barriers is the inclination for autocratic leadership and reluctance to delegate, which is influenced by, among others:

1. Managers' myth that only they can perform their job properly, and therefore they should not delegate it to their workers but accomplish it themselves. However, remember that wasting time for the accomplishment of a task which could be performed by employees means that the managers shall not be able to fulfill their managing duties properly. Moreover, not delegating some of the duties and powers deprives the employees of developing their competences, which leads to their decreased engagement, and in the long run, it will impair the level of efficiency in accomplishing the goals of the organization.
2. Lack of managerial skills and knowledge concerning delegating, particularly setting own priorities and the scale of importance of duties, and in consequence, lack of their correct distribution among the employees.
3. Managers' unjustified fear of losing power and authority, resulting from the lack of confidence in their own competences and their concern that due to delegating the employees' competences shall improve and shall be valued more than the managers'.
4. Lack of trust in subordinates and fear of responsibility for their mistakes, which impairs the engagement and activity of employees who lose initiative because they begin to feel the necessity of constant consultations with the manager to make sure that they are performing their duties properly. It diminishes their self-esteem and causes them to lose motivation for further engagement.

On the side of employees, one of the basic barriers are the insufficient competences, reluctance to improve them, and resistance to taking responsibility, which is influenced by, among others:

1. Lack of independence and willingness on the side of employees who think that it is easier to ask the manager what to do than finding the solution themselves.
2. Fear of criticism which the employees may encounter as a result of making mistakes. Employees avoid a wider scope of responsibility because it increases the possibility to make mistakes.
3. Lack of information and resources necessary to implement the tasks or goals.
4. Avoiding the risk of failure in the implementation of a given task due to the supervisors' belief that it is too difficult or exceed to a large extent the competences for their implementation.
5. Discouragement due to a prolonged reception of exclusively routine and operative duties, not demanding the employees' competences.

⁹⁴ Bieniok H. and team, *Metody sprawnego zarządzania*, Agencja Wydawnicza Placet, Warszawa 2011, p. 180.

6. Too little incentives (e.g., remuneration, praise, recognition) for the effort the employees must put in connection with the accomplishment of the extra duties, which does not motivate them to further engagement.
7. Feeling injustice concerning the distribution of duties among the employees, multiplied by tiredness connected with a heavy labour input and the awareness that the others do not work that hard for a similar pay.
8. Lack of good interpersonal relations and no trust to the manager who puts the employees' successes on his own account and their failure only to their account;
9. Lack of correct communication in delegating from the manager, including no precise description of the subject of delegating, the scope of powers and responsibilities, no possibility to refer for help in the course of accomplishing the tasks and no feedback. It affects the employee's uncertainty about the delegated subject as well as the responsibility for its accomplishment.

4.4. ADVANTAGES AND DISADVANTAGES OF THE METHOD

MbD has many advantages and a few disadvantages⁹⁵. Some of the advantages of this method are the following:

- relieving the managers, particularly from routine and operational activities, towards solving strategic tasks connected with accomplishing managerial functions, as well as towards possible taking over excessive duties from managers from a higher level;
- improving the quality of decisions which, due to delegating powers, are taken by employees at posts situated the nearest of the performed duties, namely employees who present a high level of expertise;
- faster decision-making time due to gradual elimination of frequent communication and coordination of details between the manager and the employee who receives decisive powers according to the increase of their competences;
- increased use of employees' expertise leading to overcoming their passivity and boosting their confidence;
- opportunity to check employees before their promotion;
- increase of employees' engagement due to enriching their work and creating a possibility for their development – increase of competences;
- rational and even distribution of competences, powers and responsibilities at particular levels of the organization;
- managers are oriented at staff development, which increases trust for managers, improves their image and informal authority;
- possibility to perform tasks when the managers are absent.

However, the main disadvantages of MbD are the following:

- more bureaucracy of the organization, increased formalization and stabilization of structural solutions, resulting from, among others, the need to delegate powers in writing;
- potential conflicts resulting from the reluctance of managers to delegate powers and of their employees to accept them.

⁹⁵ Bieniok H. and team, *Metody sprawnego zarządzania*, Agencja Wydawnicza Placet, Warszawa 2011, p. 179.

4.5. CONTROL QUESTIONS AND TOPICS FOR DISCUSSION

1. What is the essence of MbD?
2. What are the effects of goal delegation depending on the degree of difficulty it is achieved?
3. What are the basic barriers to delegate?
4. What are the main advantages and disadvantages of MbD?
5. Which areas of MbD can be automated – where cognitive technologies can support or completely replace employees in their performance?

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Chapter 5. Management by exceptions

Management by exceptions⁹⁶ (MbE) is a method improving the managerial work, which is in a sense a supplementation of MbD. Basically, it is an idea that during delegating duties, powers and responsibilities, the staff must also be obliged to give the managers information on emergencies.

Actually, MbE appeared during the implementation of the principle of exceptions, described already in the publications of the classics of scientific organization of work⁹⁷. Thus, in 1911 Frederick W. Taylor wrote⁹⁸ that a manager should be given only concise, abridged and comparable information which should include the most important elements of reality from the point of view of management as well as all exceptions from the given standards and past average values – both negative and positive ones. This information should be prepared beforehand by the employee to give the manager the possibility to understand the emergency. Apart from Taylor, the following contributed to systemize MbE: Lester R. Bittel⁹⁹, whose reflections were published in 1964, as well as Donald P. Mackintosh¹⁰⁰, the author of a paper issued in 1978.

Nowadays, MbE is depicted as a method in which during delegating the expected states are determined as standards for different areas of the organization's activity, as well as the upper and lower limit of aberration¹⁰¹. The subject of managers' interests and their remedial actions should be only departures (exceptions) which are viewed as crucial and exceed the determined limits of tolerance¹⁰².

Using MbE brings best results in sales, financial, production, warehouse sections where the occurrence of repetitive and standard situations is frequent, and the delegated goals and tasks are highly structured.

Correct use of MbE requires knowledge concerning the general principles of this method, its procedures, advantages, and disadvantages.

⁹⁶ Akdeniz C., *Management by Exception Explained*, Business School Books, b.7, Createspace Independent Publishing Platform, 2015.

⁹⁷ Teczek J., *Metody i techniki zarządzania*, Akademia Ekonomiczna w Krakowie, Kraków 1996, p. 37.

⁹⁸ Taylor F.W., *The Principles of Scientific Management*, UK: Harper & Brothers, New York, London 1911; Taylor F.W., *Zasady organizacji naukowej zakładów przemysłowych*, Warszawa 1913.

⁹⁹ Bittel L.R., *Management by Exception. Systematizing and Simplifying the Managerial Job*, McGraw-Hill, New York 1964.

¹⁰⁰ Mackintosh D.P., *Management by Exception: A Handbook with Forms*, N.J.: Prentice-Hall, Englewood Cliffs 1978.

¹⁰¹ Rainborn C.A., Barfield J.T., Kinney M.R., *Managerial accounting. II ed.*, West Publishing Company, Minneapolis, Saint Paul 1996, p. 914.

¹⁰² Jackson S., Sawyers R., *Managerial accounting: a focus on decision making. II ed.*, South-Western Thomson Learning, Mason, Ohio, 2003, p. 519.

5.1. PRINCIPLES

There are three main principles of MbE¹⁰³:

1. *Principle of informing about exceptions only*
The manager should never receive all information concerning the processes taking place in his subordinate unit but only selected signals attesting in the course of processes of crucial departures (exceptions) from ordinary situations, determined beforehand by standards, plans, patterns, instructions. In case of the correct and expected course of processes the manager of a given unit, let alone higher-level managers, should not receive any information.
2. *Principle of delegating everything which is not an exception*
Sharing the power, authorities, and responsibilities with their subordinates, the manager satisfies themselves and their workers. Therefore, they should delegate to the employees all things possible, preserving the right and obligation to intervene in exceptional situations. It should let the manager focus on strategic issues, related to, among others, the development of the organization, as well as extraordinary situations which largely deflect from standards and require special treatment.
3. *Principle of engaging adequate levels of management*
The higher the level of management in the organization, the smaller engagement of managers in extraordinary matters of lower levels. It can be achieved by a greater commitment to these matters from the managers of appropriate management levels.

5.2. PROCEDURE

Organizational procedure in MbE comprises six interrelated stages¹⁰⁴, presented in Figure 23.

Stage 1 – defining the expected states, determined as standards, involves the elaboration of the subject of delegating as far as the required effects are concerned (of the delegated tasks or goals), as formalized norms (preferable quantitative) as well as plans, patterns or instructions.

Stage 2 – identification of tolerance limits, namely defining emergency situations, which involves elaboration of the term ‘tolerance’. It should be understood as a pre-determined, acceptable scope of deviations from the standards, namely norms, plans, patterns or instructions (both positive and negative ones) which still requires no managerial intervention. In other words, it means that each deviation from the standard limits is an emergency, and requires both informing the manager and their intervention, which has been presented in Figure 24.

¹⁰³ Bieniok H. and team, *Metody sprawnego zarządzania*, Agencja Wydawnicza Placet, Warszawa 2011, p. 182-183.

¹⁰⁴ Bieniok H. and team, *Metody sprawnego zarządzania*, Agencja Wydawnicza Placet, Warszawa 2011, p. 186.

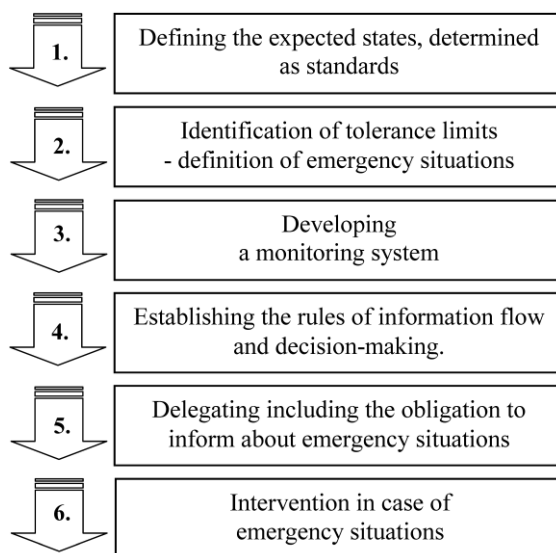


Figure 23. Stages in MbE.

Prepared on the basis of: *Bieniok H. and team, Metody sprawnego zarządzania, Agencja Wydawnicza Placet, Warszawa 2011, p. 186.*

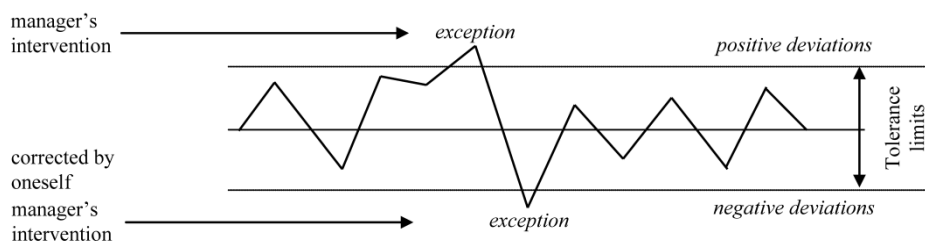


Figure 24. Idea of tolerance limits in MbE.

Prepared on the basis of: *Bieniok H. and team, Metody sprawnego zarządzania, Agencja Wydawnicza Placet, Warszawa 2011, p. 185.*

Stage 3 – developing a system of monitoring, including observations, control and comparison of the received realizations, which allows checking if they follow certain standards – norms, plans, patterns or instructions, and, in particular, if they remain within the determined tolerance limits. Therefore, the essence of this stage is a systematic monitoring and classification of situations into standard and emergency ones.

Stage 4 – defining the principles of information flow and decision-making, which should indicate in the first place that in the "upstream" process of communication the only acceptable information refers to exceptions, particularly the extent of the deviations, duration, possible causes. By definition, the scope of managerial decisions is limited too, leaving the managers only the most important decisions, different from the identified standards and requiring individual approach. Such prioritizing the problems relieves the

managers and ensures their more effective work, moreover, it affects the employees' engagement positively.

Stage 5 – delegating the goals or tasks, according to MbD, but including the obligation to inform about emergencies. In the process of delegating the manager is responsible for informing the employee, preferably in writing, all information determined in stages 1-4. Particularly important is determining which situations require the manager's involvement and which should be solved by the subordinate.

Stage 6 – intervention in case of emergencies, it should appear when the tolerance limits are exceeded. The lowest-possible-level managers, capable of reacting to the exceptions, should intervene first, including an indication of remedial or correction measures. The managers' remedial actions should be directed at seizing opportunities when the deviations are positive, and eliminating or minimizing threats when they are negative. It is also possible that these actions shall be directed at correcting the established standards and tolerance limits, depending on the development of the environment and internal needs of the organization. In case when the actions taken by these managers are unsuccessful, they should inform the next, higher level of management on the emergency.

5.3. ADVANTAGES AND DISADVANTAGES OF THE METHOD

There are both advantages and disadvantages of MbE¹⁰⁵. Some of the several advantages of this method are the following:

- saving the working time of the management, particularly of the higher level, mainly because of the fact that they are informed about genuine emergency situations, clearly defined and exceeding competences and ability to act at all lower levels of management;
- possibility to concentrate the work of the top management of the organization on strategic and developmental problems and only on such exceptions which have been restricted for solution by higher levels of management;
- triggering the employees' independence and responsibility as well as enhancing trust in the managers' competences at lower levels of the organization;
- an even distribution of decisive powers and improvement of using the skills and know-how of the employees and managers at particular levels.

However, some of the several advantages of this method include the following:

- blunting the sensitivity, "sedating" the management, particularly when after a longer time there occur no emergencies which may cause delayed response to changes (chances or threats) in the environment;
- difficulty in clear-cut and fixed distribution of tasks between the manager and their subordinates;
- impatience of managers, who try to intervene and interfere in the activities of their subordinates;

¹⁰⁵ Bieniok H. and team, *Metody sprawnego zarządzania*, Agencja Wydawnicza Placet, Warszawa 2011, p. 189-189.

- managers' stronger tendency to identify negative "exceptions", thus lack of using the occurring positive deviations, and particularly chances and opportunities resulting from them;
- excessive stability of standards and difficulty in verifying them in changeable conditions in the environment.

5.4. CONTROL QUESTIONS AND TOPICS FOR DISCUSSION

1. What is the essence of MbE?
2. What are the MbE principles? Which one is the most important?
3. How is an exception defined?
4. What are the main advantages and disadvantages of MbE?
5. Which areas of MbE can be automated – where cognitive technologies can support or completely replace employees in their performance?

5.5. REFERENCES

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Chapter 6. Management by objectives

Management by objectives (MbO) is one of the most popular methods affecting the engagement of all members of the organization – both the management staff and low-level employees. The creator of this method was the outstanding expert in management, Peter Drucker, who propagated it in 1954¹⁰⁶. As a management approach, it has been further developed by many management theoreticians, among them Douglas McGregor, John Humble and George Odiorne¹⁰⁷. But it should be emphasised that even now it is popular with managers and is becoming an element of business culture and the basis for more complex motivating systems in the majority of organizations in the world. What makes this method so popular? Firstly, its direction at co-participation of the superiors and subordinates in the process of determining objectives¹⁰⁸, as well as using knowledge and creativity of all workers in accomplishing the objectives, which Drucker has put in the following words: *Give people freedom of action and they will surprise you with their ingenuity*. Due to such an approach, the low-level employees in the organization feel more needed and appreciated, which affects integration, boosts their trust to managers and their informal authority. Secondly, this method is an effective system of accomplishing organizational objectives. Because, apart from determining objectives and delegating their implementation, it is based on monitoring, common assessment of their accomplishment¹⁰⁹ and linking the accomplished effects with the motivational system¹¹⁰. Thirdly, this method targets all members of the organization at common objectives, mobilizing them to act pursuant to the mission, vision and strategy¹¹¹. Directing the activities and motivation of all employees leads to work satisfaction, improvement of the atmosphere and increased effectiveness. It is believed that an organization oriented at common objectives becomes a better workplace¹¹².

To use MbO effectively, it is important to know its theoretical basis, first of all referring to the role and classification of objectives, as well as the principles of the method, its procedures as well as advantages and disadvantages.

¹⁰⁶ Drucker P., *The Practice of Management*, Harper & Brothers, New York 1954.

¹⁰⁷ McGregor D., *Leadership and motivation*, MA: M.I.T. Press, Cambridge 1966; Humble J., *Improving business results*, McGraw-Hill, New York 1968; Humble J., *Management by objectives in action*, McGraw-Hill, New York 1970; Odiorne G., *Management by objectives*, Pitman, New York 1970.

¹⁰⁸ Kisielnicki J., *Zarządzanie. Jak zarządzać i być zarządzanym*, Polskie Wydawnictwo Ekonomiczne, Warszawa 2008, p. 85; Griffin R.W., *Podstawy zarządzania organizacjami*, Wyd. Naukowe PWN, Warszawa 2004, p. 234.

¹⁰⁹ Kisielnicki J., *Zarządzanie. Jak zarządzać i być zarządzanym*, Polskie Wydawnictwo Ekonomiczne, Warszawa 2008, p. 166.

¹¹⁰ Kożusznik B., *Zachowania człowieka w organizacji*, Polskie Wydawnictwo Ekonomiczne, Warszawa 2002, p. 246; Kisielnicki J., *Zarządzanie. Jak zarządzać i być zarządzanym*, Polskie Wydawnictwo Ekonomiczne, Warszawa 2008, p. 85; Reinfuss R., *MBO prosta i skuteczna technika zarządzania twoją firmą*, Helion, Gliwice 2011, p. 17.

¹¹¹ Antoszkiewicz J., *Metody zarządzania*, POLTEXT, Warszawa 2007, p. 21.

¹¹² Reinfuss R., *MBO prosta i skuteczna technika zarządzania twoją firmą*, Helion, Gliwice 2009, p. 28-29.

6.1. THE ESSENCE, ROLE AND CLASSIFICATION OF OBJECTIVES

Objectives, namely valuable and desired states which are sought for¹¹³, play a fundamental role in this method. They should accord with the vision, mission and strategy of the organization as well as refer to the rules of its functioning and particular fields of activity¹¹⁴, which makes it relate to e.g., profitability, market share, liquidity, innovations, public responsibility, productivity, employees activities¹¹⁵. The importance of objectives in an organization is described in the following four aspects¹¹⁶:

1. The objectives are prime directives or guidelines, thus giving a consistent direction to the activities.
2. The objectives enable planning the organized activities. Precise setting and formulation of objectives fosters proper planning and in result – coordinating current activities with the future ones.
3. Objectives can be a source of motivating people. If the sources are precisely formulated and moderate challenged but still ambitious, they may motivate to harder work. However, when the objectives are too easy or too difficult, they may cause discouragement.
4. Objectives enable setting correct and efficient control. Due to objectives, it is possible to assess the results, comparing them with the expected ones.

Since in an enterprise there are many types of objectives, they are classified according to different criteria. Regarding MbO, the following are of importance:

1. The hierarchy criterion, which determines dependency of the objectives of the organizational posts from the objectives of the organizational units, and these in turn from the objectives of departments, which depend on the main objectives of the organization.
2. The criterion of importance of the achieved results, which indicates¹¹⁷:
 - strategic objectives, determined at the highest level for the top management, concerning aspirations connected with the mission and vision of the organization, indicating the general direction of its functioning in the long run;
 - tactic objectives, focusing on how to optimize activities necessary to implement strategic objectives, determined at the middle management in a short time span (a year to a couple of years), referring to particular areas of operation of the organization, e.g., sales and marketing, HR, finances or material potential of the organization;
 - operational objectives, determined at the low-level of the organisation, referring to current affairs in a very short time span (up to a year).

¹¹³ Bieniok H. and team, *Metody sprawnego zarządzania*, Agencja Wydawnicza Placet, Warszawa 2011, p. 165.

¹¹⁴ Drązek Z., Niemczynowicz B., *Zarządzanie strategiczne przedsiębiorstwem*, PWE, Warszawa 2003, p. 36.

¹¹⁵ Gajdzik B., Jama B., *Analiza strategiczna w procesie zarządzania przedsiębiorstwem*, WPŚ, Gliwice 2006, p. 20.

¹¹⁶ Antoszkiewicz J., *Metody zarządzania*, POLTEXT, Warszawa 2007, p. 34-35.

¹¹⁷ Urbanowska-Sojkin E., Banaszyk P., Witczak H., *Zarządzanie strategiczne przedsiębiorstwem*, PWE, Warszawa 2007, p. 239.

3. Criterion of scope, concerning the area of objectives in a particular organisation, within which the following are indicated:
 - objectives of the organisation, supported by people in power of the organization;
 - group objectives, supported by a department, organizational unit, team;
 - individual objectives, personal, supported by particular employees.
4. Criterion of significance, concerning the area of objectives in a particular organisation, within which the following are indicated:
 - main objectives, of basic importance, for which the key activities are determined, which are subject to a particular control;
 - complementary objectives, of secondary importance, which support or broaden the scope of particular main objectives;
 - side objectives, implemented through free capacities which have no vital importance for the accomplishment of the main objectives.

6.2. PRINCIPLES

These are the main principles of MbO¹¹⁸:

1. *Joining individual results to implement the strategy of the organization*
Each employee is supposed to contribute in a particular way to the effectiveness of their organizational unit. If all employees accomplish their objectives, then the objectives of individual organizational units are accomplished too, and further on the objectives of departments, thus the main, strategic objectives of the organization are accomplished.
2. *Full and authentic involvement of the top management*
It is crucial to emphasize that to make the method functional it is not enough for the top management to declare involvement because they are key to shaping involvement in subordinate managers and employees.
3. *Avoiding autocratic management. Leave more autonomy to the subordinates*
Co-participation of subordinates in setting objectives is essential as well as their greater autonomy in choosing means and ways of accomplishing them. It means that subordinates should have individual plans to achieve objectives which they commit to accomplish after they have been accepted by the superiors. It is assumed that the appreciation of the employees' knowledge and skills as well as their cooperation with their superiors in terms of setting objectives and plans definitely influence the employees' involvement. Moreover, to enhance the employees' involvement, they should be engaged in developing plans of their own development, including personal objectives determined by themselves.
4. *Openness and full availability of managers for the employees in terms of counselling*
Having set the objectives and a plan for their accomplishment, the subordinates should enjoy wide discretion concerning their implementation, without the superiors' interference but with access to consultation – to get their opinion and support in case they cannot cope with the emerging problems.

¹¹⁸ Bieniok H. and team, *Metody sprawnego zarządzania*, Agencja Wydawnicza Placet, Warszawa 2011, p. 164; Chrościcki Z., *Zarządzanie firmą. wybrane problemy*, C.H. Beck, Warszawa 1999, p. 91-92.

5. *Obligatory review of the progress of work and concentration on results*

Although it is assumed that subordinates who were assigned the objectives apply "self-control" in their implementation, it is important that the supervisors regularly review their work, directed at the assessment of the degree of the accomplishment of the objectives. Subordinate employees should know the schedule of these reviews. In the assessment of the degree of accomplishing the objective, you should focus on particular results and not on the activities (sometimes mock) taken up by the employees. In the assessment, both the superiors and subordinates should estimate the degree of accomplishing the objectives and discuss the problems (barriers, limitations) which impede their implementation. A proper number of reviews should be accepted, adequate to the degree of difficulty of accomplishing the objectives as well as the competences of the responsible worker. The less you assess the progress of work and discuss the problems necessary to overcome, the less the likelihood of reaching the objectives. Moreover, systematic reviews, discussions, and common care about the objectives have a positive influence on the correct relationship between the superiors and subordinates. The degree of accomplishing the objective should be related to the remuneration system. The management at every level in the organization should also remember that success in accomplishing the objectives should refer to plans of personal development of particular subordinates and, e.g., involve the opportunity to improve qualifications or promotion.

6. *Fulfilling the requirements for the objectives*

To make the method function properly and increase the likelihood of accomplishing the objective, the objectives should fulfill the following particular requirements¹¹⁹:

- Objectives should constitute a compliant system within the organization. It means that for every employee there should be a derivative of the objectives of their own organizational unit, the objectives of the unit should result from the objectives of the department, and these in turn - from the strategic objectives of the organization. In other words, high-level objectives should be subject to decomposition (division) into downstream objectives, until the objectives set for the employees, according to the idea of cascading presented in Figure 25;



Figure 25. Principle of goal cascading.

Prepared on the basis of: Wróblewska A., Gochnio M., *Zarządzanie przez cele*, https://dsc.kprm.gov.pl/sites/default/files/pliki/zarzadzanie_przez_cele_-_informator.pdf

¹¹⁹ Bieniok H. and team, *Metody sprawnego zarządzania*, Agencja Wydawnicza Placet, Warszawa 2011, p. 165-166.

- the objectives should be ordered according to their importance;
- the objectives should be flexible, subject to modification in case of a change in the environment;
- the objectives should be consulted for the assessment of their validity and practicality;
- the objectives should be formulated and forwarded to the responsible individuals in writing;
- the objectives should be set properly, e.g., according to the SMART principle. Its use should be based on a profound analysis of the target¹²⁰. This may be the basis for the determination of the objective, which should be:

S: *specific*, particular, easy to understand, unambiguous, preventing arbitrary interpretation, precisely describing the objective but not the way of achieving it.

M: *measurable*, formulated to enable the expression of its accomplishment, in quantitative or qualitative terms¹²¹, which can be achieved e.g., by providing specific values of the expected results, by presenting the stages of accomplishing objectives or by making clear what the situation should look like after accomplishing the goal.

A: *achievable*, possible to accomplish, considering the resources available to the person who is supposed to achieve it, among others: competences, money, time, materials, people etc. In the context of accomplishing objectives the person who is about to achieve them must be motivated. It is vital that the objective is attractive to the individual.

R: *relevant*, important and legitimate for the person who is going to achieve it.

T: *time-bound*, referring to particular deadlines. It is a condition for effective monitoring of the progress of accomplishing objectives and motivation for action because it promotes avoiding constant putting the objective on ice. However, make sure that the deadline is not too close or too distant because it may lead to demotivation¹²².

6.3. PROCEDURE

The effectiveness of MbO in a given organization depends on following its principles which seem to be simple. However, it is to be noted that a practical ability to implement and use this method requires intense work of several people and the organization must deal with the necessity of bringing about difficult changes, also in the attitudes of both employees and the management.

Generally speaking, it may be assumed that the procedure of implementing and using MbO¹²³ should include three phases: preliminary, basic and final. In these phases there may occur eleven stages in total, shown in Figure 26. It must be emphasized that at present organizations modify and adjust the procedures in MbO to their needs and preferences, and thus there may occur a different number of phases or stages.

Phase I – preliminary, it is usually non-recurring and may consist of 4 stages.

¹²⁰ Walczak R., *Podstawy zarządzania projektami metody i przykłady*, Difin, Warszawa 2014, p. 110.

¹²¹ Antoszkiewicz J., *Metody zarządzania*. POLTEXT, Warszawa 2007, p. 33.

¹²² Janasz K., Wiśniewska J., *Zarządzanie projektami w organizacji*, Difin, Warszawa 2014, p. 55.

¹²³ Bieniok H. and team, *Metody sprawnego zarządzania*, Agencja Wydawnicza Placet, Warszawa 2011, p. 166-169; Wróblewska A., Gochnio M., *Zarządzanie przez cele*, https://dsc.kprm.gov.pl/sites/default/files/pliki/zarządzanie_przez_cele_-_informatory.pdf.

Stage 1 – choosing the implementation team which usually consists of the representatives of different units, formally instituted for particular roles as well as (non-mandatory) advisors and external consultants.

Stage 2 – training the implementation team because it must consist of people with the best know-how in MbO. Such a training must be conducted by a person with knowledge and extensive practical experience.

Stage 3 – analysis of the current condition of the organization, directed at checking whether there is an informal system of work based on accomplishing objectives. It is about finding answers to the following questions: if and how the objectives have been created, delegated, monitored and accounted for so far in the units. It is also essential to perform an analysis of key documents, such as internal procedures, and check what MbO shall include. Moreover, it is vital to prepare templates of documents used within MbO.

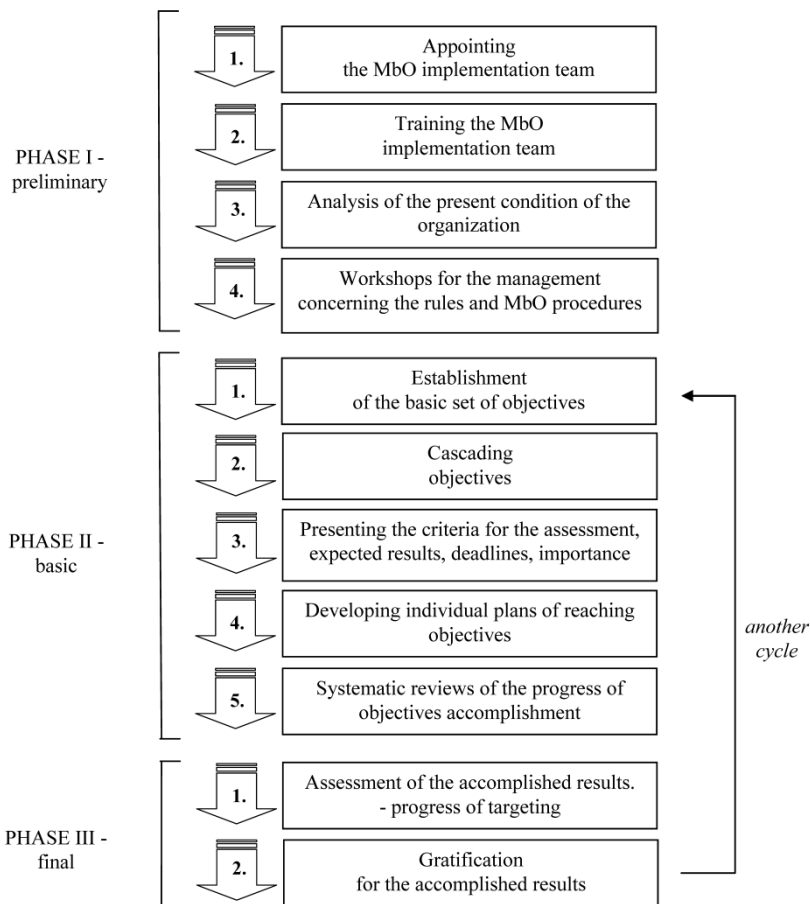


Figure 26. Stages in MbO.

Prepared on the basis of: Bieniok H. and team, *Metody sprawnego zarządzania*, Agencja Wydawnicza Placet, Warszawa 2011, p. 168; Wróblewska A., Gochnio M., *Zarządzanie przez cele*, https://dsc.kprm.gov.pl/sites/default/files/pliki/zarządzanie_przez_cele_-_informatory.pdf

Stage 4 – workshops for the management concerning the principles and procedures of MbO, who not only set goals for the subordinates or monitor their accomplishment but promote the idea of this method as well. The scope and duration of such trainings depend on the existence of a previous informal system of work based on goal accomplishment.

Phase II – basic, periodic, may consist of five stages.

Stage 1 – establishment of the basic set of objectives. This stage begins with defining the strategy of the organization, which should include long-term objectives of the organization, relating to general directions of its activity, having consulted forecasted changes in the environment. This is the basis for general objectives of the management in the organization, relating to the key areas. The expected results in the key areas of the organization activity are determined for each of the objectives formulated at this stage.

Stage 2 – cascading of objectives, i.e., their division into specific objectives, "downstream", according to the idea of cascading, which means that the subordinate's objectives result from the superior's objectives. When proceeding with cascading, it is worth considering which method of cascading is the best from the point of view of the final effect and engagement of people. Some of the most popular methods are target division, stage division and operationalization¹²⁴, which have been presented in Figure 27.

In the objective division, the objectives are divided into parts and each of them is allotted to the subordinates. In the stage division the objectives are divided into elements which are the next steps to achieve them. But in operationalization the goals are formulated by subordinates, in the form of the elaboration of the superior's objective.

As far as the principles of MbO are concerned, a very important aspect of each of the methods of objective cascading is providing proper communication between the superior and subordinate. There are three possible solutions in this area which should be implemented depending on the subordinate's competences and involvement:

1. Proposing a objective and determining the resources and ways of achieving it by the subordinate. This solution resonates with the principles of MbO because it is based on total trust to the subordinate, who is fully competent and engaged, thus can ask independently:
 - what is my part in reaching the superior's objective?
 - how should my objective be formulated in order to reach the superior's objective?
 - what means and resources should be applied to reach the objective?

In this solution, the prerequisite to start implementing the objective is the superior's acceptance of the subordinate's proposal. It should be noted that in case of any doubt, the superior should use another solution.

2. Joint assignment of resources and ways of accomplishing it. This solution is based on the participatory approach to making decisions concerning objectives, as well as the means and resources for their accomplishment, where the emphasis is not on giving orders by the superior but on joint discussion, negotiation and reaching a consensus within the following questions:
 - what is the subordinate's part in reaching the superior's objective?

¹²⁴ Reinfuss R., *MBO prosta i skuteczna technika zarządzania twoją firmą*, Helion, Gliwice 2009, p. 122.

- how should the subordinate's objective be formulated in order to reach the superior's objective?
 - what means and resources should be applied to reach the objective?
3. Assignment the objective by the superior. This solution is the least compatible with the principles of MbO, and it can be used only when the employee is not fully competent and engaged. In this case, the superior informs the subordinate on the following:
- their part in reaching the superior's objective;
 - the assigned objective which is not precisely formulated.

However, it is assumed that the superior should give the subordinate some freedom and independence in choosing the means and ways to achieve the objective. It is recommended to maintain a dialogue in this regard, in order to increase the subordinate's competences and engagement.

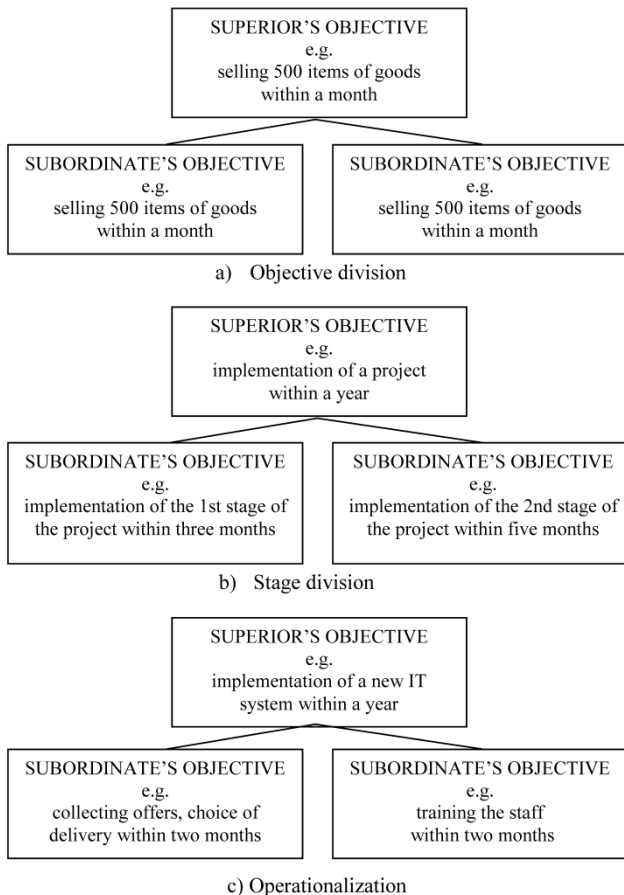


Figure 27. Methods of objective cascading.

Prepared on the basis of: Reinfuss R., *MBO prosta i skuteczna technika zarządzania twoją firmą*, Helion, Gliwice 2009, p. 122.

Stage 3 – presenting the subordinates with the assessment criteria for the accomplishment of the assigned objectives, the level of required results in a given time and the importance of the objectives.

The assessment criteria are the indicators – standards which can be identified while answering the following questions:

- what do you want to achieve with this objective?
- what should change as a result of accomplishing the objective?
- how will you know that the objective has been accomplished?

It would be best if the indicators were quantitative in nature (measurable) and were categorized according to:

- efficacy, i.e., they need to describe the extent of objective accomplishment;
- effectiveness (also economic), i.e., they need to describe the relationship between the effects and input.

Examples of correct definitions of indicators for particular categories are presented in Table 10.

Table 10. Examples of defining indicators for objective accomplishment

EFFICACY CATEGORY	
<i>Name of indicator</i>	Timeliness and completeness of supplies
<i>Range of indicator</i>	All orders executed via sales channels, operated by the employee in a given month
<i>Calculation method</i>	$Z \cdot J \cdot T \rightarrow 99\% \cdot 95\% \cdot 90\% = 84,6\%$ Z – quantitative match; J – quality; T – timeliness
EFFECTIVENESS CATEGORY	
<i>Name of indicator</i>	Employee's performance
<i>Range of indicator</i>	Number of items (flawless) produced by the employee in a given month
<i>Calculation method</i>	$P - B \rightarrow 120 - 6 = 114$ items P – production quantity; B – errors

Own elaboration

Moreover, it is crucial to determine the level of the required results for the given indicators in a given period of time. It is assumed that before they are approved, they may be subject to discussion and negotiation with the subordinate.

If an employee has been assigned more objectives in the same time, it is essential to indicate their importance, i.e., their meaning against other goals, according to the principles of MbO, e.g., using the criteria of objective significance presented in point 2.4.1.

At this stage, it is also appropriate to interest subordinates about determining their personal objectives that they would like to achieve through work for the organization.

The formal element ending this stage of MbO should be the elaboration of the objective sheet, which is a contract between the superior and subordinate concerning the assigned objectives. This sheet should include, apart from information concerning the accepted

criteria of evaluation – indicators, level of the required results, deadline and importance of the objectives, information concerning the accomplishment of the task, namely a summary concerning if and to what extent the assigned objectives have been accomplished. An example of an objective sheet is presented in Table 11.

Table 11. Illustrative sheet of individual objectives of an employee

<i>Last name and first name</i>			<i>Position</i>				
<i>Evaluation period</i>			<i>Organisational unit</i>				
<i>No.</i>	<i>Objective</i>	<i>Objective estimation indicator</i>	<i>Expected result</i>	<i>Implementation date</i>	<i>Objective importance</i>	<i>Performance review</i>	<i>Remarks for evaluation</i>
1.							
2.							
...							
				<i>Weighted average evaluation of objective accomplishment</i>			

Employee's signature

Superior's signature

Date

Prepared on the basis of: Wróblewska A., Gochnio M., Zarządzanie przez cele, https://dsc.kprm.gov.pl/sites/default/files/pliki/zarzadzanie_przez_cele_-_informator.pdf

Stage 4 – the development of individual plans to achieve the objectives, comprising ways (tasks) and a schedule including deadlines for particular objectives. This also refers to plans of personal development including personal objectives determined by the employees. It is assumed that such plans can be discussed by the superiors.

Stage 5 – a systematic review of the progress of accomplishing the objective. It is oriented at progress monitoring. It enables a component assessment of the progress of reaching the objective, fast reaction and aid in determining correction activities, the analysis of factors inhibiting the fast accomplishment of objectives. Where appropriate, it is possible to amend the determined objectives. The review of goal accomplishment should be planned and communicated at stage 3, after objective approval.

Phase III – final, it may consist of two stages.

Stage 1 – the assessment of the accomplished results. This stage is also devoted to consolidation and settlement of objectives in a given period of time, accepted beforehand. It is assumed that it should take place during an individual meeting between the subordinate and superior, using the individual sheet of objectives.

Stage 2 – gratification for reaching the objectives. Although it is a final stage, it is very important because of its motivational function. Reaching goals should be rewarded. It does not mean a pay rise every time, but rather a kind of appreciation of the subordinate

which may include e.g., a praise for success or referring it to the employee's personal development plan. This stage should be based on established principles and forms of remuneration for accomplishing objectives, which should be formally approved by the top management.

Phase III should be immediately followed by phase II.

It should be noted that to use the procedure correctly it is crucial to determine the roles of particular individuals that take part in it. It is especially important to define the roles of the following:

1. the top management that:
 - decides on implementing MbO in the organization;
 - coordinates the basic objectives and launches the process of cascading (to direct subordinates, e.g., department management);
 - monitors the implementation of MbO;
 - decides on continuation of MbO in the subsequent cycles.
2. the implementation team that:
 - prepares and implements MbO, among others by developing a schedule, performing preliminary and implementation actions (e.g., analysis of the situation relating to MbO, aid in defining the objectives and in the process of cascading the objectives within the organization, preparation of documentation templates);
 - provides substantive support for the management of the organization within MbO.
3. the management staff that:
 - is responsible for the process of cascading objectives;
 - is responsible for developing individual sheets of objectives;
 - monitors achieving the subordinates' objectives during regular reviews;
 - provides substantial support (consultations, counselling) for the subordinates;
 - conducts concluding discussions at the end of a cycle, performs the assessment and gives gratuity for achieving the objectives.
4. employees included in MbO who:
 - are responsible for the given objectives in a given cycle (for actions taken and resources used to achieve the expected results);
 - are obliged to inform the superior on possible hazards preclusive or inhibiting achieving the objectives at an assumed level.

Apart from determining the roles of particular MbO participants, correct use of the procedure requires also preparation and use of proper documents. In literature there is

not one single pattern, however, apart from the presented sheet of individual objectives, the following documents are indicated as important, e.g.,¹²⁵:

1. The area of key results, where the necessary actions for achieving the mission and strategy of the organization are grouped, formulated in the most important areas of its activity. This document is associated with the general policy of the organization.
2. Performance impact card (so-called competence board) which serves the purpose of correct distribution of competences in the process of achieving objectives in particular areas of key results.
3. Manager's (superior's) objective card which usually consists of three parts: identification (first and last name), general information (position, aim and scope of authorities and duties, professional dealings and relations) and particulars (description of the manager's key objectives). This card includes the division of resources for objectives, deadlines and criteria of performance.
4. Employee's effectiveness review card which is a result of the manager's review of the level of objective accomplishment in their subordinate unit, namely it is a collective statement of information found in an individual objective sheet. It is the basis for the account of the manager before their superior for the assigned key objectives.

6.4. ADVANTAGES AND DISADVANTAGES OF THE METHOD

Using MbO in an organization has many advantages but some disadvantages too¹²⁶. Some of the advantages determining numerous benefits of MbO are as follows:

- it specifies the objectives of particular organizational units and individuals and links them with the organization's objectives in a concise and logical system of objectives;
- it engages a wide range of the top management, management staff and employees, boosting their independence and involvement;
- it accentuates teamwork and improvement of the superior – subordinate relationship through correct communication and mutual understanding;
- it distributes widely the responsibility for the odds of the organization which relies also on the employees due to cascading;
- it is oriented at particular objectives and not at the way of their accomplishment due to which the employees are granted a lot of freedom and opportunities to implement their competences;
- it sets objective and measurable criteria for the assessment of results gained by the members of the organization;

¹²⁵ Perechuda K. (ed.), *Zarządzanie przedsiębiorstwem przyszłości. Koncepcje, modele, metody*, Agencja Wydawnicza Placet, Warszawa 2000, p. 128-135; Antoszkiewicz J., *Metody zarządzania*, POLTEXT, Warszawa 2007, p. 112.

¹²⁶ Bieniok H. and team, *Metody sprawnego zarządzania*, Agencja Wydawnicza Placet, Warszawa 2011, p. 171; Perechuda K. (ed.), *Zarządzanie przedsiębiorstwem przyszłości. Koncepcje, modele, metody*, Agencja Wydawnicza Placet, Warszawa 2000, p. 139-140; Czekał J., (ed.), *Metody organizacji i zarządzania*, Wydawnictwo Akademii Ekonomicznej w Krakowie, Kraków 2007, p. 193-194.

- it has a motivating influence on the employees' approach, the effectiveness and efficacy of their work through linking rewards to particular results in achieving objectives;
- it provides a stronger feeling of integration of the employees around common objectives;
- it enforces tactical and operative planning;
- it replaces control on the part of the superiors with self-control;
- it allows a better adaptation to the requirements of the environment;
- it is an organized and systemic approach to solving vital developmental problems of the organization;
- it draws attention to the necessity of elaborating and constant verification of the policy and strategy of the organization through developing the procedures of creating and changing the documents connected with the procedures in the method;
- it is a good preparation for a potential implementation of management systems based on ISO standards concerning quality and environmental protection, as well as the implementation of several modern organization management concepts, such as benchmarking, lean management, or business process management.

However, some of the disadvantages of MbO include several hazards, such as:

- long preparation and implementation period;
- high costs related to the preparation and implementation;
- complexity, which often makes the organizations use services of counsellors and external consultants;
- significant labour intensity due to, among others, determining and hierarchization of objectives or extensive documentation;
- difficulties encountered in the process of reviews and result assessment, also related to separating subjective and objective reasons;
- tension, fears and stress on the part of employees during reviews and result from assessment;
- the resistance of the organization members to new ways of management, connected with the necessary changes of attitudes, e.g., towards an increased responsibility;
- the members of the organization must have the required qualifications, be mature and willing to get involved.

6.5. CONTROL QUESTIONS AND TOPICS FOR DISCUSSION

1. What is the implementation and application of MbO?
2. Which stage of the procedure for MbO implementation and application is the most difficult in practice?
3. Were the following goals properly formulated in the aspect of SMART? If not – please state reasons and present examples of their correct formulation:
 - staff productivity improvements in the organization;
 - increasing sales revenue by 20% during the current year in relation to the level achieved in the previous month.

4. What is the essence of MbO advantages and disadvantages? What benefits and hazards are involved in the implementation and application of this method?
5. Which areas of MbO may undergo automation – where can cognitive technologies support or completely replace employees?

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Chapter 7. Management by autonomous groups

A dynamic environment impels organizations to react faster to the opportunities and hazards appearing in it. It is thought that the key to success in this field is adequate, qualified staff as well as the implementation of flexible forms of work organization, significantly affected by the staff, which in turn affects their involvement. An example of such forms are autonomous workgroups. The idea of their operation is not new. The concept of autonomous groups developed on the ground of the school of interpersonal relations, after the 2nd World War. Its originator is thought to be Tomasz Bata who followed the principle of decentralization in management, manifested in the creation of semi-independent organizational units in terms of economy and finances. The development of autonomous groups was also caused by the discrepancy of traditional specialization of work, visible in the 1950s, which prevented merging the technical and social aspects of work. An assumption was made that "an organization works more effectively and productively if it harmonizes its needs with the individual needs for satisfaction of the staff"¹²⁷. In the following years there appeared a method of management by autonomous groups (MbAG), which was very popular in the 1970s and 1980s. Due to this fact, the majority of scientific publications describing this form of work and case studies come from this period¹²⁸. However, it is still considered an effective method that can be used nowadays and in the future. The main reason is the fact that organizations adopt the popular procedural trend associated with flattening organizational structures whose basic elements are specialized, autonomous groups. Due to this fact it is important to learn about the essence of the autonomous groups, the principles, and procedures in this method, as well as its advantages and disadvantages.

7.1. THE ESSENCE OF AUTONOMOUS GROUPS

Autonomous groups are a form of anthropocratic groups which are characterized by a dominant role assigned not to the group leaders but its members, by equality of all the team members and emphasis on the creation of such conditions that boost the employees' development, thus increasing their motivation and work satisfaction¹²⁹. So autonomous workgroups is a kind of work in which the members of a given organization have a real influence on the conditions and way of implementation of their tasks¹³⁰. These are teams in which the scope of autonomy is diversified, e.g., depending on the type and character of the tasks, psychological and sociological factors, reaction between the staff and

¹²⁷ Mikula B., Potocki A., *Metody zarządzania innowacyjno-partycypacyjnego*, Antykwa, Kraków-Kluczbork 1997, p. 118.

¹²⁸ Mitchek M., *New Forms of Work Organization*, Work study and Management Services, 1975; Andreatta A.J., *Job Enrichment through Autonomous Groups*, Personnel Practice Bulletin, 1974; Lindestad H. Krist A., *The Volkswagen Report*, Stockholm 1975; Norstedt J.P., Aguren S., *The Saab-Scania Report. Experiment with Modified work organizations and work forms. Final Report*, Stockholm 1975; Thorsrud E., *From ship deck to shop floor Autonomous work group experiments Scandinavian review*, 1977, [after:] Krawczyk R., *Autonomiczne grupy pracownicze jako nowoczesna forma zarządzania przedsiębiorstwem*, Zarządzanie i Finanse, 1/2013, p. 359-370.

¹²⁹ Lendzion J.P., Stankiewicz-Mróz A., *Wprowadzenie do organizacji i zarządzania*, Oficyna Ekonomiczna, Kraków 2005, p. 38.

¹³⁰ Krawczyk R., *Autonomiczne grupy pracownicze jako nowoczesna forma zarządzania przedsiębiorstwem*, Zarządzanie i Finanse, 1/2013, p. 360-361, [after:] Andreatta A.J., *Job Enrichment through Autonomous Groups*, Personnel Practice Bulletin, 1974; Mitchek M., *New Forms of Work Organization*, Work study and Management Services, 1975.

managers¹³¹ or the qualifications of the group members, position of the group in the organizational hierarchy, general situation of the organization and micro- and macro-environment¹³². However, it should be noted that usually the autonomy is manifested in the opportunity to take independent decisions concerning the choice of the group members, the leader, planning and distribution of tasks in the group, or the pace and time of work. Maintaining a large degree of independence of this group satisfies the individual needs of its members related to work expectations¹³³. That way their satisfaction and work motivation increase¹³⁴.

Undoubtedly, the opportunity to choose the leader by the members plays a great role in the autonomous group. It is assumed that the leading position is given to the person who is the most liked, trusted, competent, and engaged one. His or her role is to represent the group, e.g., before the top management, facilitate the integration of the objectives of the organization members, cooperate in solving the problems which may arise, as well as initiate activity of the group. Certainly, other features of the autonomous group are important too, they differentiate it from the usual workgroups. These differences have been presented in Table 12. They are linked to skipping staff hierarchy in favour of autonomy and they result from the assumption that the employees know how they want to work and imposing ready solutions on them leads to deteriorated work satisfaction.

The information presented in Table 12 shows that an autonomous group has the right to choose co-workers, since there is a rule of autonomous disposal of less efficient or less disciplined individuals.

Table 12. Autonomous and ordinary work groups – a comparison

<i>Attribute</i>	<i>Autonomous group</i>	<i>Ordinary group</i>
Choice of leader	Yes	No
Election of members	Yes	No
Allocation of tasks to the group members	Yes	No
Free establishment of work stations among the group members	Yes	No
Free establishment of individual daily work schedule	Depending on the specificity of the group and type of tasks	No
Seamless transition of duties throughout the day	Yes	No
Freedom of decision-making within a post	Yes	No

Prepared on the basis of: Krawczyk R., Autonomiczne grupy pracownicze jako nowoczesna forma zarządzania przedsiębiorstwem, Zarządzanie i Finanse, 1/2013, p. 362.

¹³¹ Perechuda K. (ed.), *Zarządzanie przedsiębiorstwem przyszłości. Koncepcje, modele, metody*, Agencja Wydawnicza Placet, Warszawa 2000, p. 225.

¹³² Krawczyk R., *Autonomiczne grupy pracownicze jako nowoczesna forma zarządzania przedsiębiorstwem, Zarządzanie i Finanse, 1/2013, p. 363.*

¹³³ Janowska Z., *Organizacyjne formy humanizacji pracy produkcyjnej, Przegląd Organizacji, 9/1994.*

¹³⁴ Krawczyk R., *Autonomiczne grupy pracownicze jako nowoczesna forma zarządzania przedsiębiorstwem, Zarządzanie i Finanse, 1/2013, p. 363.*

It is assumed that the members of an autonomous group surround themselves with people who they work with best and who set the work rules (e.g., division of labour, its pace, bonus scheme). Due to the autonomy, the workers have the opportunity to shape their own work environment and make bigger changes too, aiming at more effective work by continuous and systematic improvement of their work conditions, by adjusting them to their own needs or to the current situation of the organization and environment.

7.2. PRINCIPLES

One of the basic assumptions of this method of management¹³⁵ is first of all the decentralization of the organizational structure based on autonomous teams – groups of workers. To make MbAG an attractive form of work organization, priority should be given to the requirements referring to the members of the groups. In particular, it is assumed that each member of the autonomous group:

- has equal rights and duties which do not depend on their place in the hierarchy or skills and qualifications;
- may express their own opinion but at the same time must abide by each decision made by the group and is obliged to participate actively in its implementation;
- must be engaged in work and accept his objective since the remuneration is connected with the work effects of the whole group and not a single individual.

It is also assumed that in order to make MbAG an attractive form of work organization, the following conditions should be met:

- the work objective which should be precisely identified because work results must be strictly defined;
- the scope of work which should be diversified and complex so that the work itself attracts interest in the employee;
- development because work should give opportunities to develop qualifications, learn new professions by job-rotation and increasing use of individual employee's skills;
- autonomy which determines independence and freedom at work or the participation of each employee in making decisions concerning internal task distribution within the group, ways of task implementation, supply methods, self-control;
- intervention of higher-level management which is limited only to assigning goals and tasks to the group and perform final settlements, as well as emergencies, posing a hazard to the interests of the organization;
- working atmosphere which should be based on friendly relationships between the members of the group and providing mutual help;
- territorial integrity defined by the space being "the group territory";
- the size of the group which should comprise as many people as it is necessary to implement the given goals and tasks (optimally 10-15 people).

¹³⁵ Perechuda K. (ed.), *Zarządzanie przedsiębiorstwem przyszłości. Koncepcje, modele, metody*, Agencja Wydawnicza Placet, Warszawa 2000, p. 224.

7.3. PROCEDURE

The procedure for implementing and functioning of MbAG consists of six stages¹³⁶ presented in Figure 28.

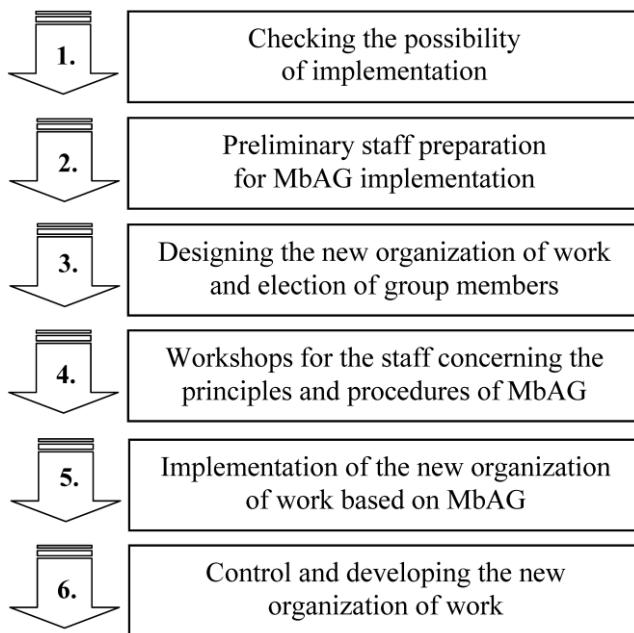


Figure 28. Stages in MbAG.

Prepared on the basis of: Mikuła B., Potocki A., *Metody zarządzania innowacyjno-partycypacyjnego*, Antykwa, Kraków-Kluczbork 1997, p. 119-122.

Stage 1 – it is checking the possibility of the implementation of autonomous groups. It is assumed that this method can be implemented in every type of organization – so it may be used by both industrial (production) plants and service undertakings. Practically, the possibility to implement MbAG depends on, among others, the specificity of the branch, plant, or production process. However, it is assumed that the less depends on the speed of human muscles and the more on the staff creativity or their skills and qualifications, the better it is to implement this form of working organization. At this stage, it is important to analyse the factors which may constitute barriers for MbAG implementation. This is about e.g., psychological and personality factors, technological factors, materials, and resources as well as social and cultural conditions. For instance, this might be work overload, automation of production work, existing assembly line, low qualifications of the clerical staff, strong resistance to change or unfavourable attitude of the management.

¹³⁶ Mikuła B., Potocki A., *Metody zarządzania innowacyjno-partycypacyjnego*, Antykwa, Kraków-Kluczbork 1997, p. 119-122.

Stage 2 – it is the preliminary preparation of staff for MbAG implementation which should primarily include information campaign among the clerical staff and management, concerning the essence of the autonomous groups and the principles of their functioning.

Stage 3 – it is the design of the new organization of work and then election of group members. In the new working organization you need to distinguish the individual groups as well the distribution of working processes and connections between particular groups, including serial, parallel and branched groups.

Application of serial autonomous groups consists in the division of the working process into a few segments, pursuant to defined division criteria, and then assigning each section to a different autonomous group, which has been presented in Figure 29. The working process is divided so that the group could identify the incurred effort with a particular work effect, e.g., a component, a product detail. The workstations performing part of the process constitute groups. In such an organization the effect of one autonomous group becomes the subject of work for the next group. This relation limits autonomy because a lack of pace in one group may impede the flow of work in the next group. That is why after subsequent segments buffer stock is applied, which constitutes a reserve and prevents the gaps.

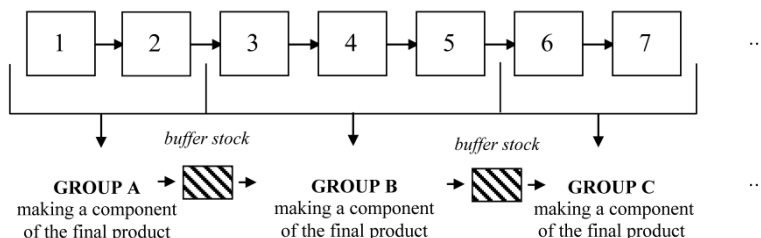


Figure 29. The essence of the division of labour using serial autonomous groups.

Prepared on the basis of: Mikula B., Potocki A., *Metody zarządzania innowacyjno-partycypacyjnego*, Antykwa, Kraków-Kluczbork 1997, p. 119-120.

Using parallel autonomous groups consists in creating a few autonomous groups whose working effect is the same product, which has been presented in Figure 30.

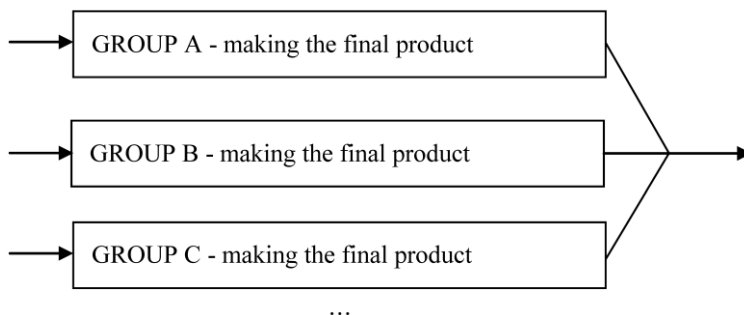


Figure 30. The essence of the division of labour using parallel autonomous groups.

Prepared on the basis of: Mikula B., Potocki A., *Metody zarządzania innowacyjno-partycypacyjnego*, Antykwa, Kraków-Kluczbork 1997, p. 119-120.

Tasks of every group are identical although they work independently. Members of the groups, due to such a division of labour, have broad powers in terms of decision-making, e.g., concerning the division, pace and working hours.

Using branched autonomous groups consists in the idea that each group manufactures the product which is a part of the final product, namely its component, which has been presented in Figure 31. In such an organization it is necessary to coordinate work according to the number of produced components of the final product, which limits autonomy.

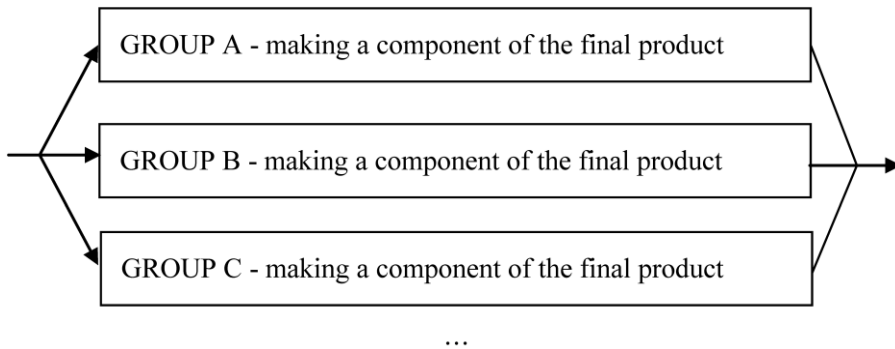


Figure 31. The essence of the division of labour using parallel branched groups.

Prepared on the basis of: Mikula B., Potocki A., Metody zarządzania innowacyjno-partycypacyjnego, Antykwa, Kraków-Kluczbork 1997, p. 119-120.

In case of more complex processes in autonomous groups, all the above three methods of distribution of labour may be used.

All designed amendments should be included in the organizational documents and regulations. At this stage the group members are elected, when not only their competences should be considered but also emotional and practical preferences of the employees.

Stage 4 – these are MbAG workshops and trainings. It is important to make the staff aware that autonomous groups feature their members' multitasking, which enables the division of work inside the group according to the employees' preferences and free rotations and replacements.

Stage 5 – it is the implementation of the new work organization. At the beginning, the group members choose the group leader and then decide on the pace and time of work, plan and distribute work among themselves, choose the way of performing the activities and determine the rules of exchanging the group members.

Stage 6 – it is the control and development of the new organization of work. At this stage, the effects are established and the existing work organization is being developed by delegating new tasks, powers and more and new range of autonomy.

7.4. ADVANTAGES AND DISADVANTAGES OF THE METHOD

The implementation of MbAG has both advantages and disadvantages, as any other method of management.

An advantage of this method is e.g., elimination of social effects of the extensive division of work or profound specialization, emphasizing that MbAG enables the combination of staff and organization interests, bringing them both a lot of benefits¹³⁷. In particular, some of the advantages of using MbAG for employees are as follows:

- an increase of the feeling of being important in the organization: the employee feels necessary and important because it has a measurable impact on the way their work looks like;
- a feeling that work itself becomes more interesting allows using the knowledge and qualifications more effectively;
- the possibility to employ the qualifications and their continuous development (by working at different work stations);
- an improved atmosphere at work, both among staff and between employee and superior – due to emerging problems common for many employees, which should be solved by the whole group, which improves the interpersonal relations and integration of group members;
- the feeling of the employee's diminished fatigue: the employee decides on the way the task is performed, thus of its pace;
- increase in wages which is closely connected with the improved production effectiveness.

Apart from benefits for the employees, the autonomous workgroups are also beneficial in many ways for the organization. Some of the most important are:

- an increase in productivity and efficacy of production caused by lack of staff absence and fluctuation;
- a decrease in accidents at work and days of absence due to such accidents;
- increased profits of the company;
- decreased training costs of new employees.

Balancing the pros and cons of working in autonomous groups it should be noted that there are definitely more pros. However, this method is not flawless. Undoubtedly, one of its disadvantages is the possibility of decreasing the individual effort of each of the group members when they share a common goal. It may occur when the work is badly organized and the tasks do not match the qualifications of the group members. The size of the group plays an important role here, as well as the applied system of rewards and penalties. Moreover, the application of this method may cause losing bonds between the group members and its goal with the goals of the organization. It should also be noted that practically many times the autonomous groups which get satisfactory results are better treated than the underperforming groups. The will to improve the results by the weaker groups eliminates their least engaged members. They gather in weaker groups which get the worst results and are in practice often removed.

¹³⁷ Krawczyk R., *Autonomiczne grupy pracownicze jako nowoczesna forma zarządzania przedsiębiorstwem*, Zarządzanie i Finanse, 1/2013, p. 366-367.

7.5. CONTROL QUESTIONS AND TOPICS FOR DISCUSSION

1. What is the essence of autonomous groups?
2. What is the implementation and application of MbAG?
3. Which stage of the procedure for MbAG implementation and application is the most difficult in practice?
4. What is the essence of MbAG advantages and disadvantages? What benefits and hazards are involved in the implementation and application of this method?
5. Which areas of MbAG may undergo automation?

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Chapter 8. Management by quality circle

The idea of making quality circles was presented by Joseph Juran in the early 1960s, and they originated from participative quality programs which included the role of employees – their skills and creativity in perfecting their professional activities. Before the programs occurred, the role of employees had been limited. It was the managerial staff who planned employee activities and then controlled the quality of products which constituted their outcome, and in case of problems they made decisions to resolve them with the aid of specialized quality services in the given fields¹³⁸. The method of management by quality circles was formed (MbQC) to change this situation and engage the employees in issues connected with activities performed on their posts and improvement of their quality by solving problems emerging in the course of their performance. The basis for the functioning of the organizations that were implementing this method was then a thesis referring to participative management according to which the quality of the manufactured goods depends on all employees and not only on specialized quality services and managerial control¹³⁹. The creator of MbQC, also responsible for the introduction of this method into the practical management of Japanese enterprises, was Kaoru Ishikawa. The first twenty quality circles whose members discussed the issue of quality problems and looked for their solutions, were formally registered by the Japanese Union of Scientists and Engineers in 1962. In the 1980s in Japan there officially existed more than half a million of quality circles, associating over ten million members. Since then MbQC has been a popular method which is constantly developing not only in Japan (now there are over two million of quality circles, associating over twenty million of people¹⁴⁰) but all over the world, too. It is used, among others, in 28 European countries, 13 countries in America, 20 countries in Asia and Oceania or 15 countries in Africa and the Middle East. The experiences of enterprises concerning its use, including Poland¹⁴¹, are described in related literature which presents numerous benefits of the implementation of MbQC, affecting the employee engagement and increase of their professional satisfaction and therefore their work efficacy and effectiveness, which in turn translates into i.a. economic effects for the organization. To gain these benefits and apply this method effectively, it is important to learn about its assumptions, implementation and usage procedures, techniques and tools of quality circles, as well as about its advantages and disadvantages.

¹³⁸ Lock D., *Podręcznik zarządzania jakością*, Wydawnictwo Naukowe PWN, Warszawa 2002, p. 627.

¹³⁹ Obora H., *Japońska metodyka rozwiązywania problemów QC-story*, [in:] Miłkula B. (ed.), *Historia i perspektywy nauk o zarządzaniu*, Fundacja Uniwersytetu Ekonomicznego w Krakowie, Kraków 2012, p. 393.

¹⁴⁰ Obora H., *Japońska metodyka rozwiązywania problemów QC-story*, [in:] Miłkula B. (ed.), *Historia i perspektywy nauk o zarządzaniu*, Fundacja Uniwersytetu Ekonomicznego w Krakowie, Kraków 2012, p. 402.

¹⁴¹ Makowski M., *Kola jakości w telekomunikacji polskiej*, *Ekonomika i Organizacja Przedsiębiorstwa*, 9/2003, p. 75-80; Berłowski P., *Kola jakości w Sanden Manufacturing Poland: studium przypadku*, *Personel i Zarządzanie*, 11/2015, p. 40-43; *Orange na drodze Toyoty: czyli ciągle doskonalenie w kołach jakości: studium przypadku*, *Personel i Zarządzanie*, 6/2016, p. 38-42.

8.1. PRINCIPLES

To make the implementation and use of MbQC have the desired effects, it is important to follow the principles of this method¹⁴², which are the following:

1. *The principle of participation of the members of the quality circles in solving the work problems*

It is assumed that it is not the managerial staff but the employees who possess more knowledge concerning the problems which occur in the course of their professional activities. Accordingly, the members of the quality circles should be motivated to propose innovative changes and solutions to these problems, as well as enable their participation in making decisions concerning their implementation and standardization.

2. *The principle of voluntary participation in the quality circles*

It is assumed that the quality circles are a voluntary form of work organization. It should be attended only by people who notice the need for improvement and alteration of the workplace and who think that activities are more effective in teams of people with similar views, attitudes, and needs. Joining the quality circles should be therefore connected with the understanding of one's own imperfections, needs, and possibilities rather than with external pressure from the managerial staff.

3. *Principle of the content of the quality circles*

Quality circles should gather from 5 to 10 employees working at the same or similar level of the organizational hierarchy, dealing with one segment of work (e.g., production line). A bigger group or hierarchic divergence cause communication problems, throttle ideas to solve the problems in question and contribute to lack of active participation of less bold individuals in the circles.

4. *Principle of responsibility for quality circles*

The responsibility for the quality circles is born by the organization and its members. The organization is responsible for:

- [1] Organizing trainings and workshops for the moderators of the quality circles and for the candidate members for the quality circles.
- [2] Remuneration of the members of the quality circles during basic work time or after it is finished – then the participants of the meeting should be paid for overtime – according to the regulations accepted in the organization¹⁴³.
- [3] Providing proper conditions for the quality circles to work – meeting places (rooms) as well as the necessary tools and auxiliary materials.

Members of the quality circles are responsible for:

- [1] Setting and following the meeting schedule. Quality circles should work regularly, from 2 to 8 times a month, on the designated days and hours, preferably

¹⁴² Nosewicz K., *Japońskie metody i techniki zarządzania oraz ich zastosowanie w polskim przedsiębiorstwie*, Journal of Modern Management Process, Fundacja Uniwersytetu Ekonomicznego w Krakowie, 2 (1)/2016, p. 13-14; Obora H., *Japońska metodyka rozwiązywania problemów QC-story*, [in:] Mikoła B. (ed.), *Historia i perspektywy nauk o zarządzaniu*, Fundacja Uniwersytetu Ekonomicznego w Krakowie, Kraków 2012, p. 393-394; Blikle A., *Doktryna jakości. Rzecz o skutecznym zarządzaniu*, Helion, Gliwice 2014, p. 423-427.

¹⁴³ Karaszewski R., *TQM – teoria i praktyka*, TNOIK, Toruń 2001, p. 128.

fixed. One should avoid situations when the circles appoint meetings on an ongoing basis because it has a negative impact on attendance.

- [2] Making reports of the meetings, describing the approved conclusions, undertaken work and the distributed tasks and roles. It provides a permanent record of work and arrangements of the circles and affects the elimination of misunderstandings. The reports are usually conducted as a diary, with dates including the current status of the open requests for solving particular problems.

8.2. PROCEDURE

The procedure of implementation and use of MbQC consists of two phases which include five stages presented in Figure 32¹⁴⁴.

Phase I – preliminary, usually consists of three stages.

Stage 1 – it is the information campaign within the organization, which relies in communicating the essence and rules of functioning of MbQC in order to convince employees to join the work in the circles voluntarily. The participative approach and objective of MbQC should be emphasized, which relies in solving issues by the employees and not the managerial staff.

Stage 2 – it is organizing trainings and workshops for the moderators (leaders) and candidate members for the quality circles. It is assumed that at the beginning the immediate managers should be appointed moderators, but over time their functions should be taken over by outstanding members of the circles whose task will be further proceedings of their work. The scope of trainings and workshops for moderators should comprise, among others, motivational techniques and supporting creative problem solutions or techniques of work organization and resources. In turn, trainings and workshops for candidate members should include techniques and tools supporting problem-solving, which are described in point 1.6.3. Workshops should be practical and directed at gaining skills to use the techniques and tools.

Stage 3 – it is the initiation of MbQC which consists in formal assembly of the quality circles. At this stage, the moderators should define the idea of the action of particular quality circles and expected long-term effects of their work. It is also important that every member of particular circles tell what they expect, engaging in their activity.

¹⁴⁴ Prepared based on: Perechuda K. (ed.), *Zarządzanie przedsiębiorstwem przyszłości: Koncepcje, modele, metody*, Agencja Wydawnicza Placet, Warszawa 2000, p. 259; Obora H., *Japońska metodyka rozwiązywania problemów QC-story*, [in:] Mikuła B. (ed.), *Historia i perspektywy nauk o zarządzaniu*, Fundacja Uniwersytetu Ekonomicznego w Krakowie, Kraków 2012, p. 394.

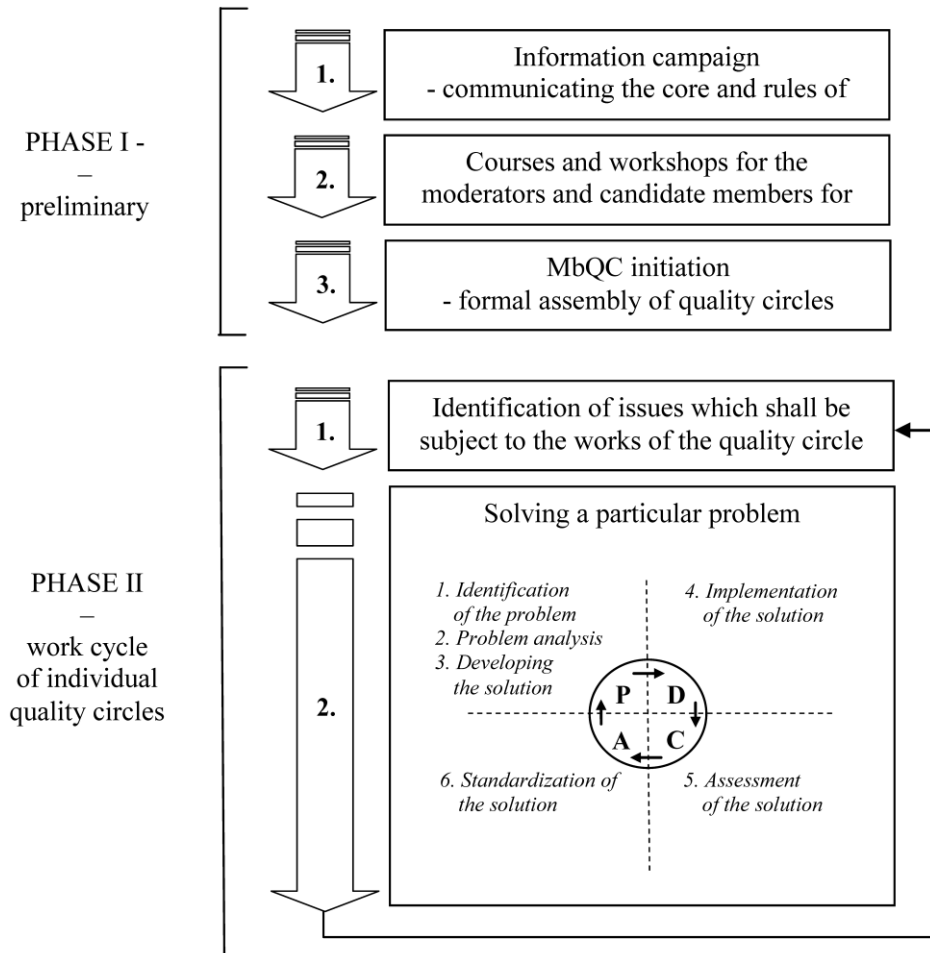


Figure 32. Phases and stages in MbQC.

Prepared based on: Perechuda K. (ed.), *Zarządzanie przedsiębiorstwem przyszłości: Koncepcje, modele, metody*, Agencja Wydawnicza Placet, Warszawa 2000, p. 259; Obora H., *Japońska metodyka rozwiązywania problemów QC-story*, [in:] Mikula B. (ed.), *Historia i perspektywy nauk o zarządzaniu*, Fundacja Uniwersytetu Ekonomicznego w Krakowie, Kraków 2012, p. 394-397.

Phase II – working cycle of particular quality circles, usually comprises two stages.

Stage 1 – it is the identification of issues which shall be subject to the works of the quality circle. These problems are reported on request of the members of the circle who struggle with them in their work. No discussion is allowed and no request is neglected. Next, the reported issues should be classified in given categories, e.g., due to their importance to the client, work safety, impact on effectiveness, possibilities of a quick solution. Then, a hierarchical list of issues should be made, ordering them according to their importance (urgency) in given categories. All participants of the circle should be given this list, which should be placed in a visible place in the quality circle room (e.g., notice board).

This list should be the basis for choosing particular problems to solve during work of the quality circle. This choice can be made according to specific criteria e.g., first of all the most urgent issues concerning work safety should be discussed. During the initial period of implementing this method, in the first place should be chosen the simplest but real employee problems so that they can feel the effects of the work of the quality circle and the success can motivate them for further work.

Stage 2 – it is resolving the particular problem. It is worth to perform following the conflict-solving methodology QC-Story (Quality Circles – Story) or other similar approaches to team-based problem-solving in economic practice, e.g., G8D, PDCA Problem-Solving or A3 Reports. They are all based on the Deming cycle which illustrates the principles of continuous improvement described as PDCA cycle:

P: Plan → Plan the solution: improvement, change, improved operation, so develop a solution implementation plan.

D: Do → Realize a trial of the solution implementation plan, on a small scale, in controlled conditions, namely conduct an experiment.

C: Check → Check if the experiment brought the expected results, namely if it was successful, effective.

A: Act → Take up proper actions, namely if the solution is successful and effective consider it a norm and standardize and monitor its use.

It is considered that the problem-solution within MbQC may be carried out in six steps (Figure 32) which can be related to PDCA cycle and QC-Story¹⁴⁵:

Step 1. Identification of the problem. The real situation in which the problem arose must be characterized by indicating the person who reported it, the time of its occurrence, place and incidence as well as the consequences (including costs) connected with its occurrence. Next, the objective must be precisely stated (according to SMART, point 6.2) which shall be one of the most important indicators of success in the course of further work connected with QC-Story. Then, the members of the quality circle should determine a work schedule. The main and fixed point of such a schedule should be next steps, from the analysis of the problem to standardization of the solution, which should be detailed with the kind and scope of works as well as persons responsible. Kind and scope of work may differ and depend on the received problem and the step in which it is being solved, which influences the choice of individual or group work.

Step 2. Problem analysis. This step is regarded as the most important by practitioners. It includes:

- indicating potential causes of the problem;
- sorting (grouping) the potential causes of the problem;
- prioritization and looking for the source (or sources) of the problem;
- verification of the source cause (or causes) of the problem, prioritization and looking for the source (or sources) of the problem.

¹⁴⁵ Hotosani K., *The QC Problem Solving Approach*, Productivity Press, India 2000, p. 18; Obora H., *Japońska metodyka rozwiązywania problemów QC-story*, [in:] Miłkuła B. (ed.), *Historia i perspektywy nauk o zarządzaniu*, Fundacja Uniwersytetu Ekonomicznego w Krakowie, Kraków 2012, p. 394-397.

Step 3. Developing the solution. This step includes:

- search for solutions for the source cause (or causes) of the problem;
- indicating the best solution to eliminate or minimize the negative effects of the problem;
- adoption of a plan to implement the solution.

Step 4. Implementation of the solution. The basis for the implementation is the plan developed in step 3. Following this plan, the designated persons take up appropriate, precisely determined actions in a given time. Alongside the progress of solution implementation, the course of the realized actions should be controlled, as well as their obstacles and results in order to introduce potential corrections in the implementation plan or the problem solution. After the implementation, basic information should be gathered in order to evaluate the solution.

Step 5. Assessment of the solution. The core of this step is the observation of whether the solution is effective and efficient, namely if it is satisfactory for standardization. This step should begin with the analysis of obstacles encountered during the solution implementation as well as the ways they have been dealt with. Next, the effectiveness of the developed solution should be evaluated, which involves finding the answer to the question if the objective determined in step 1 has been met, and if not – to what extent and why? In particular, with reference to the objective formulated according to SMART, the evaluation of effectiveness should be performed by comparing the assumed and received values of the expected results or stages of objective realization or the condition before and after reaching it. Further on, the developed solution to the problem should be assessed from the economic perspective, i.e. using the techniques indicated in point 8.3., for instance, a comparative calculation of the costs or of the gain. These techniques enable the assessment of economic results stemming from the implementation of the solution, in comparison to the condition before its development.

Step 6. Standardization of the solution. In case of a positive assessment of the effectiveness and efficacy of the developed solution, the quality circle should present it to the management with a recommendation for implementation. The final decision concerning the permanent implementation of the problem solution is taken by the management. If it is positive, it equals moving on to standardization. Its objective is to consolidate the received solution and to consider the possibility of its use in other areas of the organization, with reference to similar problems. The basis to reach the objective is preparing a report including appropriate documents describing the solution and determining the best way of its implementation, which should be simple, logical, and precise so that every employee could understand it right away. Then, it is necessary to present the standard and possibly conduct trainings for the employees who are in charge of its implementation and maintenance. It must be remembered that the developed standard is going to be the basis for further improvements.

8.3. METHODOLOGY AND WORK TOOLS OF THE QUALITY CIRCLES

The phase of the quality circle work, as all its stages and steps, is supported by many techniques and auxiliary tools, including TQM and lean management¹⁴⁶, heuristics¹⁴⁷ or the calculation of economic effectiveness¹⁴⁸. A summary of such techniques and tools with reference to their possible use in particular stages and steps of phase II of the quality circle function procedure is presented in Table 13.

Table 13. The use of particular techniques and tools in the work cycle of quality circles.

Stages and steps in the work of quality circles		Techniques and tools supporting the work of quality circles																			
		Pareto chart	Ishikawa diagram	Control sheet form	Histogram	Correlation chart	Affinity diagram	Relation diagram	Systematic diagram	Fishbone diagram	Fishbone diagram	5xWHY analysis	Brainstorming and variety	Synektika	Morphological analysis	Decision Tree	Lateral thinking	Mind maps	Cost accounting	Profit accounting	Applica-tion
Stage 1. Identifica-tion of problems		X					X	X					X				X	X	X		Problem identifica-tion
			X				X	X	X						X			X			Problem segregation
		X			X		X	X						X					X		Problem prioritization
Stage 2. Solving a particular problem		Step 1. Prob-lem identi-fication		X					X	X				X					X	X	Gathering information concerning the problem
						X															Longitudinal analysis
							X				X						X			X	
		Step 2. Analy-sis of the prob-lem				X								X	X						Indicating causes of the problem
				X	X				X		X	X				X					Segregation and prioritization of the causes
								X		X											Verification of the source cause

¹⁴⁶ Blikle A., *Doktryna jakości. Rzecz o skutecznym zarządzaniu*, Helion, Gliwice 2014, p. 445-472; Obora H., *Japońska metodyka rozwiązywania problemów QC-story*, [in:] Miłkuła B. (ed.), *Historia i perspektywy nauk o zarządzaniu*, Fundacja Uniwersytetu Ekonomicznego w Krakowie, Kraków 2012, p. 397-400; Asaka T., Ozeki K., *Handbook of Quality Tools: The Japanese Approach*, Productivity Press, Cambridge 1990, p. 149-163; King B., *Hoshin Planning: The Development Approach*, Goal/QPC, Methuen MA 1989, p. 4-15.

¹⁴⁷ Kosieradzka A., *Metody i techniki pobudzania kreatywności w organizacji i zarządzaniu*, edu-Libri, Kraków 2013, p. 119-121.

¹⁴⁸ Wójcik J., Bijańska J., Wodarski K., *Economic aspects of preparing the production of a new product*, Management Systems in Production Engineering 4 (20)/2015, p. 235.

Step 3. Deve- loping a solu- tion													X	X	X		X	X		Looking for solutions
									X							X	X	X		Indication of the best solution.
						X				X								X		Developing an implemen- tation plan
Step 4. Implemen- tation of the solu- tion									X									X		Implementat ion of the solution
			X																	Implementat ion control
			X	X	X															Gathering information after implemen- tation
Step 5. Solu- tion assess- ment			X		X															Efficacy evaluation
																		X		Effective- ness evaluation – savings
																			X	Effective- ness evaluation – surplus of revenue over costs
Step 6. Standar- dization of the solu- tion															X			X	X	Decision making
			X						X									X		Standardizat ion of the solution
									X									X		Reporting – description of the solution

Prepared based on: Blikle A., *Doktryna jakości. Rzecz o skutecznym zarządzaniu*, Helion, Gliwice 2014, p. 445-472; Obora H., *Japońska metodyka rozwiązywania problemów QC-story*, [in:] Mikula B. (ed.), *Historia i perspektywy nauk o zarządzaniu*, Fundacja Uniwersytetu Ekonomicznego w Krakowie, Kraków 2012, p. 397-400.

8.4. ADVANTAGES AND DISADVANTAGES OF THE METHOD

MbQC, alike other management methods, has many advantages and a few disadvantages¹⁴⁹. One of the main advantages of this method is e.g., change of traditional forms of organization towards giving employees more freedom and improvement of their qualifications, emphasizing that MbQC enables the combination of staff and organization interests, bringing them both a lot of social and economical benefits. In particular, some of the main benefits for employees are the following:

¹⁴⁹ Wawak S., *Podręcznik wdrażania ISO 9001:2000*, Helion, Gliwice 2007, p. 161-163; Obora H., *Japońska metodyka rozwiązywania problemów QC-story*, [in:] Mikula B. (ed.), *Historia i perspektywy nauk o zarządzaniu*, Fundacja Uniwersytetu Ekonomicznego w Krakowie, Kraków 2012, p. 397-400.

- enriching their work and allowing them to solve the problems by themselves;
- increasing their sense of decisiveness and responsibility for work;
- increasing their participation in solving professional problems;
- improving their work conditions due to systematic solution of the occurring problems;
- improving their work atmosphere.

However, the main benefits for the organisation are as follows:

- improved communication within the organisation and increased knowledge of its problems (group learning);
- increased engagement and degree of employee identification with the organisation;
- increased productivity and improved quality of job performance;
- economical effects, mainly savings in the functioning of the organisation.

It must be remembered that gaining these benefits is more difficult when in the organisation there exist the following threats for correct functioning of MbQC:

- creating distrust at work and controlling the quality circles by the management (e.g., by appointing "their" permanent moderator – circle leader);
- management expectations regarding reaching particular economic results of the cycles' work in a short period of time, and in case of their lack, questioning the idea and point of the circles' existence;
- sense of power deprivation on the part of the management and its sceptical approach towards quality circles;
- no freedom of choice in quality circle participation or no remuneration for the participation, which affects the employee resistance, their unwillingness to improve their qualifications and low engagement;
- no support on the part of the management staff, delayed or no response to the circles' suggestions, caused by low prioritization of the solutions developed by them;
- no proper preparation to work in quality circles, i.a. insufficient trainings.

MbQC has also disadvantages, mainly the likelihood of negative competition, conflicts and fight for prestige between the quality circles in the organization or creation of isolated groups, unwilling to cooperate.

8.5. CONTROL QUESTIONS AND TOPICS FOR DISCUSSION

1. What is the essence of MbQC?
2. What is the implementation and application of MbQC?
3. Which of the steps of stage 2 phase II is the most difficult in practice?
4. What is the essence of MbQC advantages and disadvantages? What benefits and hazards are involved in them? Which hazard is the most important for the correct functioning of this method?
5. Which scopes of MbQC may undergo automation?

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Chapter 9. Management by conflict

In the science of management the notion of conflict (from Latin *conflictus* – collision) is defined in many perspectives, depending on the objectives of the management activity analysis. In general terms the following are of importance¹⁵⁰:

- praxeological definition determining conflict as a situation when in a given place and time at least two subjects (parties to the conflict) were presented and juxtaposed with colliding intentions, incompatible goals, opposing interests;
- systemic definition according to which a conflict appears when a particular change in the system is viewed by one party as favourable, and by the other one as unfavourable, and at the same time both parties are capable of making changes in the system by their actions;
- definition referring to emotional factors, according to which the parties remain in conflict when at least one of them feels frustrated or thinks that the other party is blocking their activity or annoys them.

Conflicts are a natural, common phenomenon, and thus it is a permanent aspect of the functioning of every organization. Due to this fact, they have concerned many management theorists and practitioners. It must be noted that over time the management views and reactions to conflicts have changed significantly in the management science. This led to a more evolutionary approach¹⁵¹.

The first view is associated with the classical school of management. It assumes that conflicts are bad because they cause only unfavourable effects for the organization and are a sign of inadequate communication, lack of openness and trust between people and managers' ignorance – acts of mismanagement. According to this view it is thought that conflicts are dysfunctional (destructive) in nature and thus managers should avoid them, prevent their occurrence and disclosure.

The other view is associated with the school of interpersonal relations. It features total acceptance of conflicts as an unavoidable phenomenon which is not necessarily harmful because conflicts may be a source of changes and contribute to solving problems. According to this approach, it is thought that a conflict may be functional (constructive) in its nature, so the role of the management is to manage conflicts in order to reduce their negative impact and reinforce the positive ones¹⁵².

Modern theory of management assumes that conflicts are a positive force and that they are necessary and inevitable for the organization to function effectively¹⁵³. This approach does not predetermine a priori the functionality of conflicts because it assumes that conflicts are on the one hand the cause of many negative phenomena (e.g., discord, arguments, distrust, suspiciousness, anger, fear, tension, discomfort) but on the other hand

¹⁵⁰ Wojtoszek K., *Zarządzanie przez konflikt. Teoria przeciwko praktyce*, Prace Naukowe Wałbrzyskiej Wyższej Szkoły Zarządzania i Przedsiębiorczości, 26 (1)/2014, p. 54-55.

¹⁵¹ Bijańska J., *Conflicts in process management in enterprises*, Organization & Management Scientific Quarterly, 3/2019, p. 26.

¹⁵² Potocki A., *Nowoczesne metody zarządzania konfliktem w organizacjach*, Zeszyty Naukowe Akademii Ekonomicznej w Krakowie, 672/2005, p. 6; Rahim M.A., *Toward a theory of managing organizational conflict*, The International Journal of Conflict Management, 13 (3), 2002, p. 208.

¹⁵³ Kłusek-Wojciszke B., *Metody zarządzania konfliktem w organizacjach*, Zeszyty Naukowe Instytutu Transportu i Handlu Morskiego, 9/2012, p. 114.

they determine positive phenomena (e.g., expanding mental perspectives – creativity, engagement in solving problems, developing interpersonal relations)¹⁵⁴. According to this approach, the role of management staff is reaching positive effects of conflicts by their skillful management and in justified cases using the method of management by conflict (MbC). This method assumes that the management staff may purposefully and skillfully stimulate conflicts to make the employees take a particular stand (engagement, creativity, innovativeness). Intentional stimulation of a conflict, maintaining it at a certain level and getting only expected, positive results from the fact require knowledge and skills in the method of management by conflicts, including the assumptions concerning the method's application, procedures, including tools, techniques and strategy which support it, as well as its advantages and disadvantages.

9.1. ASSUMPTIONS OF THE METHOD

It is assumed that MbC should be applied as a last resort when other methods directed at stimulating employee engagement failed. Keep in mind that incompetent application of the method may harm the organization.

It is assumed that the application of MbC may increase the staff engagement, and thus it is effective when:

1. The managers are competent enough (they present the knowledge and experience concerning this method, including ways of staff reaction to conflicts, the possibilities to stimulate conflicts and the strategies to tackle issues).
2. the employees are able to exchange opinions to find integrating solutions, satisfying for everyone or possible to be accepted by both parties, as well as in case when they are competitive.

Only then does MbC:

- release the staff potential due to which there occurs e.g., explanation of the issues and irregularities or developing solutions which improve the functioning of the organization;
- constitute one of motivating factors, affecting involvement, improving work effectiveness;
- induce positive changes improving cooperation and interpersonal relations.

It should be noted that the presented assumptions require knowledge on the part of the management concerning their employees, especially their attitude to conflicts which determines a particular behavior and affects the effectiveness of MbC. Since it is assumed that every individual presents a definite, relatively stable attitude towards conflict and a corresponding way of reacting to its occurrence, which is related to personality. In psychology, personality is a theoretical construct which allows the assessment of a person's functioning from the point of view of their adaptation abilities. Discussing personality, the following features are emphasized: extroversion, kindness, conscientiousness, emotional stability, openness to experiences. It was confirmed that these features are crucial to explaining individual behaviors of people such as control placement, Machiavellism,

¹⁵⁴ Robbins S.P., Judge T.A., *Zachowania w organizacji*, Polskie Wydawnictwo Ekonomiczne, Warszawa 2012, p. 308-311.

self-esteem, self-control, willingness to take risks¹⁵⁵. Human behavior is also influenced by their temperament. It is also defined as a set of relatively stable features of behavior and actions, which allows to qualify people accordingly: 1) sanguine – a balanced and active type, 2) phlegmatic – a strong, balanced and slow type, 3) choleric – an unbalanced, agitated and violent type, 4) melancholic – a weak, passive type. The indicated personality elements affect human behavior in conflict situations. As a result of considerations based on the research which was conducted by Kenneth Thomas and Ralph Kilmann¹⁵⁶, five basic responses to conflict were distinguished. These responses are called behavioral styles. They are shown in Figure 33.

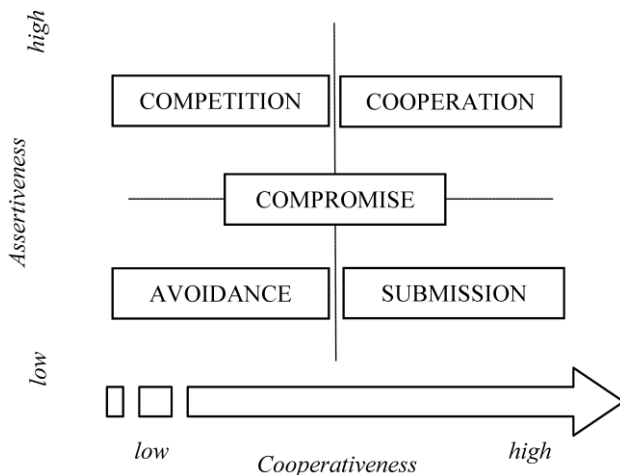


Figure 33. Human responses (behavioral styles) to conflicts.

Prepared based on: Chelpa S., Witkowski T., *Psychologia konfliktów, praktyka radzenia sobie ze sporami*, Wydawnictwa Szkolne i Pedagogiczne, Warszawa 1999, p. 163; Thomas K.W., Kilmann R.H., *The Thomas-Kilman Conflict Mode Instrument*, Tuxedo Park, N.Y.: Xicom, Inc., 1974, p. 56.

It is to be noted that behavioural styles presented in Figure 33 have been determined in relation to human assertiveness and their approach to cooperativeness. It is estimated that assertive people feature self-confidence, resolve, determination, decisive behaviour, without fear, hesitation or aggression. In turn, cooperativeness manifests itself in interaction to gain favourable results for both parties, although in a given situation you can get the results favourable only for yourself. Assertiveness and cooperativeness are independent traits – every person may be characterized as more or less assertive and more or less cooperative. Combination of these two traits determines a specific response to conflicts.

¹⁵⁵ Robbins S.P., DeCenzo D.A., *Podstawy zarządzania*, Polskie Wydawnictwo Ekonomiczne, Warszawa 2002, p. 369-372.

¹⁵⁶ Thomas K.W., Kilmann R.H., *The Thomas-Kilman Conflict Mode Instrument*, Tuxedo Park, N.Y.: Xicom, Inc., 1974.

In particular¹⁵⁷:

1. Low assertiveness and low cooperativeness contribute to a reaction called *avoidance*. Individuals with this profile withdraw from conflicts, consciously fail to see them (e.g., intentionally attending to other matters), depreciate the importance of conflicts (e.g., they convince themselves and others that these are not their problems), try to wait out, avoid confrontation, let conflicts pass because they care neither about proving their point nor contemplating the views of the other party. This type of relation stems from the belief that conflicts are a threat, thus the fear and accompanying emotional tension are so strong that they determine withdrawal from the conflict.
2. Low assertiveness and high cooperativeness contribute to a reaction called *submission*. Individuals with this profile treat conflicts as a threat to maintaining harmony and stabilization of the required cooperation, so they submit to the other party, adjust to their views, objectives, interests and reconstruct their own.
3. Medium assertiveness and medium cooperativeness contribute to a reaction called *compromise*. Individuals with this profile accept the possibility of giving up their interests for others, and at the same time, they try to gain some benefits, granting a part of them to the other party. Compromise is assuming that agreement is possible when everybody settles for gaining only a part of their own needs and objectives and gives up the other part.
4. High assertiveness and high cooperativeness contribute to a reaction called *cooperation*. Individuals with this profile collaborate, cooperate with the other party. They look for constructive solutions, which allow good relations and cooperation, and they simultaneously pursue to a full satisfaction of the needs, both their own and the other party. The best solution for both parties is sought for in this cooperation. People who resolve conflicts in this way usually sustain their relationships and are capable of accomplishing their goals and achieve high results of their actions.
5. High assertiveness and low cooperativeness contribute to a reaction called *competition*. Individuals with this profile take up a fight, compete with one another, are ambitious to resolve a conflict in their favor, desire to prove their point above the others, tend to reach their own objectives and satisfy their own needs but at the expense of the other.

The way individuals respond to conflicts may be identified in the course of research based on different tools among which it is worth mentioning the Thomas-Kilmann test¹⁵⁸. Following the results of this test, the management staff who do not know their employees very well may gain some knowledge on how to deal with conflicts.

To sum up, regarding the MbC assumptions, it is worth mentioning that this method can be used when employees treat conflicts as a problem to resolve through compromise, collaboration or competition (which is one of the assumptions of this method). However, this method should not be used when employees feature reactions defined as avoidance or submission.

¹⁵⁷ Mandal E., *Style rozwiązywania konfliktów zawodowych przez menedżerów a płeć*, Kobieta i Biznes, 1-4/2003, p.14-17.

¹⁵⁸ <https://kilmanndiagnostics.com/>.

9.2. PROCEDURE

In MbC procedure there are four stages which are presented in Figure 34.

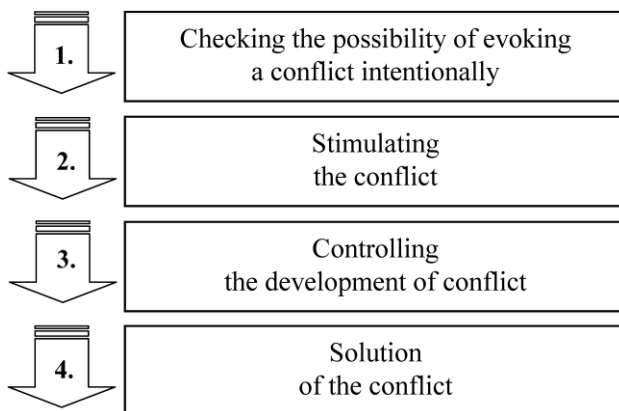


Figure 34. Stages in MbC.

Prepared based on: Grzesiowski M., *Zarządzanie przez konflikty*,
<http://www.sm.fki.pl/maciej/ekonomia/zarządzanie%20przez%20konflikty.htm>

Stage 1 – it is the manager’s consideration of the possibility of evoking a conflict intentionally (or fuelling a conflict which occurred naturally) in order to increase the staff engagement in reaching the goals or implementing the tasks, namely to use the conflict to the benefit of the organization. The justification for this stage to occur is the fact of low effectiveness and employee motivation apart from using other management methods directed at stimulating engagement. The basis for considering an intentional conflict is the knowledge of employee response to conflicts (point 1.9.1). Bear in mind that using MbC makes sense only when the employee behavior patterns can be described as compromise, collaboration or competition. If this condition is met at this stage, it should be considered what type of conflict to evoke. In this respect, there are some options because there exist several different types of conflict¹⁵⁹. The type of a considered conflict should be chosen based on e.g., the number of parties taking part in the conflict or its causes.

As far as the number of parties is concerned, there are distinguished the following types of conflict:

- individual, evoked in one person;
- interpersonal, evoked between two or more employees or an employee and a group;
- intergroup, evoked between groups within an organization;
- inter-organizational, evoked by separate organizations.

¹⁵⁹ Penc J., *Kreatywne kierowanie*, Agencja Wydawnicza Placet, Warszawa 2000, p. 218-220; Wojtoszek K., *Zarządzanie przez konflikt. Teoria przeciwko praktyce*, Prace Naukowe Wałbrzyskiej Wyższej Szkoły Zarządzania i Przedsiębiorczości, 26 (1)/2014, p. 55-58; Omisore B.O., Abiodun A.R., *Organizational Conflicts: Causes, Effects and Remedies*, International Journal of Academic Research in Economics and Management Sciences, 3, (6)/2014, p. 118-136; Bijańska J., *Conflicts in process management in enterprises*, Organization & Management Scientific Quarterly, 3/2019, p. 25.

As far as the causes are concerned, there are several types of conflicts, among which very common is Christopher Moore's approach¹⁶⁰ who distinguished:

1. Conflicts of data which occur due to the lack, limitation or discrepancies of information available to the parties (participants of the conflict).
2. Conflicts of relation which are connected with the negative approach of the employees, particularly with bad emotions emerging in case of disagreement or misunderstanding. Often, they have no objective causes and their reason may be incorrect perception, stereotypes, bad communication, retaliatory behavior or personality and temper clashes. These conflicts are usually accompanied by an unfriendly atmosphere and collaboration disorders.
3. Conflicts of values which are caused by employee diverse behaviors and attitudes, resulting from their system of values, e.g., worldview, ethical principles or habits and preferences. The power of these conflicts is enhanced by exposing own values without tolerance to the values of the other party.
4. Conflicts of interests which are connected with some obstacles or no opportunity to gain particular tangible, procedural and psychological needs.
5. Structural conflicts which result from differences in the structure of the situation that the employees find themselves in.

In the context of this division, practically the most common manager-induced conflicts are the following: of data, interests and structural. Having chosen the type of conflict, it is worth to plan how to stimulate and resolve it.

Stage 2 – it is conflict stimulation, namely creating a conflict consciously or stimulating one that occurred naturally. In relation to the three most commonly evoked types of conflict indicated in stage 1, the following ways of stimulating conflicts may be used¹⁶¹:

1. Implementation of changes in the communication process which usually relies on altering the established channels of communication by actions such as: depriving the parties of information usually available to them, introducing other people in the communication network, blocking or overloading with information, deliberately providing ambiguous information, intentional misleading. This method is usually used to stimulate conflicts of data.
2. Implementation of the following: a) unfair division of tangible resources, e.g., money, machines and devices necessary to perform a task, b) unclear procedures, e.g., principles of appropriation of promotion or awards, delegating tasks, c) mistreatment of employees, e.g., verbal provocations, showing them disrespect or distrust. This method is usually used to stimulate conflicts of interests: a) tangible, b) procedural, c) psychological.
3. Introduction of structural changes e.g., in the structure of the organization by cancellation of posts and creating new ones for employees carrying out other tasks, introducing people from outside and changing the system of power, simultaneously in interplay, duties and entitlements. This method is mainly used to stimulate structural conflicts.

¹⁶⁰ Moore W.Ch., *Mediacje. Praktyczne strategie rozwiązywania konfliktów*, Oficyna Wolters Kluwer business, Warszawa 2012.

¹⁶¹ Kłusek-Wojciszke B., *Metody zarządzania konfliktem w organizacjach*, Zeszyty Naukowe Instytutu Transportu i Handlu Morskiego, 9/2012, p. 118.

Stage 3 – it is the control of the development of conflict, in particular the following phases: occurrence of opposition and discrepancies, cognition and personification, adopting behavior, occurrence of results¹⁶². Moreover, it is essential to maintain the conflict at a certain level. It is believed that when the conflict in the organization is not intense enough, it does not affect the employee engagement or their work efficacy. It is also important to prevent excessive increase of the conflict because it may lead to chaos, distraction, hostility and thus contribute to a decreased effectiveness¹⁶³. When monitoring the developing conflict, the manager should constantly ask themselves if their way of resolving the conflict is going to be effective, namely if they are certain that they can resolve the conflict constructively. Generally speaking, it can be assumed that the moment for resolving the conflict is the occurrence of tense and hostile atmosphere (e.g., threatening the other party). Then the manager may not let the conflict get out of control because losing control may produce negative effects, e.g., fight or hatred between the employees. Practically, this moment might not occur at all. However, it does not mean that the conflict should be dragged out because prolonged conflicts do not have a positive influence on the staff engagement but make the atmosphere tense, uneasy and may lead to increased fluctuation and absenteeism.

Stage 4 – it is conflict resolution. During this stage the manager should:

- control their emotions and remain objective in the perception of both sides in the conflict;
- obey the rules of constructive communication, enabling both parties to the conflict to present their perspective and expectations, having regard to mutual respect.

When resolving the conflict, there are many appropriate strategies and techniques¹⁶⁴ which can be used, and their choice depends on the intensity of the conflicts. In the first place, it is worth indicating such techniques and strategies which can be applied to resolve conflicts constructively. Assuming that MbC is used according to the rules, the strategies and rules were chosen to apply to the employees who feature the conflict response depicted as compromise, collaboration and competition. In conflict management, with reference to such employees, three strategies may be used, referred to as lose-lose, win-win, win-lose¹⁶⁵.

Particularly, with reference to employees who respond to conflict in a way referred to as:

1. *Compromise* – you may use the *lose-lose* strategy. This strategy should not be perceived as negative because its name results solely from the fact that in its course

¹⁶² Robbins S.P., Judge, T.A., *Zachowania w organizacji*, Polskie Wydawnictwo Ekonomiczne, Warszawa 2012, p. 308-311.

¹⁶³ Potocki A., *Nowoczesne metody zarządzania konfliktem w organizacjach*, Zeszyty Naukowe Akademii Ekonomicznej w Krakowie, 672/2005, p. 6; Robbins S.P., Judge T.A., *Zachowania w organizacji*, Polskie Wydawnictwo Ekonomiczne, Warszawa 2012, p. 323.

¹⁶⁴ Klusek-Wojciszke B., *Metody zarządzania konfliktem w organizacjach*, Zeszyty Naukowe Instytutu Transportu i Handlu Morskiego, 9/2012, p. 116-126; Munduate L., Ganaza J., Peiro J., Euwema M., *Patterns of styles in conflict management and effectiveness*, The International Journal of Conflict Management, 10 (1)/1999, p. 5-24.

¹⁶⁵ Bijańska J., *Conflicts in process management in enterprises*, Organization & Management Scientific Quarterly, 3/2019, p. 28-29.

the conflict-engaged parties give up some of their expectations – make some concessions but only to reach an agreement and benefits for both parties.

2. *Collaboration* – you may use the *win-win* strategy. The core of this strategy is achieving an exchange of views and information in order to find the best integrating solutions, satisfying for both parties in the conflict.
3. *Competition* – you may use the *win-lose* strategy. The core of this strategy is achieving a settlement of the conflict to the benefit of one side.

Correct application of the presented strategies should increase employee engagement, and thus positively influence the organization's functionality. However, these strategies are ineffective when the conflict spins out of the manager's control or when it is prolonged, as well as when the employees respond to conflicts in a way referred to as avoidance or submission. In such situations, other strategies should be used to resolve the conflict, directed at lowering the level of emotional tension. For instance, with reference to employees who respond to conflict in a way referred to as:

1. *Avoidance* – you can use the strategy called *extinguishing*, consisting in gradual mitigation and suppression of the conflict e.g., by reducing the subject of the conflict, distraction, referring to particular authorities or superiors, procedures, bureaucratic rules or suspension of the conflict and postponing its settlement to an unidentified time, when some natural changes are expected to happen, which may settle the conflict.
2. *Submission* – you can use a strategy called *accommodation*, which consists in forcing ceding and obedience, imposing the manager's will and rules for cessation of the conflict and peaceful coexistence. Application of this strategy may cause tension, the atmosphere of fear, uncertainty, resistance.

The indicated strategies are implemented with many techniques¹⁶⁶. In case of the following strategies: lose-lose, win-win, win-lose, it is worth mentioning such supporting techniques as negotiation, mediation and arbitration¹⁶⁷.

Negotiation is regarded as one of the most effective techniques in the constructive resolution of conflicts, which is particularly recommended to support the lose-lose or win-win strategy. Negotiation is directed at reaching an agreement by the parties in the conflict, which requires sacrifice on both sides because they both lose something to gain something else. Thus, it relies on communication, alternating exchange, and creation of values accepted by both parties in the conflict. The condition for its application is the presence of trust. When it is absent, mediation is necessary.

¹⁶⁶ Kłusek-Wojciszke B., *Metody zarządzania konfliktem w organizacjach*, Zeszyty Naukowe Instytutu Transportu i Handlu Morskiego, 9/2012, p. 116-126;

¹⁶⁷ Tusznio S., Wojtkowiak M., *Mediacje i negocjacje jako formy rozwiązywania konfliktu*, Wszechnica Świętokrzyska, Kielce 2004; Bargiel-Matusiewicz K., *Negocjacje i mediacje*, Warszawa 2010; Wood J., *Mediation Styles: Subjective Description of Mediators*, Conflict Resolution Quarterly, 21/2004, p. 437-452; Posthuma R., Dworkin J., Swift M., *Mediator Tactics and Sources of Conflict: Facilitating and Inhibiting Effects*, Industrial Relations, 41 (1)/2002, p. 94-109; Bercovitch J., *Is There Method in the Madness of Mediation? Some Lessons for Mediators from Quantitative Studies of Mediation*, International Interactions, 32/2006, p. 329-354.

Mediation is conducted by a third party – an impartial mediator. This is an intermediary whose role in resolving the conflict is to create favorable conditions to settle, i.e., agreement which is a consensus. Consensus determines the agreement between the parties in the conflict – so it is a generalized, common position and the best resolution of the conflict reached over the course of communication. This technique is particularly supporting the win-win or lose-lose strategy.

Arbitrage is recommended when negotiation and mediation are ineffective, namely when the parties in the conflict are unable to develop a common standpoint but are determined to end the conflict constructively. This technique supports the win-win strategy, provided that the appointed arbiter (e.g., specialist, expert) is an authority for both parties in the conflict and that they respect his or her opinion. On the basis of the information gathered, the arbiter judges the conflict in favor of one of the parties, without their participation or influence.

The remaining strategies are supported by other techniques¹⁶⁸. In particular, the strategy of extinguishing is supported mainly by reorientation and depreciation, but the strategy of submission – by separation and forcing.

Reorientation consists in distraction from the subject of the conflict by creating or disclosing an external threat responsible for causing the conflict (e.g., a common enemy – crisis) and then focusing the parties in the conflict on the common objectives or overriding principles and values.

Depreciation consists in diminishing the value of the opposite party in the conflict as well as the subject of the conflict.

Separation consists in radical separation of both parties engaged in the conflict. The effect might be deterioration of bilateral relations but in some circumstances, separation can help reach an agreement because it allows emotional distance and rational analysis of the whole situation.

Forcing is a kind of arbitrage. The manager decides to end the conflict and impose the rules of its resolution. It is also recommended when the conflict is significantly prolonged.

9.3. ADVANTAGES AND DISADVANTAGES OF THE METHOD

Using MbC has many advantages and disadvantages which result from positive and negative effects of creating a conflict¹⁶⁹ that involves a skillful application of this method.

Generally speaking, skillful implementation of this method increases employee engagement, particularly caused by:

¹⁶⁸ Klusek-Wojciszke B., *Metody zarządzania konfliktem w organizacjach*, Zeszyty Naukowe Instytutu Transportu i Handlu Morskiego, 9/2012, p. 122-123.

¹⁶⁹ Wojtoszek K., *Zarządzanie przez konflikt. Teoria przeciwko praktyce*, Prace Naukowe Wałbrzyskiej Wyższej Szkoły Zarządzania i Przedsiębiorczości, 26 (1)/2014, p. 59; Bieniok H. and team, *Metody sprawnego zarządzania*, Wydawnictwo Placet, Warszawa 2011, p. 237-238; Bijańska J., *Conflicts in process management in enterprises*, Organization & Management Scientific Quarterly, 3/2019, p. 29.

- increased motivation because conflicts make the parties activated, diligent in achieving objectives and tasks, preventing apathy and routine;
- increased creativity because conflicts create the need to introduce changes and confrontation of different opinions may bring new, often better or even innovative solutions;
- better identification and indication of attitudes of the employees, their values and spotting differences in attitudes of others;
- better trust because finding a constructive solution may contribute to an increased feeling of understanding and trust between the employees and managerial staff;
- increased level of knowledge because conflict gives a chance for better acquaintance of co-workers, that is important in effective cooperation within the organization and implementation of objectives.

However, it must be noted that unskillful use of this method makes the atmosphere tense and uneasy, disorganizes work and delays execution time, lowers effective achievement of objectives, worsens atmosphere at work, and may also affect fluctuation and absenteeism.

9.4. CONTROL QUESTIONS AND TOPICS FOR DISCUSSION

1. What are the types of responses – behavioral styles towards conflict?
2. What is the essence of MbC procedure?
3. What strategies and techniques are recommended for constructive conflict resolution, with reference to employee ways of responses to conflict?
4. Which stage of the MbC procedure is the most difficult in practice?
5. Which scopes of MbC may undergo automation?

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Chapter 10. Management by alternatives

Taking decisions is a difficult task and its effects determine the solutions to many crucial issues in the organization. In literature, the term of decision is understood as a conscious, non-random choice of one of at least two available courses of action¹⁷⁰. Managerial staff must make such choices regularly, hence decision-making is one of the main elements of management which substantially conditions the functioning and development of the organization in the future. Since choices are made from a range of at least two courses of action (alternatives), we can talk about so-called management by alternatives (MbA). MbA is directed at taking rational decisions which must be¹⁷¹:

- purposeful, directed at solving an important issue for the organization;
- thoughtful, not impulsive but following the effects of the intellectual work of the decision-maker – manager;
- taken in an appropriate time when current or foreseen troubles or threats necessitate the change of current, unfavorable status quo for a satisfactory one or avoidance of an undesirable condition);
- real, rejecting excessive optimism and exaggerated caution;
- economically justified, directed at gaining economic profits for the organization;
- successful, fast and skillfully passed over to contractors, understood and accepted by them, as well as enabling reaching the planned objectives (results) in a desirable way (best there is).

10.1. PROCEDURE

Rational decision-making is performed over the course of a procedure called decision-making process which comprises logically attached stages, directed at the evaluation of alternative solutions and choosing the most favourable one. In literature, there are many similar approaches of the decision-making process¹⁷². They can be the base for indicating a general scheme of this process, presented in Figure 35.

¹⁷⁰ Bolesta-Kukułka K., *Decyzje menedżerskie w teorii i praktyce zarządzania*, Wydawnictwo Naukowe Wydziału Zarządzania Uniwersytetu Warszawskiego, Warszawa 2000, p. 110, Ściborek Z., *Podjęcie decyzji*. Agencja Wydawnicza Ulmak, Warszawa 2003, p. 162.

¹⁷¹ Holska A., *Teorie podejmowania decyzji*, [in:] Klincewicz K. (ed.), *Zarządzanie, organizacje i organizowanie – przegląd perspektyw teoretycznych*, Wydawnictwo Naukowe Wydziału Zarządzania Uniwersytetu Warszawskiego, Warszawa 2016, p. 239.

¹⁷² Holska A., *Teorie podejmowania decyzji*, [in:] Klincewicz K. (ed.), *Zarządzanie, organizacje i organizowanie – przegląd perspektyw teoretycznych*, Wydawnictwo Naukowe Wydziału Zarządzania Uniwersytetu Warszawskiego, Warszawa 2016, p. 244-245 [after:] Redziak Z., *Podstawy teorii podejmowania decyzji*, Wydawnictwo Akademii Obrony Narodowej, Warszawa 2013; Bolesta-Kukułka K., *Decyzje menedżerskie w teorii i praktyce zarządzania*, Wydawnictwo Naukowe Wydziału Zarządzania Uniwersytetu Warszawskiego, Warszawa 2000; Penc J., *Strategiczny system zarządzania*, Agencja Wydawnicza Placet, Warszawa 2001, p. 35; Kisielnicki J., *Zarządzanie. Jak zarządzać i być zarządzanym*, Polskie Wydawnictwo Ekonomiczne, Warszawa 2008, p. 61; Korzeniowski L.F., *Menedżment. Podstawy zarządzania*. EAS, Kraków 2010, p. 184.

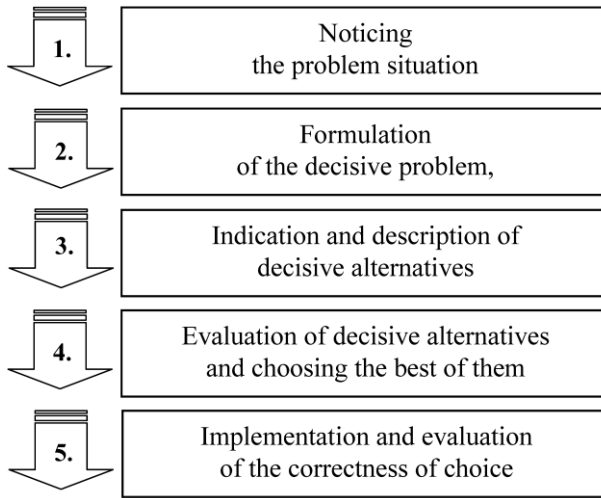


Figure 35. Generalized decision-making process.
 Prepared based on: Penc J., *Strategiczny system zarządzania*,
 Agencja Wydawnicza Placet, Warszawa 2001, p. 35.

Stage 1 – noticing the problem situation. It relies, among others, in the identification of its causes, which are divided into¹⁷³:

- reactive, i.e., referring to existing events;
- proactive, i.e., preceding or creating future events.

Stage 2 – formulation of the decisive problem. Its essence is the description, namely characterizing the problem, among others with reference to¹⁷⁴:

- contents, in particular, it is about presenting the problem concern (e.g., production, investment, etc.);
- extent (importance), in particular, it is about indicating if the problem is of the utmost, tactical or operational importance;
- structure, in particular, it is about indicating if the problem is structured or unstructured.

Basically, the further course of the decisive process depends largely on the structure of the problem, in particular if it is:

- structured, so-called programmed, which can be quantified because it has been well understood;
- unstructured, so-called non-programmed, which cannot be quantified or it is difficult to quantify because it has not been well understood yet.

¹⁷³ Bolesta-Kukulka K., *Decyzje menedżerskie w teorii i praktyce zarządzania*, Wydawnictwo Naukowe Wydziału Zarządzania Uniwersytetu Warszawskiego, Warszawa 2000, p. 113.

¹⁷⁴ Holska A., *Teorie podejmowania decyzji*, [in:] Kłincewicz, K. (ed.), *Zarządzanie, organizacje i organizowanie – przegląd perspektyw teoretycznych*, Wydawnictwo Naukowe Wydziału Zarządzania Uniwersytetu Warszawskiego, Warszawa 2016, p. 239-240.

It follows from the foregoing that the structure of a decisive problem stems from the extent of knowledge concerning this problem, which determines the conditions for decision-making. In particular, structured problems are determined by conditions of certainty (rarely) and risk (more often), and the unstructured ones – conditions of uncertainty¹⁷⁵.

Stage 3 – indication and description of decisive alternatives. Possible variants of the problem solutions should be presented and then describe them with essential information. The way of description depends on the structure of the decisive problem. In case of a problem which is:

- structured, where we should quantitatively present the information (precise and accurate – in conditions of certainty or determined with a probability – in conditions of risk), which together with the adopted criterion of evaluation shall be the basis for choosing – decision-making;
- unstructured, characterized by so-called information gap, variants of the problem-solution should be described with information of qualitative nature (if possible).

Stage 4 – evaluation of decisive alternatives and choosing the best of them. It is to be noted that the differences in the structure of a decisive problem result in the description of its alternative solutions, whose consequence is a different course of evaluation of decisive alternatives. In particular, this evaluation may take place:

- in case of structured problems following the normative analysis (by calculations);
- in case of unstructured problems following the descriptive analysis (by intuition).

Considerations concerning these analyses are presented in point 10.2 and 10.3.

Stage 5 – implementation and evaluation of the rightness of the choice. It is necessary to check if the planned goals have been reached. It relies in the estimation of consequences (positive and negative) of the decision which has been made.

10.1.1. NORMATIVE ANALYSIS

10.1.1.1. ASSUMPTIONS

Normative analysis in the theory of decisions is based on so-called rational approach, and particularly on the assumption that following proper rules leads to finding the best solution in the context of the previously accepted criterion of evaluation. It is assumed that in order to use these rules, the decision-maker (manager) must possess particular information, including¹⁷⁶:

¹⁷⁵ Wachowiak P., *Profesjonalny menedżer. Umiejętność pełnienia ról kierowniczych*, Difin, Warszawa 2001, p. 46; Bolesta-Kukułka K., *Decyzje menedżerskie w teorii i praktyce zarządzania*, Wydawnictwo Naukowe Wydziału Zarządzania Uniwersytetu Warszawskiego, Warszawa 2000, p. 225.

¹⁷⁶ Holska A., *Teorie podejmowania decyzji*, [in:] Klincewicz K. (ed.), *Zarządzanie, organizacje i organizowanie – przegląd perspektyw teoretycznych*, Wydawnictwo Naukowe Wydziału Zarządzania Uniwersytetu Warszawskiego, Warszawa 2016, p. 240-241.

1. A set of courses of action, determining a set of acceptable decisions – alternatives. It must consist of at least two feasible courses of action. It is assumed that if the number of decisions (alternatives) equals n^{177} , and each decision has been marked with the symbol D_i , where $i=1,2,...,n$, then in this case a set of acceptable decisions (alternatives) may be symbolically marked as $(D_1, D_2,...,D_n)$, and in short – as D .
2. A set of external world conditions, namely environmental factors of the organization affecting the evaluation of alternatives, i.e. decisions. Practically speaking, while selecting a particular decision D_i from the set of acceptable decisions it is necessary to consider environmental factors, beyond or almost beyond the control of the decision-makers – managers. These factors result, among others, from the economic situation, government regulations, technological development, climate conditions etc., namely constantly changeable areas. Each possible condition of the environmental factors (scenario for their onset and development) is called the condition of the external world. It is assumed that if there are m possible different external world conditions, then the set of possible conditions Z_j , where $j=1,2,...,m$, may be symbolically marked as $(Z_1, Z_2,...,Z_m)$, and in short – as Z .
3. The function of a criterion. In order to make a rational choice, the decision-maker must know which of the alternative solutions is better and which is worse. Hence, the decision-maker uses a particular criterion which helps to choose particular alternatives. The development of this criterion is largely affected by the condition of the external world¹⁷⁸. So, for every possible pair of decisions D_i and the condition of the external world Z_j some value is attributed, respectively to each criterion¹⁷⁹, which is marked with the symbol K_{ij} . Generally, the function of a criterion is written as:

$$K = f(D, Z),$$

and in a specific case of finite sets D and Z as:

$$K_{jk} = f(D_i, Z_j).$$

In the last case, the function of the criterion may be presented in a graphic form as a matrix which is shown in Figure 36. In the first row there is the set of the external world conditions, and in the first column – a set of possible courses of action (alternatives), i.e. acceptable decisions. For every possible pair of decisions D_i and the conditions of the external world Z_j there is attributed a certain value of the criterion K_{ij} .

D/Z	Z_1	Z_2	...	Z_j	...	Z_m
D_1	K_{11}	K_{12}	...	K_{1j}	...	K_{1m}

¹⁷⁷ Certainly, there are situations when an infinite number of decisive possibilities is considered.

¹⁷⁸ For instance, in case of investment decisions, the criterion may be the NPV indicator (Net Present Value) which reflects the economical effects measured in monetary units. The value of the NPV indicator is affected by many factors determined by the conditions of a competitive environment, e.g. demand, supply or costs.

¹⁷⁹ For the presented case of the criterion NPV this value might be e.g. 10 [mln zloty].

D_2	K_{21}	K_{22}	...	K_{2j}	...	K_{2m}
...
D_i	K_{i1}	K_{i2}	...	K_{ij}	...	K_{im}
...
D_n	K_{n1}	K_{n2}	...	K_{nj}	...	K_{nm}

Figure 36. Matrix reproducing the function of the criterion.

Prepared based on: Sadowski W., *Decyzje i prognozy*, PWE, Warszawa 1977, p. 14.

4. Probability of the occurrence of sets of external world conditions. Since practically the most common decisions refer to the future which is uncertain in nature, the decision-maker must possess information concerning the distribution of the probability of occurring a set of organization environmental factors affecting the evaluation of alternatives. Therefore, it is assumed that for each possible condition of the external world Z_j , where $j=1,2,...,m$, a probability value is assigned p_j , where $j=1,2,...,m$, which is expressed by numbers included between 0 and 1. So, the matrix presented in Figure 36 is complemented with the occurrence probability of external world conditions, which is presented in Figure 37. The matrix determined by the information shown in the figure is called a probabilistic decision-making model.

P	p_1	p_2	...	p_j	...	p_m
D/Z	Z_1	Z_2	...	Z_j	...	Z_m
D_1	K_{11}	K_{12}	...	K_{1j}	...	K_{1m}
D_2	K_{21}	K_{22}	...	K_{2j}	...	K_{2m}
...
D_i	K_{i1}	K_{i2}	...	K_{ij}	...	K_{im}
...
D_n	K_{n1}	K_{n2}	...	K_{nj}	...	K_{nm}

Figure 37. The matrix after the introduction of the probability of occurrence of sets of external world conditions – probabilistic decision-making model.

Prepared based on: Sadowski W., *Decyzje i prognozy*, PWE, Warszawa 1977, p. 14.

It is assumed that in the situations which can be put down to such a determined decision-making model, the assessment can be made for particular alternatives to choose the best of them, using many rules, described in point 10.1.1.2. However, using them in order to make a rational decision based on a determined decision-making model is relatively difficult, but it would be easier if the set of external world conditions "Z" consisted only of one element. Thus, it is assumed that the probabilistic decision-making model should be transformed into a determinist model whose solution relies in choosing the best decision from the point of view of the accepted evaluation criterion.

10.1.1.2. PRINCIPLES OF EVALUATION – CHOOSING THE BEST ALTERNATIVE

Literature describes many rules of evaluation¹⁸⁰, enabling the indication of the best course of action – alternative and taking the most rational decision on this basis. The list includes, among others:

1. The rule of maximization of the expected benefits.
2. The rule of minimization of expected loss of possibilities.
3. The rule of maximization of the expected utility.
4. All these rules are based on the idea of transforming the probabilistic decision-making model into an equivalent deterministic model.

The rule of maximization of expected benefits says that you need to calculate for every possible direction the benefit equal the expected benefit, and then choose the direction which provides the maximum expected benefit. So, in this rule the evaluation criterion is the expected benefit (K) being the weighted sum of benefits for a given course of action, where the weights are the probabilities of gaining the benefits, namely the probability of the occurrence of the external world conditions. Taking into consideration the information determined in the decision-making model indicated in Figure 37, the expected benefit for the first course of action D_1 is:

$$E(K_1) = K_{11} \cdot p_1 + K_{12} \cdot p_2 + \dots + K_{ij} \cdot p_j + \dots + K_{1m} \cdot p_m,$$

and for the course of action D_1 is:

$$E(K_i) = \sum_{j=1}^m K_{ij} \cdot p_j.$$

Of the calculated this way, expected benefits for particular courses of action should be chosen the one with the highest value.

The rule of minimization of expected loss of possibilities says that you need to calculate for every possible course of action the loss equal to the expected loss, and then choose the direction which provides the minimum expected loss. Therefore, in this rule, the evaluation criterion is the expected loss of possibilities (M) being the weighted sum of losses for a given course of action, where the weights are the probabilities of a loss, namely the probability of the occurrence of the external world conditions. Taking into

¹⁸⁰ Supernat J., *Techniki decyzyjne i organizatorskie*, Kolonia Limited, Wrocław 2003, p. 57; Sadowski W., *Decyzje i prognozy*, PWE, Warszawa 1977, p. 18.

consideration the information determined in the decision-making model indicated in Figure 37, the expected loss for the first course of action D_1 is:

$$E(M_1) = M_{11} \cdot p_1 + M_{12} \cdot p_2 + \dots + M_{1j} \cdot p_j + \dots + M_{1m} \cdot p_m,$$

and for the course of action D_i is:

$$E(M_i) = \sum_{j=1}^m M_{ij} \cdot p_j.$$

Of the calculated this way expected losses for particular courses of action should be chosen the one with the lowest value.

The rules of maximization of the expected benefits and minimization of expected losses apply when multiple decisions are made in identical situations. It results directly from the law of large numbers. Such situations are rare in economic practice conditioned by dynamic changes. Therefore, practically the choice of a rational decision depends on the attitude (tendency or aversion) to risk of the decision-maker¹⁸¹ who is influenced by many factors, e.g., psychological nature. The need to comprise in the decision-making the attitude to risk has been included in the expected utility theory and the rule resulting from it.

The rule of maximization of expected utility says that you need to calculate for every possible course of action the utility equal to the expected utility, and then choose the direction which provides the maximum expected utility. So, in this rule the evaluation criterion is the expected utility (X) being the weighted sum of the utilities for a given course of action, where the weights are the probabilities of gaining the utilities, namely the probability of the occurrence of the external world conditions. Utility reflects the benefits desired by the decision-maker, which he or she would like to gain in exchange for giving up the possibility of taking the decision. The value of utility for a given decision-maker is determined based on so-called utility function which is based on the disclosed preferences of the decision-maker and assumes that for each element K_{ij} from set K , the decision-maker can submit some value of utility X_{ij} .

Considering the information determined in the decision-making model indicated in Figure 37 the expected utility for the first course of action D_1 is:

$$U(X_1) = X_{11} \cdot p_1 + X_{12} \cdot p_2 + \dots + X_{1j} \cdot p_j + \dots + X_{1m} \cdot p_m,$$

and for the course of action D_i is:

¹⁸¹ The idea was independently proposed by mathematicians, Gabriel Cramer and Daniel Bernoulli as a solution to the problem known as Petersburg Paradox, described in 1738: Bernoulli D., *Specimen theoriae de mensura sortis*, Commentarii Academiae Scientiarum Imperialis Petropolitanae. The first axiomatization of the expected utility theory which drew widespread attention is found in the book from 1944: Von Neumann J., Morgenstern O., *Theory of Games and Economic Behavior*.

$$U(X_i) = \sum_{j=1}^m X_{ij} \cdot p_j.$$

Of the calculated this way expected utilities for particular, courses of action should be chosen the one with the highest value.

The presented rules show only basic possibilities of using mathematics to choose the best solutions – optimal from the point of view of the accepted evaluation criterion which also include some decisive preferences of the manager. Mathematics, in particular supported by electronic calculation techniques, offers plenty of models to determine optimal decisions, based on e.g., analytic models, operational research, multicriteria and multidimensional research or AI methods.

10.1.2. DESCRIPTIVE ANALYSIS

Until a dozen or so years ago the manager's success in making decisions was connected solely with the rational approach, based on normative analysis. At present, there can be observed an increase in awareness of the role of intuition in making the right decisions¹⁸². And this role is very important because the features of the environment where modern institutions find themselves in, particularly its complexity, changeability and unpredictability, as well as the conditions in which decisions are made connected e.g., with time pressure, often enforce using intuition in the decision-making process¹⁸³. Due to the role of intuition in decision-making and benefits resulting from it, there occurs an increased importance of management by intuition¹⁸⁴ (Mbi). It is an alternative solution in relation to all forms of group thinking and acting, which is not limited by binding workflow – there is no defined procedure. Mbi is one of the creative methods of management, not opposing rationality. It is considered that using Mbi is reasonable and may, but does not have to, lead to taking rational decisions. In this scope, the basis for considerations, directed at indicating when intuition promotes taking rational decisions, is the answer to the following questions: what is intuition, what are the conditions for successful management by intuition, and what are the advantages and disadvantages of this method.

10.1.2.1. THE CONCEPT OF INTUITION

Many top managers declare that they often take important decisions following no logical premises. In literature there exist examples of taking such decisions which ended in a spectacular success and enabled e.g., advantage over the competition (i.a. Bob Lutz's

¹⁸² Malewska K., *Determinanty skuteczności wykorzystywania intuicji w zarządzaniu*, Przegląd Organizacji 1/2013, p. 26.

¹⁸³ Malewska K., *Intuicja w badaniach empirycznych z zakresu zarządzania*, Zeszyty Naukowe Politechniki Łódzkiej, s. Organizacja i Zarządzanie, 1147, (52)/2013, p. 16; Alinson W.C., Chell E., Hayes J., *Intuition and Entrepreneurial Behaviour*, European Journal of Work and Organizational Psychology, 9 (1)/2000, p. 31-43; Simon H.A., *Making Management Decisions: the role of intuition and emotion*, Academy of Management Executive, 1(1), 1987, p. 57-65.

¹⁸⁴ Perechuda K. (ed.), *Zarządzanie przedsiębiorstwem przyszłości. Koncepcje, modele, metody*, Agencja Wydawnicza Placet, Warszawa 2000, p. 277.

decision on the production of Dodge Viper, despite dissenting voices)¹⁸⁵. However, managers responsible for such decisions cannot determine what exactly makes them know what to do, and they most often use the word intuition to describe this feeling.

What, then, is intuition?

The notion of intuition is not explicitly comprehended and defined. Since intuition is determined as¹⁸⁶: gut feeling, gaining knowledge without conscious search for it, illogical and subconscious process, the ability of the mind, instinctual knowledge, internal learning, a sixth sense, instinct, sudden revelation, creativity, paranormal power. The ambiguity in defining intuition stems from three different currents of research¹⁸⁷. In the first, represented e.g., by Frances E. Vaugh, intuition is conceived as a premonition appearing in the subconscious, without rational thinking. Representatives of the second current of research, among others Herbert A. Simon and Weston. H. Agor, oppose the first current claiming that intuition is a kind of rational process, as important in decision-making as the normative analysis. The third current whose representative is e.g., Gary A. Klein, is compatible with the approach of the second current. In this current, intuition is interpreted as a derivative of experience and defines it as an ability to transform experience into action. It follows that the managerial staff may, at least to some extent, develop intuition by gaining further experience. A common approach of the second and third currents to the considerations on the essence of intuition makes them being linked to each other. As a result, intuition is understood as a rational process due to which the brain invokes the memory records and past experiences to relate them to a current problem¹⁸⁸.

Generally speaking¹⁸⁹, it may be stated that intuition is a result of an automatically deployed process which refers to structures of knowledge emerging as a result of different ways of learning. This process may undergo unconsciously (at least partially) and its effects are feelings, signals and interpretations. Moreover, this process is enforced by cognitive skills, using all available information (stemming from non-volatile memory and from the environment) and dependent on knowledge and experience. Thus understood intuition is the basis for further considerations, particularly as regards the conditions of MbI use.

¹⁸⁵ Hayashi A.M., *Kiedy należy zaufać przeczuciom?*, [in:] *Podejmowanie decyzji*, Harvard Business Review, Helion, Gliwice 2005, p. 190-192.

¹⁸⁶ Malewska K., *Determinanty skuteczności wykorzystywania intuicji w zarządzaniu*, Przegląd Organizacji 1/2013, p. 26; Szwiec P., *O roli intuicji w zarządzaniu*, *Ekonomika i Organizacja Przedsiębiorstwa*, 662 (3)/2006, p. 30-31; Hayashi A.M., *Kiedy należy zaufać przeczuciom?*, [in:] *Podejmowanie decyzji*, Harvard Business Review, Helion, Gliwice 2005, p. 193-198.

¹⁸⁷ Malewska K., *Determinanty skuteczności wykorzystywania intuicji w zarządzaniu*, Przegląd Organizacji 1/2013, p. 27.

¹⁸⁸ Agor W., *Intuicja w organizacji. Jak twórczo przewodzić i zarządzać*, Wydawnictwo Profesjonalnej Szkoły Biznesu, Kraków 1998, p. 30.

¹⁸⁹ Malewska K., *Determinanty skuteczności wykorzystywania intuicji w zarządzaniu*, Przegląd Organizacji 1/2013, p. 27 [after:] Glockner A., Witemann C., *Beyond Dual-process Models: A Categorization of Process Underlying Intuitive Judgement and decision Making*, *Thinking and Reasoning*, 16 (1) /2010; Betsch T., Glockner A., *Intuition in Judgment and Decision Making: Extensive Thinking Without Effort*, *Psychological Inquiry*, 21 (4)/2010.

10.1.2.2. CONDITIONS FOR THE APPLICATION

Conditions for the application descriptive analysis, and therefore also MBI should be considered primarily in the context of variations (levels) of intuition, features and skills of a manager making the decisions, as well as the specificity of decisive situations.

Variations (levels) of intuition.

They are as follows¹⁹⁰:

1. Physical intuition – in the form of bodily feelings (the body knows faster than the brain, responding to a given situation by a strong physiological reaction).
2. Spiritual intuition – in the form of awareness of effects of today's decisions in the future.
3. Emotional intuition – in the form of emotions.
4. Mental intuition – in the form of perceiving order in certain collections.

Making rational decisions is possible when the manager features mental intuition as well as emotional – particularly when it is supported by emotional intelligence. These two variations of intuition are therefore a condition to use MBI.

Mental intuition is also called expert or intellectual. The basis to formulate the concept of this intuition were the observations of chess players, in the course of which it was concluded that chess masters make more or less the same number of mistakes when they have half an hour for making a move as when they devote for each move a minute or a few seconds. Since chess masters making a move in a short time cannot analyse each move, there arises a question on what basis do they make correct decisions? Many experiments have been conducted to find the answer to this question, whose objective was to examine the differences in the functions of certain parts of the brain in professional chess players (e.g., chess grandmasters), in comparison to a group of chess amateurs. They lead to a conclusion that chess masters, while taking decisions on their next move, use the right-side area of the brain hemisphere, responsible for intuition. In particular, H. Simon, watching chess masters, proved that after thousands of hours of exercise they start to recognize the whole of matrix schemes on the chessboard and respond to them immediately¹⁹¹. He wrote: *"The situation provides clues; a clue gives expert access to information stored in memory; information provides answers"*. Intuition is no more and no less the act of recognition¹⁹². It should be noted that this kind of intuition applies to all experts in all fields, e.g., doctors or firefighters¹⁹³, so managers too.

¹⁹⁰ Perechuda K. (ed.), *Zarządzanie przedsiębiorstwem przyszłości. Koncepcje, modele, metody*, Agencja Wydawnicza Placet, Warszawa 2000, p. 278.

¹⁹¹ Research conducted among chess masters prove that they can recognize fifty thousand different configurations. Such a level of knowledge is gained after c. ten years of practice and ten thousand hours of playing.

¹⁹² Simon H.A., *What Is an Explanation of Behavior?*, Psychological Science, 3/1992, p. 150-161.

¹⁹³ Kahneman D., *Pułapki myślenia. O myśleniu szybkim i wolnym*, Media Rodzina, Poznań 2012.

Expert intuition in managers is particularly precious and it is a condition to apply MBI properly, since:

- it relies on searching non-volatile memory with regard to finding a connection written in the brain: situation pattern – correct response pattern;
- it allows fast decision-making but solely due to previous long-term learning, gaining professional experience and gathering patterns in non-volatile memory as well as information connected with them.

Moreover, it must be noted that this kind of intuition is one of the components of creativity, the most wanted attribute of modern organizations. Expert intuition supports formulating new ideas because it allows making correct conclusions based on limited information: *"New ideas pop up from the mind, which organizes experience, facts and relations in order to notice the path which has not been taken yet. Somewhere on this unbeaten path, intuition synthesizes many years of learning and experience, transforming them into an immediate flash"*¹⁹⁴. Therefore, it is considered that managers whose results imply high expert intuitiveness constitute the most innovative and creative group of talents in an organization.

Emotional intuition supports the initial assessment of a given decisive situation based on impulses sent by the sensory organs, mainly sight (compare: point 1.). According to Alden Hayashi¹⁹⁵, feelings and emotions arising from such impulses are not only important for the skill of intuitive making of correct decisions, but they may be even crucial. However, it must be remembered that the accuracy of decisions made based on this type of intuition depends on the fact if an individual is able to control his or her emotions and feelings or succumb to them which causes e.g., impulsive actions – violent, vehement, taken without consideration. The ability to control emotions is associated with emotional intelligence. It means that the condition to use this type of intuition within MBI is the manager's emotional intelligence, which should comprise, among others¹⁹⁶:

- ability to understand oneself and own emotions;
- ability to manage and control emotions, including stress control;
- social competences.

Features and skills of a decision-making manager.

Empirical research shows that managers who have a high level of intuitive skills, enabling making accurate decisions, in many cases' breakthrough, are usually characterized by a certain set of features. They are a prerequisite for using MBI. In particular, these are¹⁹⁷:

¹⁹⁴ Agor W., *Intuicja w organizacji. Jak twórczo przewodzić i zarządzać*, Wydawnictwo Profesjonalnej Szkoły Biznesu, Kraków 1998, p. 69, 110, 262.

¹⁹⁵ Hayashi A.M., *Kiedy należy zaufać przeczuciom?*, [in:] *Podjęmowanie decyzji*, Harvard Business Review, Helion, Gliwice 2005, p. 192.

¹⁹⁶ Matthews G., Zeinder M., Roberts R.D., *Emotional Intelligence: Science and Myth*, MIT Press, Cambridge 2004.

¹⁹⁷ Perechuda K. (ed.), *Zarządzanie przedsiębiorstwem przyszłości. Koncepcje, modele, metody*, Agencja Wydawnicza Placet, Warszawa 2000, p. 280-281; Agor W., *Intuicja w organizacji. Jak twórczo przewodzić i zarządzać*, Wydawnictwo Profesjonalnej Szkoły Biznesu, Kraków 1998, p. 277;

- curiosity;
- openness to external and internal experiences;
- independence;
- honesty;
- self-trust and confidence in your own experience;
- submission of inactivity for action and strong personal engagement;
- persistence and diligence;
- submission of formal for informal style;
- courage to take personal risk and take personal responsibility for the consequences of decisions;
- focusing on solutions and not on problems;
- enthusiastic approach to solving problems, approaching difficulties with zeal, optimism;
- creating new possibilities and anticipation of changes – due to the ability to imagine the whole decisive situation, as well as the cumulated knowledge and experience, managers can indicate dramatic, generally revolutionary, ways of solving problems or reactions to chances and appearing changes.

There are distinguished also undesirable features which occur in intuitive managers. These include:

- too high self-esteem;
- low motivation to think rationally;
- resentment of detail analysis;
- drawing conclusions too fast;
- hastiness of actions;
- looking for analogies where they are not;
- ignoring numerical data, omission of facts and persisting with own opinion based on intuition (even if the facts prove that it is wrong) or following inspiration (even if it is clearly false).

These features diminish the effectiveness of the decisive process so they should be eliminated.

To measure managerial intuitive skills which are the basis for effective use of MbI, the AIM questionnaire can be used, developed by W. Agor¹⁹⁸.

The nature of a decisive situation.

Using MbI, in particular intuition-based only, is justified in particular decisions¹⁹⁹. First of all, referring to intuition is the most useful and occasionally the only basis for taking

Malewska K., *Determinanty skuteczności wykorzystywania intuicji w zarządzaniu*, Przegląd Organizacji 1/2013, p. 27-29.

¹⁹⁸ Agor W., *Intuicja w organizacji. Jak twórczo przewodzić i zarządzać*, Wydawnictwo Profesjonalnej Szkoły Biznesu, Kraków 1998, p. 172-194.

¹⁹⁹ Perechuda K. (ed.), *Zarządzanie przedsiębiorstwem przyszłości. Koncepcje, modele, metody*, Agencja Wydawnicza Placet, Warszawa 2000, p. 280; Khandelwal P., Taneja A., *Intuitive Decision Making in Management*, The Indian Journal of Industrial Relation, 46, (1)/2010, p. 150-155; Bolesta-

significant, strategic decisions, e.g., during crises or sudden changes. Intuition is used also in case of complex and unstructured decisions, which causes an increased level of uncertainty. In particular, it appears when information is scarce and managers possess little a small number of precedents or when they do not possess credible information or when the information is totally unavailable. Moreover, intuition is used in situations when the time for decision-making is limited, namely under so-called time pressure – when the decision should be made fast, e.g., due to a competitive environment. It is also noted that one of the important features of decision-making in which intuition should be used is choosing from a range of decisive, rationally justified variants. In particular, intuition should be used when there are many possible directions of action or development, and there are several reasonable arguments in favour of each of them and there is no basic assessment criterion – the arguments do not imply explicitly any direction of action and the analytical data is of little use.

10.2. ADVANTAGES AND DISADVANTAGES OF THE METHOD

There are lots of advantages and disadvantages of MbA.

Referring to MbA based on normative analysis one can state that the basic advantage of this method is its orientation at taking a rational decision on the basis of collected information and calculations which enable to evaluate the effects of the discussed alternatives. However, it is to be noted that the condition to use normative analysis within MbA is the possession of information necessary for calculations, which may seem a weakness, especially if its gathering is difficult or time- or capital-consuming. Moreover, the use of this analysis is conditioned by knowledge, skills and experience of a manager in terms of the application of the rules of this analysis and mathematical methods, as well as the correct interpretation of the obtained results. Often, performing the necessary calculations requires the use of computer calculation techniques, which may also seem like a potential impediment, thus a disadvantage of this analysis. It is worth mentioning that a disadvantage of a rational approach based on normative analysis (particularly compared with descriptive analysis) is the relatively long time for taking the decision.

There are also advantages and disadvantages referring to MbA based on a descriptive analysis and intuition. Considering the advantages and benefits resulting from them, it can be concluded that basically intuition is undoubtedly an important factor of improving managerial efficiency²⁰⁰. It has been noted in sizeable literature²⁰¹ that:

Kukuła K., *Decyzje menedżerskie*, PWE, Warszawa 2003, p. 256; *Podjęcie decyzji. 5 kroków do lepszych decyzji*, Harvard Business Essentials, MT Business Ltd., Warszawa 2011, p. 128; Malewska K., *Wpływ intuicji na proces podejmowania decyzji*, [w:] Sułkowski Ł. (ed.), *Zarządzanie organizacjami sieciowymi*, Przedsiębiorczość i Zarządzanie, tom XIV, 13/2013, p. 176-177; Malewska K., *Determinanty skuteczności wykorzystywania intuicji w zarządzaniu*, Przegląd Organizacji 1/2013, p. 29; Agor W., *Intuicja w organizacji. Jak twórczo przewodzić i zarządzać*, Wydawnictwo Profesjonalnej Szkoły Biznesu, Kraków 1998, p. 69, 149, 155, 274; Kutschera I., Ryan M.H., *Implications of Intuition for Strategic Thinking: Practical Recommendations for Gut Thinkers*, Advanced Management Journal, Summer 2009, p. 14.

²⁰⁰ Agor W., *Intuicja w organizacji. Jak twórczo przewodzić i zarządzać*, Wydawnictwo Profesjonalnej Szkoły Biznesu, Kraków 1998, p. 212.

- intuition supports managers performing in information noise because it enables taking decisions also in a situation:
 - of excess of information (it allows concentrating on important information by separating it from the less important);
 - of no information (it allows to see some previously invisible data, fills the information gap enabling a choice from some alternative decisive options, in the absence of explicit criteria of choice);
- intuition is an essential element of true leadership in the context of the manager's ability to determine which decisions to make, even if they seem risky;
- intuition facilitates decision-making in individual situations (unique), characterized by a low degree of predictability because it allows determining future courses of action and development, whose efficacy (to some extent) may be determined through simulation – therefore it favours minimization of costs related to investments in ineffective courses of action;
- intuition allows synthesizing separate data and experience into overall picture and enables recognition of decision-making patterns;
- intuition allows to circumvent a rational analysis or confirm its results, which fosters fast and effective problem-solving;
- intuition supports the creation of visions and strategies, allows to integrate the internal and external aspects of the functioning of the organization, thus enabling a holistic view on the occurring problems;
- intuition implies creativity, fostering new, often innovative solutions to the decision-making problems, thus influencing radical, positive changes.

As to disadvantages and threats of using MbI, it is noted that in literature there are relatively fewer opinions concerning the negative influence of intuition on decision-making. It stems from the fact that, among others, managers who failed while using intuition are unwilling to share their experience concerning this issue. However, it does not imply a lack of disadvantages and threats related to using intuition in management. It must be remembered that intuition cannot be treated as a substitute of rational analysis because it may influence failures²⁰². After all, intuition can be a source of cognitive and decisive errors which is the basic weakness of MbI, which prompts many threats. Thus, it is believed that:

²⁰¹ E.g. Khandelwal P., Taneja A., *Intuitive Decision Making in Management*, The Indian Journal of Industrial Relation, 46, (1)/2010, p. 150-155; Malewska K., *Determinanty skuteczności wykorzystywania intuicji w zarządzaniu*, Przegląd Organizacji 1/2013, p. 29; Malewska K., *Wpływ intuicji na proces podejmowania decyzji*, [in:] Sułkowski Ł. (ed.), *Zarządzanie organizacjami sieciowymi*, Przedsiębiorczość i Zarządzanie, tom XIV, 13/2013, p. 177-178, [after:] Shaw P., *Podejmowanie trudnych decyzji. Osiąganie celów dzięki odważnemu działaniu*, Wolters Kluwer Polska sp. z o.o., Warszawa 2010; White R., *Instinct and Intuition Are Crucial to the Art of True Leadership*, Charlotte Business Journal, 29 (10)/2004; Rosanoff N., *Cracking the Intuition code: Understanding and Mastering your Intuitive Power*, Tata Macgraw-Hill, India 2000; Klein G., *Intuition at work: Why developing your gut instincts will make you better at what you do?*, Currency, Doubleday, New York 2003; Perechuda K. (ed.), *Zarządzanie przedsiębiorstwem przyszłości. Koncepcje, modele, metody*, Agencja Wydawnicza Placet, Warszawa 2000, p. 282-283.

²⁰² *Podejmowanie decyzji. 5 kroków do lepszych decyzji*, Harvard Business Essentials, MT Business Ltd., Warszawa 2011, p. 128-129.

- Intuition may be a source of cognitive biases. Empirical research shows that both in case of complex and simple decisive problems not related to previous experience, rational analysis helps to avoid such biases. Although it seems that intuition, due to its features, fosters effective realization of decision-making, it may be a source of serious errors²⁰³;
- Intuition may distort reality. Basic elements constituting intuitive perception are the visual system and associative memory. They create a very context-prone, concise interpretation of the surrounding reality. Context is a complex notion, including visual signals, memories, and associations but also objectives, fears, and feelings. At the moment of the intuitive ordering of these elements, the human mind creates a particular version of the event, simultaneously eliminating alternative interpretations. Context-based solutions created using intuition very often turn out to be accurate. But there also occur exceptions which result in cognitive errors. They are dangerous because the manager is not able to identify them through intuitive thinking, thus cannot eliminate them. The solution seems to be a group decision-making because final decision-makers may notice errors made by the members of the decisive team. This means that even though the manager is unable to control his or her intuition, they can, equipped with relevant knowledge and tools, rationally identify and neutralize errors of others made as a result of intuitive reasoning²⁰⁴.
- Intuition and reliance on an immediate feeling of certainty concerning the validity of the solution may lead to wrong decisions. Most commonly, the solutions of decisive problems resulting from using intuition are perceived by their author – the manager as correct. He or she is confident of their value and feels emotionally attached to them. And although empirical research in psychology shows that a manager may be wrong²⁰⁵, if they possess undesirable traits (point 2.2.2), they are unwilling to think according to a rational approach, based on normative analysis, particularly when they are not trained in this respect. This is obviously a mistake. After all, it is assumed (e.g., in double-process decision-making theories) that the solution to the problem received using first of all the intuitive approach, later on may be accepted or undergo further considerations using the rational approach²⁰⁶. The validity of such a sequence of actions in decision-making is confirmed by numerous proofs from neuroscience.

10.3. CONTROL QUESTIONS AND TOPICS FOR DISCUSSION

1. What is the essence of MbA?
2. What are the stages in decision-making?
3. What are the basic conditions to use normative analysis and descriptive analysis within MbA?

²⁰³ Evans J.St.B.T., *Intuition and Reasoning: A Dual-Process Perspective*, Psychological Inquiry, 21/2010, p. 313-314.

²⁰⁴ Kahneman D., Lovallo D., Sibony O., *Zanim podejmiesz ważną decyzję*, Harvard Business Review Polska, 3/2012, p. 62-73.

²⁰⁵ Frederick S., *Cognitive reflection and decision making*, Journal of Economic Perspectives, 19 (4)/2005, p. 25-42.

²⁰⁶ Stanovich K.E., *Rationality and the reflective mind*, NY Oxford University Press, New York 2010.

4. What information must a manager possess to use the evaluation principles – choosing the best alternative, within the normative analysis?
5. What is the essence of the basic evaluation principles for alternatives and indicating the best of them within normative analysis?
6. How should we understand the term of intuition? What is the main cause of ambiguity in the understanding of this term?
7. What are the variations of intuition? Which of these are most often applied in MBI and why?
8. Which features of a manager and decision-making condition the use of MBI?
9. What is the essence of the advantages and disadvantages of MBI? What benefits and hazards are involved in them? Which hazard is the most important for the correct functioning of this method?
10. Which scopes of MBI may undergo automation? Can cognitive technologies support or totally substitute people in MBI?

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Summary

The management and decision-making methods presented in this coursebook reflect the scope of actions performed by managerial staff for the following purposes:

- to gain efficacy and effectiveness of people employed in an organization by boosting their engagement;
- for correct functioning and development of an organization in a competitive environment by taking rational decisions.

It is to be noted that actions taken within these methods might be determined to a large extent as nonroutine mental, conditioned by features which now determine difficulties, and sometimes even no possibility to implement cognitive technologies. The fundamental problem in substituting the activities within these methods by cognitive technologies are competences – knowledge, experience, skills ("soft" ones in particular), as well as informal authority of the managerial staff. In particular, based on the presented discussion, it might be stated that:

- *Management by Communication* (MbC), conditioning the efficacy of other methods, requires communicative competences on the part of managers. They comprise the skills of coherent, unambiguous and precise communication, and that is conditioned by using not only understandable language, e.g., mother tongue, but also adjusting communication to e.g., perception, emotional state, education and age of the recipient, character of the language in the organization (jargon) or cultural and national habits (referring e.g., to physical distance between the interlocutors and gestures conveying a particular meaning). The role of communication in an organization is not only giving information but also showing respect and building positive relationships between people. Due to machine learning, computers gained e.g., the ability to recognize pictures and interpret speech. However, at this stage, their ability leaves much to be desired. Thus, despite the increasing possibilities of cognitive technologies, due to the indicated conditioning of MbC, it is hard to imagine that technology may completely substitute managers;
- *Management by Organizational Culture* (MbOC) requires the managers to represent standard attitude allowing the employees to understand the essence of the culture in the organization, its sources, and first of all standards and values. A particular condition of using MbOC is the informal authority of managers, resulting e.g., from the ability to fulfill the emotional needs of peers and friendship against the background of beliefs and social experiences, due to which it is possible to influence the attitude, values, and views on the employees' mode of conduct. In this aspect substituting managers with cognitive technologies is difficult. However, it must be noted that at present these technologies may support the use of MbOC, particularly in the implementation of organizational culture during recruitment. There are more and more possibilities to use cognitive technologies – to examine the coherence of personality traits of the candidates for work in the organization including its accepted model of organizational culture, and following the evaluation of the coherence of these traits – to support decisions connected with job recruitment;
- *Management by motivating* (MbM) requires the managerial staff to possess, apart from professional competences e.g., in the theory of motivation and motivational tools, authentic organizational leadership based on informal authority which

stimulates the staff engagement. In this aspect substituting managers with cognitive technologies is difficult. However, they may support the managers in MbM, particularly in research for identification of employees' needs, whose possibility of fulfilling affects the job engagement;

- *Managing by delegating* (MbD) requires the managerial staff to possess, apart from knowledge and skills e.g., in the application of rules or delegating procedures, skills to choose the proper employee who can be deputed new duties and authorities based on the analysis of their competences or foregoing workload but also mental preparation to delegate. Efficacy of MbD is largely conditioned by trust and positive relations between the subordinate and manager or the manager's belief that in case of troubles, he or she can rely on the manager's support and help. In this area at present, it is difficult to use cognitive technologies, but they can support MbD, particularly at some stages of this procedure – e.g., control and evaluation of the actual level of completion of the task or objective which is the subject of delegating, by gathering data, calculating, analysis and automatic inference;
- *Management by exceptions* (MbE) requires the managerial staff to possess, apart from the knowledge in e.g., assumptions and use of this method, also experience necessary to estimate the expected conditions in the form of standards, as well as indicating the tolerance limits or exceptional situations. In this aspect, the possibilities of cognitive technologies may strongly support the managerial staff. Moreover, these technologies may substitute people in some MbE activities, particularly in the procedure of this method – at the stage of observation, control and comparison of received realizations for the purposes of evaluation if they are compatible with the given standards, as well as at the stage of intervention – indicating the lowest possible level capable of reacting to the occurring exceptions, suitable remedial actions or corrections;
- *Management by objectives* (MbO) requires the managerial staff to possess, apart from the knowledge in e.g., assumptions and use of this method, also full and authentic engagement e.g., in creating an atmosphere of trust, openness, and mutual care about the objectives of the organization. Therefore, despite the increasing possibilities of cognitive technologies, replacing managers completely is hard to imagine. However, it is to be noted that technologies may significantly support the managerial staff in the use of MbO, particularly in the application procedure of this method – among others, in the basic phase, e.g., at the stages of reviewing the performance and evaluation of effects, by gathering data, calculations, analysis and automatic inference;
- *Management by autonomous groups* (MbAG) is based on decentralization of management directed at creating an attractive form of work organization, particularly when there is no automation of production works and the realized tasks or objectives are unstructured, requiring creativity. Using this method is conditioned to a large extent by the top management attitude, featuring trust and acceptance of the decisions taken by autonomous groups, e.g., in matters concerning the election of their members, choosing the leader, planning and task or objective division as well as setting rules concerning e.g., the pace, labour time, bonus system. However, it is to be emphasized that the efficiency of this method is conditioned mainly by the attitude and competences of employees, who are required to create an atmosphere

of common responsibility, openness and creative thinking as well as systematic learning – in order to fulfill the multitasking requirement and the possibility to perform rotations and covers. Cognitive technologies can support MbAG e.g., in fulfilling a given requirement by providing the members of autonomous groups with appropriate and synthetic knowledge;

- *Management by quality circles* (MbQC) requires the managerial staff and employees to fulfill particular conditions. Alike MbAG, using this method is conditioned to a large extent by the attitude of the management, featuring trust and belief in their employees – particularly their knowledge about problems appearing in the course of their professional activities and their capability to create novel solutions to the problems. The effectiveness of MbQC is determined by many other factors (presented in the coursebook), however, it seems that the most important are the traits of the employees – members of the quality circles, such as creativity and thinking outside the box about the solutions to the problems. In this aspect now it is possible to use cognitive technologies which may support creative thinking and novel problem-solving;
- *Management by conflict* (MbC) requires the managers to possess the knowledge and experience within this method, including ways of staff reaction to conflicts, the possibilities to stimulate conflicts and the strategies to tackle issues. Cognitive technologies may support managers in this respect, beginning with the identification of the staff attitude towards the conflict, through the choice of conflict stimulation, to use of appropriate strategy for constructive conflict resolution;
- *Management by alternatives* (MbA) is a method which is now most strongly supported by cognitive technologies. They support managers in taking rational decisions, from the identification of the causes of the decisive problems to the evaluation of alternatives because except gathering data (e.g., from machines and detectors), calculating and analysis, they draw conclusions automatically (e.g., based on machine learning) on the basis of such analysis. These conclusions are the base for managerial decisions, so it can be stated that cognitive technologies affect the speed and quality of decisions and using them contributes to the development of organizations in a competitive environment.

In conclusion, not all presented methods are supported by cognitive technologies. The indicated difficulties or lack of possibility to use them in management and decision-making does not imply that we should avoid attempts or research in this area, to increase the part of such technologies in management processes. The author of this textbook wishes success in this respect to all students, particularly those majoring in Cognitive technologies.

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