МІЖРЕГІОНАЛЬНА
АКАДЕМІЯ УПРАВЛІННЯ ПЕРСОНАЛОМ

МАУП

МЕТОДИЧНІ РЕКОМЕНДАЦІЇ
щодо забезпечення самостійної роботи студентів
з дисципліни
"ДІЛОВА ІНОЗЕМНА МОВА
ПРОФЕСІЙНОГО СПРЯМУВАННЯ"
(англійська мова)
(для магістрів спеціальності
"АДМІНІСТРАТИВНИЙ МЕНЕДЖМЕНТ")

Підготовлено доцентом кафедри іноземних мов *І. С. Баховим*

Затверджено на засіданні кафедри іноземних мов
(протоколу № 11 від 25.04.08)

Схвалено Вченою радою Міжрегіональної Академії управління персоналом

Методичні рекомендації містять пояснювальну записку, методичні поради щодо організації самостійної роботи студентів, завдання, вправи для самостійної роботи. Рекомендовано для студентів 5 курсу спеціальності "Адміністративний менеджмент".

ПОЯСНЮВАЛЬНА ЗАПИСКА

Самостійна робота студентів з дисципліни "Ділова іноземна мова професійного спрямування" (англійська мова) є складовою навчального процесу, важливим чинником, який формує вміння навчатися, сприяє активізації засвоєння студентом знань. Самостійна робота студентів є основним засобом опанування навчального матеріалу у позааудиторний час.

Мета самостійної роботи студентів — сприяти засвоєнню в повному обсязі навчальної програми та формуванню самостійності як важливої професійної якості, сутність якої полягає в умінні систематизувати, планувати та контролювати власну діяльність.

У пропонованих методичних завданнях подаються завдання для самостійної роботи студентів з дисципліни "Практичний курс першої іноземної мови" (англійської) та вправи до них.

Організація та форми самостійної роботи студентів з дисципліни

Аудиторна самостійна робота реалізується під час практичних занять з дисципліни "Ділова іноземна мова професійного спрямування" (англійська мова). Студенти набувають вмінь і навичок практичного застосування окремих теоретичних положень навчальної дисципліни шляхом індивідуального виконання відповідно сформульованих завдань.

При проведенні практичних занять самостійну роботу можна виконувати як індивідуально, так невеликими групами.

Позааудиторна самостійна робота з дисципліни передбачає щоденну самостійну роботу студента, яка виконується за завданням та під контролем викладача. *Завдання* мають на меті:

- поглиблення знань англійської мови через збільшення словникового запасу;
- вдосконалення навичок користування словниками;
- формування умінь та навичок роботи з іншомовними текстовими джерелами;
- розвиток мислення.

Форми самостійної роботи:

- пошук та огляд інформаційних та наукових джерел за визначаю тематикою та проблематикою;
- переклад додаткових завдань з теми;

- підготовка есе, рефератів з теми;
- складання тематичного словника з теми;
- презентація студентом певної теми чи проблеми, висловлення свого бачення, розуміння або нерозуміння цієї проблеми;
- підготовка аналізу конкретної ситуації за темою;
- виконання домашніх завдань до практичних занять.

Зміст самостійної роботи
з дисципліни
"Ділова іноземна мова професійного спрямування"
(англійська мова)

Перелік тем
для самостійного вивчення та завдання до них:

1. Management effectiveness. Ефективний менеджмент.
2. Organization Організації. Структура компанії.
3. Planning.Планування.
4. Strategic management. Стратегічний менеджмент.
5. Delegation. The art of delegation. Делегування.
6. Decision making. Прийняття рішень.
7. Group decision making. Групове прийняття рішень.
8. Motivation. Мотивація.
9. Controlling in management. Контроль у менеджменті.
10. Conflicts. Конфлікти.
11. Negotiations. Переговори.
12. Leadership. Лідерство.
13. Public administration. Державне адміністрування.
14. Public management. Державне управління.
15. President. President of Ukraine. Президент. Президент України.
16. Government of Ukraine. Уряд України.
17. Administrative division of Ukraine. Адміністративний поділ України.

Кожна тема представлена додатковими автентичними матеріалами англійською мовою з різних джерел, які не включені до основного навчального матеріалу, що передбачено для вивчення в аудиторний час на практичних заняттях.

Завдання пронумеровані і супроводжуються різноманітними лексичними вправами, мета яких розвивати вміння обговорювати, дискутувати за темою (текстом).

Вправи сприяють розвитку професійних умінь студентів у роботі з словниками різного типу, таким чином збільшуючи словниковий запас із запропонованих тем. Різностильові тексти дають можливість студентам глибше ознайомитися і працювати з різними стилями лексики.

На виконання одного завдання разом в вправах відводиться дві академічні години.

Оцінювання проводиться за окремий вид роботи й входить до загальної оцінки роботи студента з дисципліни "Ділова іноземна мова професійного спрямування" (англійська мова) відповідно до навчального плану підготовки бакалаврів спеціальності "Адміністративний менеджмент".

Завдання для самостійної роботи розраховані на 56 годин аудиторної роботи та 79 годин позааудиторної самостійної роботи з дисципліни.

Завдання 1
MANAGEMENT EFFECTIVENESS

Read, translate and render the task. Write a short summary of the topic

In management, the ultimate measure of management's performance is the metric of **management effectiveness** which includes:

- execution, or how well management's plans are carried out by members of the organization;
- leadership, or how effectively management communicates and translates the vision and strategy of the organization to the members;
- delegation, or how well management gives assignments and communicates instructions to members of the organization;
- return on investment, or how well management utilizes the resources (financial, physical, and human) of the organization to bring an acceptable return to shareholders;
- conflict management, or how well management is able to utilize confrontation and collaboration skills; management's ability to be flexible and appeal to common interests;

- motivation, how management attempts to understand the needs of others and inspires them to perform. Motivation focuses on how performance is rewarded rather than how failure is punished;
- consideration, or how well managers seek to understand and appreciate others' values; and not merely as a means to a business goal.

Management

Management in simple terms means the act of getting people together to accomplish desired goals. Management comprises planning, organizing, resourcing, leading or directing, and controlling an organization (a group of one or more people or entities) or effort for the purpose of accomplishing a goal. Resourcing encompasses the deployment and manipulation of human resources, financial resources, technological resources, and natural resources.

Management can also refer to the person or people who perform the act(s) of management.

Theoretical scope

Mary Parker Follett (1868–1933), who wrote on the topic in the early twentieth century, defined management as "the art of getting things done through people". One can also think of management functionally, as the action of measuring a quantity on a regular basis and of adjusting some initial plan; or as the actions taken to reach one's intended goal. This applies even in situations where planning does not take place. From this perspective, Frenchman Henri Fayol considers management to consist of five functions:

1. planning;
2. organizing;
3. leading;
4. co-ordinating;
5. controlling;
6. measuring results.

Some people, however, find this definition, while useful, far too narrow. The phrase "management is what managers do" occurs widely, suggesting the difficulty of defining management, the shifting nature of definitions, and the connection of managerial practices with the existence of a managerial cadre or class.

One habit of thought regards management as equivalent to "business administration" and thus excludes management in places

outside commerce, as for example in charities and in the public sector. More realistically, however, every organization must manage its work, people, processes, technology, etc. in order to maximize its effectiveness. Nonetheless, many people refer to university departments which teach management as "business schools." Some institutions (such as the Harvard Business School) use that name while others (such as the Yale School of Management) employ the more inclusive term "management."

Speakers of English may also use the term "management" or "the management" as a collective word describing the managers of an organization, for example of a corporation. Historically this use of the term was often contrasted with the term "Labor" referring to those being managed.

Nature of managerial work

In for-profit work, management has as its primary function the satisfaction of a range of stakeholders. This typically involves making a profit (for the shareholders), creating valued products at a reasonable cost (for customers), and providing rewarding employment opportunities (for employees). In nonprofit management, add the importance of keeping the faith of donors. In most models of management/governance, shareholders vote for the board of directors, and the board then hires senior management. Some organizations have experimented with other methods (such as employee-voting models) of selecting or reviewing managers; but this occurs only very rarely.

In the public sector of countries constituted as representative democracies, voters elect politicians to public office. Such politicians hire many managers and administrators, and in some countries like the United States political appointees lose their jobs on the election of a new president/governor/mayor. Some 2500 people serve at the pleasure of the United States Chief Executive, including all of the top US government executives.

Public, private, and voluntary sectors place different demands on managers, but all must retain the faith of those who select them (if they wish to retain their jobs), retain the faith of those people that fund the organization, and retain the faith of those who work for the organization. If they fail to convince employees of the advantages of staying rather than leaving, they may tip the organization into a downward spiral of hiring, training, firing, and recruiting. Management also has the task of innovating and of improving the functioning of organizations.

Historical development

Difficulties arise in tracing the history of management. Some see it (by definition) as a late modern (in the sense of late modernity) conceptualization. On those terms it cannot have a pre-modern history, only harbingers (such as stewards). Others, however, detect management-like activities in the pre-modern past. Some writers trace the development of management-thought back to Sumerian traders and to the builders of the pyramids of ancient Egypt. Slave-owners through the centuries faced the problems of exploiting/motivating a dependent but sometimes unenthusiastic or recalcitrant workforce, but many pre-industrial enterprises, given their small scale, did not feel compelled to face the issues of management systematically. However, innovations such as the spread of Hindu-Arabic numerals (5th to 15th centuries) and the codification of double-entry book-keeping (1494) provided tools for management assessment, planning and control.

Given the scale of most commercial operations and the lack of mechanized record-keeping and recording before the industrial revolution, it made sense for most owners of enterprises in those times to carry out management functions by and for themselves. But with growing size and complexity of organizations, the split between owners (individuals, industrial dynasties or groups of shareholders) and day-to-day managers (independent specialists in planning and control) gradually became more common.

Early writing

While management has been present for millennia, several writers have created a background of works that assisted in modern management theories.[4]

Sun Tzu's *The Art of War*

Written by Chinese general Sun Tzu in the 6th century BCE, *The Art of War* is a military strategy book that, for managerial purposes, recommends being aware of and acting on strengths and weaknesses of both a manager's organization and a foe's.

Niccolò Machiavelli's The Prince

Believing that people were motivated by self-interest, Niccolò Machiavelli wrote *The Prince* in 1513 as advice for the leadership of Florence, Italy. Machiavelli recommended that leaders use fear—but not hatred—to maintain control.

Adam Smith's *The Wealth of Nations*

Written in 1776 by Adam Smith, a Scottish moral philosopher, *The Wealth of Nations* aims for efficient organization of work through division of labor. Smith described how changes in processes could boost productivity in the manufacture of pins. While individuals could produce 200 pins per day, Smith analyzed the steps involved in manufacture and, with 10 specialists, enabled production of 48,000 pins per day.

19th century

Some argue that modern management as a discipline began as an off-shoot of economics in the 19th century. Classical economists such as Adam Smith (1723–1790) and John Stuart Mill (1806–1873) provided a theoretical background to resource-allocation, production, and pricing issues. About the same time, innovators like Eli Whitney (1765–1825), James Watt (1736–1819), and Matthew Boulton (1728–1809) developed elements of technical production such as standardization, quality-control procedures, cost-accounting, interchangeability of parts, and work-planning. Many of these aspects of management existed in the pre-1861 slave-based sector of the US economy. That environment saw 4 million people, as the contemporary usages had it, "managed" in profitable quasi-mass production.

By the late 19th century, marginal economists Alfred Marshall (1842–1924) and Léon Walras (1834–1910) and others introduced a new layer of complexity to the theoretical underpinnings of management. Joseph Wharton offered the first tertiary-level course in management in 1881.

20th century

By about 1900 one finds managers trying to place their theories on what they regarded as a thoroughly scientific basis (see scientism for perceived limitations of this belief). Examples include Henry R. Towne's *Science of management* in the 1890s, Frederick Winslow Taylor's *Scientific management* (1911), Frank and Lillian Gilbreth's *Applied motion study* (1917), and Henry L. Gantt's charts (1910s). J. Duncan wrote the first college management textbook in 1911. In 1912 Yoichi Ueno introduced Taylorism to Japan and became first management consultant of the "Japanese-management style". His son Ichiro Ueno pioneered Japanese quality-assurance.

The first comprehensive theories of management appeared around 1920. The Harvard Business School invented the Master of Business Administration degree (MBA) in 1921. People like Henri Fayol (1841–1925) and Alexander Church described the various branches of management and their inter-relationships. In the early 20th century, people like Ordway Tead (1891–1973), Walter Scott and J. Mooney

applied the principles of psychology to management, while other writers, such as Elton Mayo (1880–1949), Mary Parker Follett (1868–1933), Chester Barnard (1886–1961), Max Weber (1864–1920), Rensis Likert (1903–1981), and Chris Argyris (1923–) approached the phenomenon of management from a sociological perspective.

Peter Drucker (1909–2005) wrote one of the earliest books on applied management: *Concept of the Corporation* (published in 1946). It resulted from Alfred Sloan (chairman of General Motors until 1956) commissioning a study of the organisation. Drucker went on to write 39 books, many in the same vein.

H. Dodge, Ronald Fisher (1890–1962), and Thornton C. Fry introduced statistical techniques into management-studies. In the 1940s, Patrick Blackett combined these statistical theories with microeconomic theory and gave birth to the science of operations research. Operations research, sometimes known as "management science" (but distinct from Taylor's scientific management), attempts to take a scientific approach to solving management problems, particularly in the areas of logistics and operations.

Some of the more recent developments include the Theory of Constraints, management by objectives, reengineering, Six Sigma and various information-technology-driven theories such as agile software development, as well as group management theories such as Cog's Ladder.

As the general recognition of managers as a class solidified during the 20th century and gave perceived practitioners of the art/science of management a certain amount of prestige, so the way opened for popularised systems of management ideas to peddle their wares. In this context many management fads may have had more to do with pop psychology than with scientific theories of management.

Towards the end of the 20th century, business management came to consist of six separate branches, namely:
- Human resource management.
- Operations management or production management.
- Strategic management.
- Marketing management.
- Financial management.
- Information technology management responsible for management information systems.

21st century

In the 21st century observers find it increasingly difficult to subdivide management into functional categories in this way. More and more processes

simultaneously involve several categories. Instead, one tends to think in terms of the various processes, tasks, and objects subject to management.

Branches of management theory also exist relating to nonprofits and to government: such as public administration, public management, and educational management. Further, management programs related to civil-society organizations have also spawned programs in nonprofit management and social entrepreneurship.

Note that many of the assumptions made by management have come under attack from business ethics viewpoints, critical management studies, and anti-corporate activism.

As one consequence, workplace democracy has become both more common, and more advocated, in some places distributing all management functions among the workers, each of whom takes on a portion of the work. However, these models predate any current political issue, and may occur more naturally than does a command hierarchy. All management to some degree embraces democratic principles in that in the long term workers must give majority support to management; otherwise they leave to find other work, or go on strike. Hence management has started to become less based on the conceptualisation of *classical* military command-and-control, and more about facilitation and support of collaborative activity, utilizing principles such as those of human interaction management to deal with the complexities of human interaction. Indeed, the concept of Ubiquitous command-and-control posits such a transformation for 21st century military management.

Management topics

Basic functions of management

Management operates through various functions, often classified as planning, organizing, leading/motivating and controlling.

- Planning: deciding what needs to happen in the future (today, next week, next month, next year, over the next 5 years, etc.) and generating plans for action.
- Organizing: making optimum use of the resources required to enable the successful carrying out of plans.
- Leading/Motivating: exhibiting skills in these areas for getting others to play an effective part in achieving plans.
- Controlling: monitoring — checking progress against plans, which may need modification based on feedback.

Formation of the business policy

- The **mission** of the business is its most obvious purpose — which may be, for example, to make soap.

- The **vision** of the business reflects its aspirations and specifies its intended direction or future destination.
- The **objectives** of the business refers to the ends or activity at which a certain task is aimed.
- The business's **policy** is a guide that stipulates rules, regulations and objectives, and may be used in the managers' decision-making. It must be flexible and easily interpreted and understood by all employees.
- The business's **strategy** refers to the coordinated plan of action that it is going to take, as well as the resources that it will use, to realize its vision and long-term objectives. It is a guideline to managers, stipulating how they ought to allocate and utilize the factors of production to the business's advantage. Initially, it could help the managers decide on what type of business they want to form.

How to implement policies and strategies
- All policies and strategies must be discussed with all managerial personnel and staff.
- Managers must understand where and how they can implement their policies and strategies.
- A plan of action must be devised for each department.
- Policies and strategies must be reviewed regularly.
- Contingency plans must be devised in case the environment changes.
- Assessments of progress ought to be carried out regularly by top-level managers.
- A good environment is required within the business.

The development of policies and strategies
- The missions, objectives, strengths and weaknesses of each department must be analysed to determine their roles in achieving the business's mission.
- The **forecasting method** develops a reliable picture of the business's future environment.
- A **planning unit** must be created to ensure that all plans are consistent and that policies and strategies are aimed at achieving the same mission and objectives.
- Contingency plans must be developed, just in case.

All policies must be discussed with all managerial personnel and staff that is required in the execution of any departmental policy.

Where policies and strategies fit into the planning process
- They give mid- and lower-level managers a good idea of the future plans for each department.
- A framework is created whereby plans and decisions are made.
- Mid- and lower-level management may add their own plans to the business's strategic ones.

Managerial levels and hierarchy

The management of a large organization may have three levels:
1. Senior management (or "top management" or "upper management").
2. Middle management.
3. Low-level management, such as supervisors or team-leaders.

Top-level management
- Require an extensive knowledge of management roles and skills.
- They have to be very aware of external factors such as markets.
- Their decisions are generally of a long-term nature.
- Their decision are made using analytic, directive, conceptual and/or behavioral/participative processes.
- They are responsible for strategic decisions.
- They have to chalk out the plan and see that plan may be effective in the future.
- They are executive in nature.

Middle management
- Mid-level managers have a specialized understanding of certain managerial tasks.
- They are responsible for carrying out the decisions made by top-level management.

Lower management
- This level of management ensures that the decisions and plans taken by the other two are carried out.
- Lower-level managers' decisions are generally short-term ones.

Завдання 2
ORGANIZATION

Read, translate and render the task. Write a short summary of the topic

An **organization** (or **organisation** — see spelling differences) is a social arrangement which pursues collective goals, which controls its own performance, and which has a boundary separating it from its environment. The word itself is derived from the Greek word *Öργανον*

(organon) meaning *tool.* The term is used in both daily and scientific English in multiple ways.

In the social sciences, organizations are studied by researchers from several disciplines, the most common of which are sociology, economics, political science, psychology, management, and organizational communication. The broad area is commonly referred to as organizational studies, organizational behavior or organization analysis. Therefore, a number of different theories and perspectives exist, some of which are compatible, and others that are competing.

- Organization — process-related: an entity is being (re-)organized (organization as task or action).
- Organization — functional: organization as a function of how entities like businesses or state authorities are used (organization as a permanent structure).
- Organization — institutional: an entity is an organization (organization as an actual purposeful structure within a social context).

Organization in management and organizational studies

Main article: Organizational studies

Management is interested in organization mainly from an instrumental point of view. For a company organization is a means to an end to achieve its goals.

Organization theories

Among the theories that are or have been most influential are:

- Weberian organization theory (refer to Max Weber's chapter on Bureaucracy in his book 'Economy and Society').
- Marxist organization analysis.
- Scientific management (mainly following Frederick W. Taylor).
- Human Relations Studies (going back to the Hawthorne studies, Maslow and Hertzberg).
- Administrative theories (with work by e.g. Henri Fayol and Chester Barnard).
- Contingency theory.
- New institutionalism and new institutional economics.
- Network analysis.
- Economic sociology.
- Organization ecology (or demography of organizations).
- Transaction cost economics.
- Agency theory (sometimes called principal — agent theory).

14

- Studies of organization culture.
- Postmodern organization studies.
- Labour Process Theory.
- Critical Management Studies.
- Complexity Theory and Organizations.
- Transaction cost theory/Transaction cost Economics (TCE).
- Garbage can model.
- Actor-Network Theory and the 'Montreal School'.
- Social entrepreneurship.

Organizational structures

Main article: Organizational structure

The study of organizations includes a focus on optimizing organizational structure. According to management science, most human organizations fall roughly into four types:

- Pyramids or hierarchies.
- Committees or juries.
- Matrix organizations.
- Ecologies.

Pyramids or hierarchies

A hierarchy exemplifies an arrangement with a leader who leads leaders. This arrangement is often associated with bureaucracy. Hierarchies were satirized in *The Peter Principle* (1969), a book that introduced *hierarchiology* and the saying that "in a hierarchy every employee tends to rise to his level of incompetence".

Committees or juries

These consist of a group of peers who decide as a group, perhaps by voting. The difference between a jury and a committee is that the members of the committee are usually assigned to perform or lead further actions after the group comes to a decision, whereas members of a jury come to a decision. In common law countries legal juries render decisions of guilt, liability and quantify damages; juries are also used in athletic contests, book awards and similar activities. Sometimes a selection committee functions like a jury. In the Middle Ages juries in continental Europe were used to determine the law according to consensus amongst local notables.

Committees are often the most reliable way to make decisions. Condorcet's jury theorem proved that if the average member votes better than a roll of dice, then adding more members increases the number of

majorities that can come to a correct vote (however correctness is defined). The problem is that if the average member is *worse* than a roll of dice, the committee's decisions grow worse, not better: Staffing is crucial.

Parliamentary procedure, such as Robert's Rules of Order, helps prevent committees from engaging in lengthy discussions without reaching decisions.

Staff organization or cross-functional team

A staff helps an expert get all his work done. To this end, a "chief of staff" decides whether an assignment is routine or not. If it's routine, he assigns it to a staff member, who is a sort of junior expert. The chief of staff schedules the routine problems, and checks that they are completed.

If a problem is not routine, the chief of staff notices. He passes it to the expert, who solves the problem, and educates the staff — converting the problem into a routine problem.

In a "cross functional team", like an executive committee, the boss has to be a non-expert, because so many kinds of expertise are required.

Organization: Cyclical structure

A theory put forth by renowned scholar Stephen John has asserted that throughout the cyclical nature of one's life organizational patterns are key to success. Through various social and political constraints within society one must realize that organizational skills are paramount to success. Stephen John suggests that emphasis needs to be put on areas such as individual/ group processes, functionality, and overall structures of institutions in order to maintain a proper organization. Furthermore, the individual's overall organizational skills are pre-determined by the processes undertaken.

Matrix organization

This organizational type assigns each worker two bosses in two different hierarchies. One hierarchy is "functional" and assures that each type of expert in the organization is well-trained, and measured by a boss who is super-expert in the same field. The other direction is "executive" and tries to get projects completed using the experts. Projects might be *organized by regions, customer types, or some other schema.*

Ecologies

This organization has intense competition. Bad parts of the organization starve. Good ones get more work. Everybody is paid for what they actually do, and runs a tiny business that has to show a profit, or they are fired.

Companies who utilize this organization type reflect a rather one-sided view of what goes on in ecology. It is also the case that a natural ecosystem has a natural border — ecoregions do not in general compete with one another in any way, but are very autonomous.

The pharmaceutical company GlaxoSmithKline talks about functioning as this type of organization in this external article from The Guardian.

"Chaordic" organizations

The chaordic model of organizing human endeavors emerged in the 1990s, based on a blending of chaos and order (hence "chaordic"), comes out of the work of Dee Hock and the creation of the VISA financial network. Blending democracy, complex system, consensus decision making, co-operation and competition, the chaordic approach attempts to encourage organizations to evolve from the increasingly nonviable hierarchical, command-and-control models.

Similarly, emergent organizations, and the principle of self-organization. See also group entity for an anarchist perspective on human organizations.

Organizations that are legal entities: government, international organization, non-governmental organization, armed forces, corporation, partnership, charity, not-for-profit corporation, cooperative, university.

The organization of the artist

The organization of the artist is a term first used by architect Frank Gehry to denote the organizational set-up he enforces in order to ensure that the architect/artist is in control of design through construction. The organization of the artist deliberately eliminates the influence of politicians and business people on design. The purpose of the organization of the artist is to ensure that it is the design of the architect/artist that is actually implemented and not some compromise decided by political and business interests.

Gehry initially developed the concept of the organization of the artist as a reaction against what he calls the "marginalization of the architect/artist." Gehry explains:

"There's a tendency to marginalize and treat the creative people like women are treated, 'sweetie, us big business guys know how to do this, just give us the design and we'll take it from there.' That is the worst thing that can happen. It requires the organization of the artist to prevail so that the end product is as close as possible to the object of desire [the design] that both the client and architect have come to agree on."

Gehry argues that the organization of the artist, in addition to making possible artistic integrity, also helps keep his buildings on time and budget, which is rare for the type of innovative and complex designs that Gehry is known for. The organization of the artist thus serves the dual purpose of artistic freedom and economic prudence.

Leadership in organizations
Leadership in formal organizations

An organization that is established as an instrument or means for achieving defined objectives has been referred to as a **formal organization**. Its design specifies how goals are subdivided and reflected in subdivisions of the organization. Divisions, departments, sections, positions, jobs, and tasks make up this work structure. Thus, the formal organization is expected to behave impersonally in regard to relationships with clients or with its members. According to Weber's definition, entry and subsequent advancement is by merit or seniority. Each employee receives a salary and enjoys a degree of tenure that safeguards him from the arbitrary influence of superiors or of powerful clients. The higher his position in the hierarchy, the greater his presumed expertise in adjudicating problems that may arise in the course of the work carried out at lower levels of the organization. It is this bureaucratic structure that forms the basis for the appointment of heads or chiefs of administrative subdivisions in the organization and endows them with the authority attached to their position.

Leadership in informal organizations

In contrast to the appointed head or chief of an administrative unit, a leader emerges within the context of the **informal organization** that underlies the formal structure. The informal organization expresses the personal objectives and goals of the individual membership. Their objectives and goals may or may not coincide with those of the formal organization. The informal organization represents an extension of the social structures that generally characterize human life — the spontaneous emergence of groups and organizations as ends in themselves.

In prehistoric times, man was preoccupied with his personal security, maintenance, protection, and survival. Now man spends a major portion of his waking hours working for organizations. His need to identify with a community that provides security, protection, maintenance, and a feeling of belonging continues unchanged from prehistoric times. This need is met by the informal organization and its emergent, or unofficial, leaders.

Leaders emerge from within the structure of the informal organization. Their personal qualities, the demands of the situation, or a combination of these and other factors attract followers who accept their leadership within one or several overlay structures. Instead of the authority of position held by an appointed head or chief, the emergent leader wields influence or power. Influence is the ability of a person to gain cooperation from others by means of persuasion or control over rewards. Power is a stronger form of influence because it reflects a person's ability to enforce action through the control of a means of punishment.

Leader in organizations

An individual who is appointed to a managerial position has the right to command and enforce obedience by virtue of the authority of his position. However, he must possess adequate personal attributes to match his authority, because authority is only potentially available to him. In the absence of sufficient personal competence, a manager may be confronted by an emergent leader who can challenge his role in the organization and reduce it to that of a figurehead. However, only authority of position has the backing of formal sanctions. It follows that whoever wields personal influence and power can legitimize this only by gaining a formal position in the hierarchy, with commensurate authority.

Hybrid organizations

A hybrid organization is a body that operates in both the public sector and the private sector, simultaneously fulfilling public duties and developing commercial market activities. As a result the hybrid organization becomes a mixture of both a part of government and a private corporation.

Завдання 3
PLANNING

Read, translate and render the task. Write a short summary of the topic

Planning is both the organizational process of creating and maintaining a plan; and the psychological process of thinking about the activities required to create a desired future on some scale. As such, it is a fundamental property of intelligent behaviour. This thought process is essential to the creation and refinement of a plan, or integration of it with other plans, that is, it combines forecasting of developments with the prepararation of scenarios of how to react to them.

The term is also used to describe the formal procedures used in such an endeavor, such as the creation of documents, diagrams, or meetings to discuss the important issues to be addressed, the objectives to be met, and the strategy to be followed. Beyond this, planning has a different meaning depending on the political or economic context in which it is used.

The planning process

The planning process provides the framework for developing conservation plans on the basis of ecological, economic, social, and policy considerations. Implementation of these plans may then be facilitated by utilizing technical, educational, and financial assistance programs from NRCS or other sources.

The same planning process is used to develop conservation plans and areawide conservation plans or assessments, but different activities are required to complete each step of the process. Guidance in this handbook is separated accordingly into conservation planning and areawide conservation planning. On-site visits with the client are an integral part of the planning process.

Conservation plans are normally developed with an individual decision-maker. An areawide conservation plan or assessment reflects the desired future conditions developed in conjunction with the client and other stakeholders in the area. The stakeholders may, or more likely may not, be decision-makers for implementing planned activities.

Applications
In public policy

Planning refers to the practice and the profession associated with the idea of planning an idea yourself, (land use planning, urban planning or spatial planning). In many countries, the operation of a town and country planning system is often referred to as 'planning' and the professionals which operate the system are known as 'planners'....... Planning: Planning is a process for accomplishing purpose. It is blue print of business growth and a road map of development. It helps in deciding objectives both in quantitative and qualitative terms. It is setting of goals on the basis of objectives and keeping in view the resources.

It is a conscious as well as sub-conscious activity. It is "an anticipatory decision making process " that helps in coping with complexities. It is deciding future course of action from amongst alternatives. It is a process that involves making and evaluating each set of interrelated decisions. It is selection of missions, objectives and " translation of knowledge into action."

A planned performance brings better results compared to unplanned one. A Managers' job is planning, monitoring and controlling. Planning and goal setting are important traits of an organization. It is done at all levels of the organization. Planning includes the plan, the thought process, action, and implementation. Planning gives more power over the future. Planning is deciding in advance what to do, how to do it, when to do it, and who should do it. It bridges the gap from where the organization is to where it wants to be. The planning function involves establishing goals and arranging them in logical order.

Purpose of Plan

Just as no two organizations are alike, so also their plans. It is therefore important to prepare a plan keeping in view the necessities of the enterprise. A plan is important aspect of business. It serves following three critical functions: Helps management to clarify, focus and research their businesses or project's development and prospects. Provides a considered and logical framework within which a business can develop and pursue business strategies over the next three to five years. Offers a benchmark against which actual performance can be measured and reviewed.

How a plan should be?

A plan should be a realistic view of the expectations. Depending upon the activities, a plan can be Long Range, Intermediate range and of Short range. It the framework within which it must operate. For management seeking external support, the plan is the most important document and key to growth. Preparation of a comprehensive plan will not guarantee success, but lack of a sound plan will, almost certainly, ensures failure.

Importance of the planning Process

A plan can play a vital role in helping to avoid mistakes or recognize hidden opportunities. Preparing a satisfactory plan of the organization is essential. The planning process enables management to understand more clearly what they want to achieve, and how and when they can do it.

A well-prepared business plan demonstrates that the managers know the business and that they have thought through its development in terms of products, management, finances, and most importantly, markets and competition.

Planning helps in forecasting the future, makes the future visible to some extent, it bridges between where are we and where we want to go. planning is looking ahead.

Preparing Plan

Planning is not done off hand. It is prepared after careful and extensive research. For a comprehensive business plan, management has to:

1. Clearly define the target / goal in writing.
2. It should be set by person having authority.
3. The goal should be realistic.
4. Specific.
5. Acceptability.
6. Easily measurable.
7. Identify all the main issues, which need to be addressed.
8. Review past performance.
9. Decide budgetary requirement.
10. Focus on matters of strategic importance.
11. What are requirements and how will it be met?
12. What will be the likely length of the plan and its structure?
13. Identify Shortcomings in the concept and gaps.
14. Strategies for implementation.
15. Review periodically.

In organizations

Planning is also a management function, concerned with defining goals for future organizational performance and deciding on the tasks and resources to be used in order to attain those goals. To meet the goals, managers may develop plans such as a business plan or a marketing plan. Planning always has a purpose. The purpose may be achievement of certain goals or targets. The planning helps to achieve these goals or target by using the available time and resources. To minimize the timing and resources also require proper planning.

Завдання 4
STRATEGIC MANAGEMENT

Strategic management is the art and science of formulating, implementing and evaluating cross-functional decisions that will enable an organization to achieve its objectives. It is the process of specifying the organization's objectives, developing policies and plans to achieve these objectives, and allocating resources to implement the policies and plans to achieve the organization's objectives. Strategic management, therefore, combines the activities of the various functional areas of a business to achieve organizational objectives. It is the highest level of managerial

activity, usually formulated by the Board of directors and performed by the organization's Chief Executive Officer (CEO) and executive team. Strategic management provides overall direction to the enterprise and is closely related to the field of Organization Studies.

"Strategic management is an ongoing process that assesses the business and the industries in which the company is involved; assesses its competitors and sets goals and strategies to meet all existing and potential competitors; and then reassesses each strategy annually or quarterly [*i.e.* regularly] to determine how it has been implemented and whether it has succeeded or needs replacement by a new strategy to meet changed circumstances, new technology, new competitors, a new economic environment., or a new social, financial, or political environment." (Lamb, 1984)

There are many software products available in the market that process and report organisational data and which aid in strategic management — e.g. SAP, SEM, SAS etc.

<p align="center">**Processes**</p>

Strategic management is a combination of three main processes which are as follows:

<p align="center">**Strategy formulation**</p>

- Performing a situation analysis, self-evaluation and competitor analysis: both internal and external; both micro-environmental and macro-environmental.
- Concurrent with this assessment, objectives are set. These objectives should be parallel to a timeline; some are in the short-term and others on the long-term. This involves crafting vision statements (long term view of a possible future), mission statements (the role that the organization gives itself in society), overall corporate objectives (both financial and strategic), strategic business unit objectives (both financial and strategic), and tactical objectives.
- These objectives should, in the light of the situation analysis, suggest a strategic plan. The plan provides the details of how to achieve these objectives.

This three-step strategy formulation process is sometimes referred to as determining where you are now, determining where you want to go, and then determining how to get there. These three questions are the essence of strategic planning. SWOT Analysis: I/O Economics for the external factors and RBV for the internal factors.

Strategy implementation
- Allocation and management of sufficient resources (financial, personnel, time, technology support).
- Establishing a chain of command or some alternative structure (such as cross functional teams).
- Assigning responsibility of specific tasks or processes to specific individuals or groups.
- It also involves managing the process. This includes monitoring results, comparing to benchmarks and best practices, evaluating the efficacy and efficiency of the process, controlling for variances, and making adjustments to the process as necessary.
- When implementing specific programs, this involves acquiring the requisite resources, developing the process, training, process testing, documentation, and integration with (and/or conversion from) legacy processes.

Strategy evaluation
- Measuring the effectiveness of the organizational strategy. It's extremely important to conduct a SWOT analysis to figure out the strengths, weaknesses, opportunities and threats (both internal and external) of the entity in question. This may require to take certain precautionary measures or even to change the entire strategy.

General approaches
In general terms, there are two main approaches, which are opposite but complement each other in some ways, to strategic management:
- **The Industrial Organizational Approach**
  - based on economic theory — deals with issues like competitive rivalry, resource allocation, economies of scale,
  - assumptions — rationality, self discipline behaviour, profit maximization.
- **The Sociological Approach**
  - deals primarily with human interactions,
  - assumptions — bounded rationality, satisfying behaviour, profit sub-optimality.

An example of a company that currently operates this way is Google.

Strategic management techniques can be viewed as bottom-up, top-down, or collaborative processes. In the bottom-up approach, employees submit proposals to their managers who, in turn, funnel the best ideas further up the organization. This is often accomplished by a capital budgeting process. Proposals are assessed using financial criteria such

as return on investment or cost-benefit analysis. Cost underestimation and benefit overestimation are major sources of error. The proposals that are approved form the substance of a new strategy, all of which is done without a grand strategic design or a strategic architect. The top-down approach is the most common by far. In it, the CEO, possibly with the assistance of a strategic planning team, decides on the overall direction the company should take. Some organizations are starting to experiment with collaborative strategic planning techniques that recognize the emergent nature of strategic decisions.

The strategy hierarchy

In most (large) corporations there are several levels of strategy. Strategic management is the highest in the sense that it is the broadest, applying to all parts of the firm. It gives direction to corporate values, corporate culture, corporate goals, and corporate missions. Under this broad corporate strategy there are often functional or business unit strategies.

Functional strategies include marketing strategies, new product development strategies, human resource strategies, financial strategies, legal strategies, supply-chain strategies, and information technology management strategies. The emphasis is on short and medium term plans and is limited to the domain of each department's functional responsibility. Each functional department attempts to do its part in meeting overall corporate objectives, and hence to some extent their strategies are derived from broader corporate strategies.

Many companies feel that a functional organizational structure is not an efficient way to organize activities so they have reengineered according to processes or strategic business units (called SBUs). A **strategic business unit** is a semi-autonomous unit within an organization. It is usually responsible for its own budgeting, new product decisions, hiring decisions, and price setting. An SBU is treated as an internal profit centre by corporate headquarters. Each SBU is responsible for developing its business strategies, strategies that must be in tune with broader corporate strategies.

The "lowest" level of strategy is **operational strategy**. It is very narrow in focus and deals with day-to-day operational activities such as scheduling criteria. It must operate within a budget but is not at liberty to adjust or create that budget. Operational level strategy was encouraged by Peter Drucker in his theory of management by objectives (MBO). Operational level strategies are informed by business level strategies which, in turn,

are informed by corporate level strategies. **Business strategy**, which refers to the aggregated operational strategies of single business firm or that of an SBU in a diversified corporation refers to the way in which a firm competes in its chosen arenas.

Corporate strategy, then, refers to the overarching strategy of the diversified firm. Such corporate strategy answers the questions of "in which businesses should we compete?" and "how does being in one business add to the competitive advantage of another portfolio firm, as well as the competitive advantage of the corporation as a whole?"

Since the turn of the millennium, there has been a tendency in some firms to revert to a simpler strategic structure. This is being driven by information technology. It is felt that knowledge management systems should be used to share information and create common goals. Strategic divisions are thought to hamper this process. Most recently, this notion of strategy has been captured under the rubric of **dynamic strategy**, popularized by the strategic management textbook authored by Carpenter and Sanders. This work builds on that of Brown and Eisenhart as well as Christensen and portrays firm strategy, both business and corporate, as necessarily embracing ongoing strategic change, and the seamless integration of strategy formulation and implementation. Such change and implementation are usually built into the strategy through the staging and pacing facets.

Historical development of strategic management
Birth of strategic management

Strategic management as a discipline originated in the 1950s and 60s. Although there were numerous early contributors to the literature, the most influential pioneers were Alfred D. Chandler, Jr., Philip Selznick, Igor Ansoff, and Peter Drucker.

Alfred Chandler recognized the importance of coordinating the various aspects of management under one all-encompassing strategy. Prior to this time the various functions of management were separate with little overall coordination or strategy. Interactions between functions or between departments were typically handled by a boundary position, that is, there were one or two managers that relayed information back and forth between two departments. Chandler also stressed the importance of taking a long term perspective when looking to the future. In his 1962 groundbreaking work Strategy and Structure, Chandler showed that a long-term coordinated strategy was necessary to give a company structure, direction, and focus. He says it concisely, "structure follows strategy."

In 1957, Philip Selznick introduced the idea of matching the organization's internal factors with external environmental circumstances. This core idea was developed into what we now call SWOT analysis by Learned, Andrews, and others at the Harvard Business School General Management Group. Strengths and weaknesses of the firm are assessed in light of the opportunities and threats from the business environment.

Igor Ansoff built on Chandler's work by adding a range of strategic concepts and inventing a whole new vocabulary. He developed a strategy grid that compared market penetration strategies, product development strategies, market development strategies and horizontal and vertical integration and diversification strategies. He felt that management could use these strategies to systematically prepare for future opportunities and challenges. In his 1965 classic Corporate Strategy, he developed the gap analysis still used today in which we must understand the gap between where we are currently and where we would like to be, then develop what he called "gap reducing actions".

Peter Drucker was a prolific strategy theorist, author of dozens of management books, with a career spanning five decades. His contributions to strategic management were many but two are most important. Firstly, he stressed the importance of objectives. An organization without clear objectives is like a ship without a rudder. As early as 1954 he was developing a theory of management based on objectives. This evolved into his theory of **management by objectives** (MBO). According to Drucker, the procedure of setting objectives and monitoring your progress towards them should permeate the entire organization, top to bottom. His other seminal contribution was in predicting the importance of what today we would call intellectual capital. He predicted the rise of what he called the "knowledge worker" and explained the consequences of this for management. He said that knowledge work is non-hierarchical. Work would be carried out in teams with the person most knowledgeable in the task at hand being the temporary leader.

In 1985, Ellen-Earle Chaffee summarized what she thought were the main elements of strategic management theory by the 1970s:
- Strategic management involves adapting the organization to its business environment.
- Strategic management is fluid and complex. Change creates novel combinations of circumstances requiring unstructured non-repetitive responses.

- Strategic management affects the entire organization by providing direction.
- Strategic management involves both strategy formation (she called it content) and also strategy implementation (she called it process).
- Strategic management is partially planned and partially unplanned.
- Strategic management is done at several levels: overall corporate strategy, and individual business strategies.
- Strategic management involves both conceptual and analytical thought processes.

Growth and portfolio theory

In the 1970s much of strategic management dealt with size, growth, and portfolio theory. The PIMS study was a long term study, started in the 1960s and lasted for 19 years, that attempted to understand the Profit Impact of Marketing Strategies (PIMS), particularly the effect of market share. Started at General Electric, moved to Harvard in the early 1970s, and then moved to the Strategic Planning Institute in the late 1970s, it now contains decades of information on the relationship between profitability and strategy. Their initial conclusion was unambiguous: The greater a company's market share, the greater will be their rate of profit. The high market share provides volume and economies of scale. It also provides experience and learning curve advantages. The combined effect is increased profits. The studies conclusions continue to be drawn on by academics and companies today: "PIMS provides compelling quantitative evidence as to which business strategies work and don't work" — Tom Peters.

The benefits of high market share naturally lead to an interest in growth strategies. The relative advantages of horizontal integration, vertical integration, diversification, franchises, mergers and acquisitions, joint ventures, and organic growth were discussed. The most appropriate market dominance strategies were assessed given the competitive and regulatory environment.

There was also research that indicated that a low market share strategy could also be very profitable. Schumacher (1973), Woo and Cooper (1982), Levenson (1984), and later Traverso (2002) showed how smaller niche players obtained very high returns.

By the early 1980s the paradoxical conclusion was that high market share and low market share companies were often very profitable but

most of the companies in between were not. This was sometimes called the "hole in the middle" problem. This anomaly would be explained by Michael Porter in the 1980s.

The management of diversified organizations required new techniques and new ways of thinking. The first CEO to address the problem of a multi-divisional company was Alfred Sloan at General Motors. GM was decentralized into semi-autonomous "strategic business units" (SBU's), but with centralized support functions.

One of the most valuable concepts in the strategic management of multi-divisional companies was **portfolio theory**. In the previous decade Harry Markowitz and other financial theorists developed the theory of portfolio analysis. It was concluded that a broad portfolio of financial assets could reduce specific risk. In the 1970s marketers extended the theory to product portfolio decisions and managerial strategists extended it to operating division portfolios. Each of a company's operating divisions were seen as an element in the corporate portfolio. Each operating division (also called strategic business units) was treated as a semi-independent profit center with its own revenues, costs, objectives, and strategies. Several techniques were developed to analyze the relationships between elements in a portfolio. B.C.G. Analysis, for example, was developed by the Boston Consulting Group in the early 1970s. This was the theory that gave us the wonderful image of a CEO sitting on a stool milking a **cash cow**. Shortly after that the G.E. multi factoral model was developed by General Electric. Companies continued to diversify until the 1980s when it was realized that in many cases a portfolio of operating divisions was worth more as separate completely independent companies.

Strategic change

In 1970, Alvin Toffler in *Future Shock* described a trend towards accelerating rates of change. He illustrated how social and technological norms had shorter lifespans with each generation, and he questioned society's ability to cope with the resulting turmoil and anxiety. In past generations periods of change were always punctuated with times of stability. This allowed society to assimilate the change and deal with it before the next change arrived. But these periods of stability are getting shorter and by the late 20th century had all but disappeared. In 1980 in *The Third Wave*, Toffler characterized this shift to relentless change as the defining feature of the third phase of civilization (the first two phases being the agricultural and industrial waves). He claimed that the dawn

of this new phase will cause great anxiety for those that grew up in the previous phases, and will cause much conflict and opportunity in the business world. Hundreds of authors, particularly since the early 1990s, have attempted to explain what this means for business strategy.

In 1997, Watts Waker and Jim Taylor called this upheaval a "500 year delta." They claimed these major upheavals occur every 5 centuries. They said we are currently making the transition from the "Age of Reason" to a new chaotic **Age of Access.** Jeremy Rifkin (2000) popularized and expanded this term, "age of access" three years later in his book of the same name.

In 1968, Peter Drucker (1969) coined the phrase **Age of Discontinuity** to describe the way change forces disruptions into the continuity of our lives. In an age of continuity attempts to predict the future by extrapolating from the past can be somewhat accurate. But according to Drucker, we are now in an age of discontinuity and extrapolating from the past is hopelessly ineffective. We cannot assume that trends that exist today will continue into the future. He identifies four sources of discontinuity: new technologies, globalization, cultural pluralism, and knowledge capital.

In 2000, Gary Hamel discussed **strategic decay**, the notion that the value of all strategies, no matter how brilliant, decays over time.

In 1978, Dereck Abell (Abell, D. 1978) described **strategic windows** and stressed the importance of the timing (both entrance and exit) of any given strategy. This has led some strategic planners to build planned obsolescence into their strategies.

In 1989, Charles Handy identified two types of change. **Strategic drift** is a gradual change that occurs so subtly that it is not noticed until it is too late. By contrast, **transformational change** is sudden and radical. It is typically caused by discontinuities (or exogenous shocks) in the business environment. The point where a new trend is initiated is called a **strategic inflection point** by Andy Grove. Inflection points can be subtle or radical.

In 2000, Malcolm Gladwell discussed the importance of the **tipping point**, that point where a trend or fad acquires critical mass and takes off.

In 1983, Noel Tichy recognized that because we are all beings of habit we tend to repeat what we are comfortable with. He wrote that this is a trap that constrains our creativity, prevents us from exploring new ideas, and hampers our dealing with the full complexity of new issues. He developed a systematic method of dealing with change that involved looking at any new issue from three angles: technical and production, political and resource allocation, and corporate culture.

30

In 1990, Richard Pascale (Pascale, R. 1990) wrote that relentless change requires that businesses continuously reinvent themselves. His famous maxim is "Nothing fails like success" by which he means that what was a strength yesterday becomes the root of weakness today, We tend to depend on what worked yesterday and refuse to let go of what worked so well for us in the past. Prevailing strategies become self-confirming. In order to avoid this trap, businesses must stimulate a spirit of inquiry and healthy debate. They must encourage a creative process of self renewal based on constructive conflict.

In 1996, Art Kleiner (1996) claimed that to foster a corporate culture that embraces change, you have to hire the right people; heretics, heroes, outlaws, and visionaries. The conservative bureaucrat that made such a good middle manager in yesterday's hierarchical organizations is of little use today. A decade earlier Peters and Austin (1985) had stressed the importance of nurturing champions and heroes. They said we have a tendency to dismiss new ideas, so to overcome this, we should support those few people in the organization that have the courage to put their career and reputation on the line for an unproven idea.

In 1996, Adrian Slywotsky showed how changes in the business environment are reflected in value migrations between industries, between companies, and within companies. He claimed that recognizing the patterns behind these value migrations is necessary if we wish to understand the world of chaotic change. In "Profit Patterns" (1999) he described businesses as being in a state of **strategic anticipation** as they try to spot emerging patterns. Slywotsky and his team identified 30 patterns that have transformed industry after industry.

In 1997, Clayton Christensen (1997) took the position that great companies can fail precisely because they do everything right since the capabilities of the organization also defines its disabilities. Christensen's thesis is that outstanding companies lose their market leadership when confronted with **disruptive technology**. He called the approach to discovering the emerging markets for disruptive technologies **agnostic marketing**, i.e., marketing under the implicit assumption that no one — not the company, not the customers — can know how or in what quantities a disruptive product can or will be used before they have experience using it.

A number of strategists use scenario planning techniques to deal with change. Kees van der Heijden (1996), for example, says that change and uncertainty make "optimum strategy" determination impossible. We have neither the time nor the information required for such a calculation. The

best we can hope for is what he calls "the most skillful process". The way Peter Schwartz put it in 1991 is that strategic outcomes cannot be known in advance so the sources of competitive advantage cannot be predetermined. The fast changing business environment is too uncertain for us to find sustainable value in formulas of excellence or competitive advantage. Instead, scenario planning is a technique in which multiple outcomes can be developed, their implications assessed, and their likeliness of occurrence evaluated. According to Pierre Wack, scenario planning is about insight, complexity, and subtlety, not about formal analysis and numbers.

In 1988, Henry Mintzberg looked at the changing world around him and decided it was time to reexamine how strategic management was done.[62][63] He examined the strategic process and concluded it was much more fluid and unpredictable than people had thought. Because of this, he could not point to one process that could be called strategic planning. Instead he concludes that there are five types of strategies. They are:

- Strategy as plan — a direction, guide, course of action — intention rather than actual.
- Strategy as ploy — a maneuver intended to outwit a competitor.
- Strategy as pattern — a consistent pattern of past behaviour — realized rather than intended.
- Strategy as position — locating of brands, products, or companies within the conceptual framework of consumers or other stakeholders — strategy determined primarily by factors outside the firm.
- Strategy as perspective — strategy determined primarily by a master strategist.

In 1998, Mintzberg developed these five types of management strategy into 10 "schools of thought". These 10 schools are grouped into three categories. The first group is prescriptive or normative. It consists of the informal design and conception school, the formal planning school, and the analytical positioning school. The second group, consisting of six schools, is more concerned with how strategic management is actually done, rather than prescribing optimal plans or positions. The six schools are the entrepreneurial, visionary, or great leader school, the cognitive or mental process school, the learning, adaptive, or emergent process school, the power or negotiation school, the corporate culture or collective process school, and the business environment or reactive school. The third and final group consists of one school, the configuration or transformation school, an hybrid of the other schools organized into stages, organizational life cycles, or "episodes".

In 1999, Constantinos Markides also wanted to reexamine the nature of strategic planning itself. He describes strategy formation and implementation as an on-going, never-ending, integrated process requiring continuous reassessment and reformation. Strategic management is planned and emergent, dynamic, and interactive. J. Moncrieff (1999) also stresses strategy dynamics. He recognized that strategy is partially deliberate and partially unplanned. The unplanned element comes from two sources: **emergent strategies** (result from the emergence of opportunities and threats in the environment) and **Strategies in action** (ad hoc actions by many people from all parts of the organization).

Some business planners are starting to use a complexity theory approach to strategy. Complexity can be thought of as chaos with a dash of order. Chaos theory deals with turbulent systems that rapidly become disordered. Complexity is not quite so unpredictable. It involves multiple agents interacting in such way that a glimpse of structure may appear. Axelrod, R., Holland, J., and Kelly, S. and Allison, M.A., call these systems of multiple actions and reactions **complex adaptive systems**. Axelrod asserts that rather than fear complexity, business should harness it. He says this can best be done when "there are many participants, numerous interactions, much trial and error learning, and abundant attempts to imitate each others' successes". In 2000, E. Dudik wrote that an organization must develop a mechanism for understanding the source and level of complexity it will face in the future and then transform itself into a complex adaptive system in order to deal with it.

Information and technology driven strategy

Peter Drucker had theorized the rise of the "knowledge worker" back in the 1950s. He described how fewer workers would be doing physical labour, and more would be applying their minds. In 1984, John Nesbitt theorized that the future would be driven largely by information: companies that managed information well could obtain an advantage, however the profitability of what he calls the "information float" (information that the company had and others desired) would all but disappear as inexpensive computers made information more accessible.

Daniel Bell (1985) examined the sociological consequences of information technology, while Gloria Schuck and Shoshana Zuboff looked at psychological factors. Zuboff, in her five year study of eight pioneering corporations made the important distinction between "automating technologies" and "infomating technologies". She studied the effect that both had on individual workers, managers, and organizational structures.

She largely confirmed Peter Drucker's predictions three decades earlier, about the importance of flexible decentralized structure, work teams, knowledge sharing, and the central role of the knowledge worker. Zuboff also detected a new basis for managerial authority, based not on position or hierarchy, but on knowledge (also predicted by Drucker) which she called "participative management".

In 1990, Peter Senge, who had collaborated with Arie de Geus at Dutch Shell, borrowed de Geus' notion of the **learning organization**, expanded it, and popularized it. The underlying theory is that a company's ability to gather, analyze, and use information is a necessary requirement for business success in the information age. (See organizational learning.) In order to do this, Senge claimed that an organization would need to be structured such that:

- people can continuously expand their capacity to learn and be productive;
- new patterns of thinking are nurtured;
- collective aspirations are encouraged, and;
- people are encouraged to see the "whole picture" together.

Senge identified five components of a learning organization. They are:

- Personal responsibility, self reliance, and mastery — We accept that we are the masters of our own destiny. We make decisions and live with the consequences of them. When a problem needs to be fixed, or an opportunity exploited, we take the initiative to learn the required skills to get it done.
- Mental models — We need to explore our personal mental models to understand the subtle effect they have on our behaviour.
- Shared vision — The vision of where we want to be in the future is discussed and communicated to all. It provides guidance and energy for the journey ahead.
- Team learning — We learn together in teams. This involves a shift from "a spirit of advocacy to a spirit of enquiry".
- Systems thinking — We look at the whole rather than the parts. This is what Senge calls the "Fifth discipline". It is the glue that integrates the other four into a coherent strategy. For an alternative approach to the "learning organization", see Garratt, B. (1987).

Since 1990 many theorists have written on the strategic importance of information, including J.B. Quinn, J. Carlos Jarillo, D.L. Barton, Manuel Castells, J.P. Lieleskin, Thomas Stewart, K.E. Sveiby, Gilbert J. Probst, and Shapiro and Varian to name just a few.

Thomas A. Stewart, for example, uses the term **intellectual capital** to describe the investment an organization makes in knowledge. It is comprised of human capital (the knowledge inside the heads of employees), customer capital (the knowledge inside the heads of customers that decide to buy from you), and structural capital (the knowledge that resides in the company itself).

Manuel Castells, describes a **network society** characterized by: globalization, organizations structured as a network, instability of employment, and a social divide between those with access to information technology and those without.

Stan Davis and Christopher Meyer (1998) have combined three variables to define what they call the **BLUR equation**. The speed of change, Internet connectivity, and intangible knowledge value, when multiplied together yields a society's rate of BLUR. The three variables interact and reinforce each other making this relationship highly non-linear.

Regis McKenna posits that life in the high tech information age is what he called a "real time experience". Events occur in real time. To ever more demanding customers "now" is what matters. Pricing will more and more become variable pricing changing with each transaction, often exhibiting first degree price discrimination. Customers expect immediate service, customized to their needs, and will be prepared to pay a premium price for it. He claimed that the new basis for competition will be **time based competition**.

Geoffrey Moore (1991) and R. Frank and P. Cook also detected a shift in the nature of competition. In industries with high technology content, technical standards become established and this gives the dominant firm a near monopoly. The same is true of networked industries in which interoperability requires compatibility between users. An example is word processor documents. Once a product has gained market dominance, other products, even far superior products, cannot compete. Moore showed how firms could attain this enviable position by using E.M. Rogers five stage adoption process and focusing on one group of customers at a time, using each group as a base for marketing to the next group. The most difficult step is making the transition between visionaries and pragmatists (See Crossing the Chasm). If successful a firm can create a bandwagon effect in which the momentum builds and your product becomes a de facto standard.

Evans and Wurster describe how industries with a high information component are being transformed. They cite Encarta's demolition of the Encyclopedia Britannica (whose sales have plummeted 80 % since their

peak of $650 million in 1990). Many speculate that Encarta's reign will be short-lived. Evans also mentions the music industry which is desperately looking for a new business model. The upstart information savvy firms, unburdened by cumbersome physical assets, are changing the competitive landscape, redefining market segments, and disintermediating some channels. One manifestation of this is personalized marketing. Information technology allows marketers to treat each individual as its own market, a market of one. Traditional ideas of market segments will no longer be relevant if personalized marketing is successful.

The technology sector has provided some strategies directly. For example, from the software development industry agile software development provides a model for shared development processes.

Access to information systems have allowed senior managers to take a much more comprehensive view of strategic management than ever before. The most notable of the comprehensive systems is the balanced scorecard approach developed in the early 1990's by Drs. Robert S. Kaplan (Harvard Business School) and David Norton (Kaplan, R. and Norton, D. 1992). It measures several factors financial, marketing, production, organizational development, and new product development in order to achieve a 'balanced' perspective.

The psychology of strategic management

Several psychologists have conducted studies to determine the psychological patterns involved in strategic management. Typically senior managers have been asked how they go about making strategic decisions. A 1938 treatise by Chester Barnard, that was based on his own experience as a business executive, sees the process as informal, intuitive, non-routinized, and involving primarily oral, 2-way communications. Bernard says "The process is the sensing of the organization as a whole and the total situation relevant to it. It transcends the capacity of merely intellectual methods, and the techniques of discriminating the factors of the situation. The terms pertinent to it are "feeling", "judgement", "sense", "proportion", "balance", "appropriateness". It is a matter of art rather than science."

In 1973, Henry Mintzberg found that senior managers typically deal with unpredictable situations so they strategize in *ad hoc*, flexible, dynamic, and implicit ways. He says, "The job breeds adaptive information-manipulators who prefer the live concrete situation. The manager works in an environment of stimulous-response, and he develops in his work a clear preference for live action."

In 1982, John Kotter studied the daily activities of 15 executives and concluded that they spent most of their time developing and working a network of relationships from which they gained general insights and specific details to be used in making strategic decisions. They tended to use "mental road maps" rather than systematic planning techniques.

Daniel Isenberg's 1984 study of senior managers found that their decisions were highly intuitive. Executives often sensed what they were going to do before they could explain why. He claimed in 1986 that one of the reasons for this is the complexity of strategic decisions and the resultant information uncertainty.

Shoshana Zuboff (1988) claims that information technology is widening the divide between senior managers (who typically make strategic decisions) and operational level managers (who typically make routine decisions). She claims that prior to the widespread use of computer systems, managers, even at the most senior level, engaged in both strategic decisions and routine administration, but as computers facilitated (She called it "deskilled") routine processes, these activities were moved further down the hierarchy, leaving senior management free for strategic decions making.

In 1977, Abraham Zaleznik identified a difference between leaders and managers. He describes leadershipleaders as visionaries who inspire. They care about substance. Whereas managers are claimed to care about process, plans, and form. He also claimed in 1989 that the rise of the manager was the main factor that caused the decline of American business in the 1970s and 80s. Lack of leadership is most damaging at the level of strategic management where it can paralyze an entire organization.

According to Corner, Kinichi, and Keats, strategic decision making in organizations occurs at two levels: individual and aggregate. They have developed a model of parallel strategic decision making. The model identifies two parallel processes both of which involve getting attention, encoding information, storage and retrieval of information, strategic choice, strategic outcome, and feedback. The individual and organizational processes are not independent however. They interact at each stage of the process.

Reasons why strategic plans fail

There are many reasons why strategic plans fail, especially:
- Failure to understand the customer;
- Why do they buy;
- Is there a real need for the product;

- Inadequate or incorrect marketing research;
- Inability to predict environmental reaction;
- What will competitors do;
- Fighting brands;
- Price wars;
- Will government intervene;
- Over-estimation of resource competence;
- Can the staff, equipment, and processes handle the new strategy;
- Failure to develop new employee and management skills;
- Failure to coordinate;
- Reporting and control relationships not adequate;
- Organizational structure not flexible enough;
- Failure to obtain senior management commitment;
- Failure to get management involved right from the start;
- Failure to obtain sufficient company resources to accomplish task;
- Failure to obtain employee commitment;
- New strategy not well explained to employees;
- No incentives given to workers to embrace the new strategy;
- Under-estimation of time requirements;
- No critical path analysis done;
- Failure to follow the plan;
- No follow through after initial planning;
- No tracking of progress against plan;
- No consequences for above;
- Failure to manage change;
- Inadequate understanding of the internal resistance to change;
- Lack of vision on the relationships between processes, technology and organization;
- Poor communications;
- Insufficient information sharing among stakeholders;
- Exclusion of stakeholders and delegates.

Criticisms of strategic management

Although a sense of direction is important, it can also stifle creativity, especially if it is rigidly enforced. In an uncertain and ambiguous world, fluidity can be more important than a finely tuned strategic compass. When a strategy becomes internalized into a corporate culture, it can lead to group think. It can also cause an organization to define itself too narrowly. An example of this is marketing myopia.

Many theories of strategic management tend to undergo only brief periods of popularity. A summary of these theories thus inevitably exhibits survivorship bias (itself an area of research in strategic management). Many theories tend either to be too narrow in focus to build a complete corporate strategy on, or too general and abstract to be applicable to specific situations. Populism or faddishness can have an impact on a particular theory's life cycle and may see application in inappropriate circumstances. See business philosophies and popular management theories for a more critical view of management theories.

In 2000, Gary Hamel coined the term **strategic convergence** to explain the limited scope of the strategies being used by rivals in greatly differing circumstances. He lamented that strategies converge more than they should, because the more successful ones get imitated by firms that do not understand that the strategic process involves designing a custom strategy for the specifics of each situation.

Ram Charan, aligning with a popular marketing tagline, believes that strategic planning must not dominate action. "Just do it!", while not quite what he meant, is a phrase that nevertheless comes to mind when combatting analysis paralysis.

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Завдання 5
DELEGATION

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***Read, translate and render the task. Write a short summary
of the topic***

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It is the assignment of authority and responsibility to another person (normally from a manager to a subordinate) to carry out specific activities. However the person who delegated the work remains accountable for the outcome of the delegate work. It allows a subordinate to make decisions, i.e. it is a shift of decision-making authority from one organizational level to a lower one. Delegation, if properly done, is not abdication. The opposite of effective delegation is micromanagement, where a manager provides too much input, direction, and review of 'delegated' work.

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Delegation Theories

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types of delegation:
- Allocating authority to issue orders.
- Entrusting tasks to subordinates.
- Allocating decision making in defined areas.

Several theories stemming from economics and politics have sought to explain delegation, both in terms of why it is undertaken in the first instance and how it functions.

Tarn Agent — Theory

When in receipt of an unwieldy task that one could possibly delegate, it is the rapid, almost knee-jerk-reflex to pass this onto a colleague or subordinate. Especially valid in the hours leading up to 5.00 p.m.

Principal — Agent Theory

Principal-Agent theory conceives of delegation as involving firstly a 'principal' who for a particular reason decides to delegate authority over a particular policy area (for example) to another actor or organisation — the 'agent'. It is generally conceived of as more of a framework than a predictive theory and it incorporates a wide variety of forms. Generally speaking there have been two areas of primary focus, firstly that concerned with 'agency loss' which roughly corresponds to the extent to which decisions/policy outcomes arrived at by the agent differ from the goals of the principal. This in turn leads to theories concerning how to minimise agency loss whilst maintaining the benefits of delegation. Such theories tend to emphasise the use of ex ante and ex post controls which can help ensure compliance, though every principal-agent approach stresses that principals and agents always have separate interests and as such a beneficial delegation will always result in some element of agency loss.

Secondly there is the focus on 'informational asymmetries' whereby the agent is assumed to possess an advantage in terms of expertise in the particular area which it is delegated authority in. For instance if a local government decided to delegate refuse collection to a private firm, after a suitable amount of time the private firm would possess expertise in this area that would put it in an advantageous position relative to the principal. As such the agent could use this informational advantage to shape the relations between themselves and the principal to achieve more favourable outcomes — for instance the principal in this example may not know exactly how much funds are required to carry out the task of refuse collection effectively and will rely on the agent to provide them with this information, as such the agent is given the opportunity to extract more funds than is necessary to carry out the task.

Carltona Principle

Used by the UK civil service. In summary the principle supports delegation of authority but not responsibility.

Section 1 of the civil service act 1992 allows delegation to take place, but limits the powers to do so in three ways —

- the functions to be delegated must be management functions;
- they must have been the subject of Transfer of Functions Orders; and
- they must relate to the management of the Civil Service.

Most delegations are made under this section of the Act. However for the minority of civil servants whose terms and conditions of service are determined under powers in primary legislation which govern the organisations in which they work Section 2 of the ACt applies. The statutes in these cases usually require Ministers and statutory office holders to obtain the consent of the Minister for the Civil Service to the terms and conditions of their staff. The Civil Service (Management Functions) Act 1992 allows the Minister for the Civil Service to authorise the exercise of these powers without his consent. The policy has been to delegate to Ministers who can then authorise an official (e.g. Permanent Secretary, Chief Executive) to exercise the function in his name under the Carltona principle.

The Principle allows a person in whom a power is vested to authorise another person to exercise that power for and on his or her behalf. It is essential to note at the outset that a person exercising a power for and on behalf of another does so as the 'agent' or 'alter ego' of the person in whom the power is vested. That is, the act of the authorised person is, at law, the act of the person in whom the power is vested. This is fundamentally different from the act of a delegate which, at law, is the delegate's and not the delegator's act.

The case most often cited as authority for the proposition that a person may authorise another to exercise a power for and on his or her behalf is Carltona Ltd v Commissioners of Works 1943. This was a wartime case dealing with the requisition by the Government of a factory which manufactured food products. In Carltona, the English Court of Appeal considered whether a Minister had to exercise personally a power to take possession of land, or whether the power could be exercised by one of the Minister's departmental officials for and on behalf of the Minister.

The court concluded that the power in question could be exercised by a departmental official for and on behalf of the Minister. The court's reasoning indicates that there are two grounds which justify a Minister being able to authorise an officer to exercise a power vested in the Minister — the Minister is ultimately responsible to Parliament for the decision of an authorised officer; and in modern government, Ministers

have so many functions and powers that administrative necessity dictates that they act through duly authorised officers.

Delegation as a credible commitment

This section of the literature has purported to explain delegation as a solution to the problem of 'credible commitments'. In short this states that in certain situations an actor will choose to delegate authority to another actor or organisation in order to constrain their own behaviour and provide credibility to a particular obligation they have entered into. To give one of the sillier examples present in the literature there is that of three blind men left alone in a room with a cake. They all enter into a pact that none of them will eat the cake, but as nobody is capable of enforcing this agreement they decide to delegate authority to one of their friends who can watch over them to ensure nobody breaks their commitment and sneaks off with a slice. In this way delegating authority is seen as overcoming collective action problems.

This theory has been applied most prominently in the context of democratic pressures which impact on a government's ability to uphold international agreements. Two factors are seen as causing this problem, firstly the problem of 'time inconsistency' whereby what is the best short-term solution to a problem may be different from the optimal long-term solution. In this instance a government may agree to carry out the long term course of action, but when faced with the pressures of winning an election will resort to the short term course of action which undermines the agreement. To overcome this problem the government will delegate authority to an actor or organisation so as to ensure that the correct long term policy is carried out even when it is not electorally desirable. Secondly there is the problem of 'political property rights' which refers to the fact that as democracies have the potential to replace one government with another government who support opposing policies, the agreements made by one government must be somehow enforced by an independent authority so that they constrain future governments from breaking them.

Applications of Delegation Theory
Independent Central Banks and Non Majoritarian Institutions

One of the most important areas where delegation theories have been applied has been in the debate over the merits of Independent Central Banks (ICBs) such as the Bank of England or the European Central Bank. This debate has corresponded to the theories of credible commitments and can be understood as a solution to problems posed by the two

democratic pressure problems mentioned above where monetary policy is concerned. Those in favour of the creation of ICBs have primarily focused on interest rates and have argued that democratic pressures tend to have an inflationary effect as governments will often be tempted to advocate higher interest rates immediately prior to an election so as to manufacture short term booms in the economy and boost their support — but to the detriment of long term economic health. A variant of this argument is that as most democracies incorporate two main parties split on economic policy between left and right, the party of the left winning power will often result in damaging inflation raising policies immediately after the election in an effort to distance itself from the previous government. A solution to these problems has naturally been sought in the creation of an independent institution which can decide interest rates outside of the influence of democratic pressures — the ICB.

This argument has been highly influential and the number of ICBs has risen dramatically since the 1980s however it is not without its critics. Many scholars (for instance Kathleen Mcnamara) have questioned the premisses of the ICB argument, making the case that democratic pressures will not result in high inflation and that high inflation is not inherently bad for the economy long term. Broadly speaking the empirical evidence on these points has tended to be inconclusive for both sides. An alternative criticism has come from certain branches of New institutionalism who have sought to explain the increase in ICBs not by the 'rational' argument outlined above, but as a process of symbolism, where governments will create ICBs because they are seen to be respectable institutions by other actors, particularly by foreign investors who, it is argued, will view a country with an ICB as a modern state worthy of investment.

The European Union

Delegation theories have also been applied extensively in studies of the European Union. The dominant approach has undoubtedly been the principal-agent approach, but there have also been variations from the classic form by intergovernmentalist approaches and the 'fiduciary' model laid out by Giandomenico Majone.

Andrew Moravcsik is perhaps the most prominent intergovernmentalist theorist who has written on delegation and his work can essentially be thought of as applying the principal-agent model in a manner which stresses minimal agency loss. The model is not a simple principal-agent model however, as he conceives of the EU as delegation on three levels.

Firstly there is the delegation from European electorates to national governments (who in this sense act as agents), secondly there is the delegation from national governments (who now act as principals) to European institutions such as the European Commission. Moravcsik has been particularly interested in the informational asymmetries which arise from delegation in the European Union and has argued that whilst there is minimal agency loss between the national governments and the European institutions, the national governments gain significant informational advantages over European electorates which allow them to carry out policies at home which they would not be able to do in the absence of the European Union. In this sense the delegation process strengthens the national governments rather than weakening them (as is traditionally assumed where the European Union is concerned). This has nevertheless been seen as inconsistent by some scholars (for instance Mark Pollack) who take issue with the assertion that informational advantages only allow national governments to gain freedom from European electorates and that the same principle applies with European institutions gaining an advantage over their principals through informational asymmetries.

In contrast Giandomenico Majone has formulated a theory of delegation which stresses the importance of credibility problems in the decision to delegate to European institutions. Not only is this explained as a mechanism to ensure member states comply with treaty obligations, but employing similar logic as that used in the ICB debates he makes a defence against democratic deficit arguments which advocate a directly elected European Commission. Much in the same way as in the ICB debate democratic pressures are seen as impacting negatively on what is a primarily regulatory institution and as such for Majone the Commission should be insulated from democratic pressures if it is to fulfil its functions effectively.

Завдання 6
DECISION MAKING

Read, translate and render the task. Write a short summary of the topic

Decision making can be regarded as an outcome of mental processes (cognitive process) leading to the selection of a course of action among several alternatives. Every decision making process produces a final choice. The output can be an action or an opinion.

Human performance in decision making terms has been subject of active research from several perspectives. From a psychological perspective, it is

necessary to examine individual decisions in the context of a set of needs, preferences an individual has and values he/she seeks. From a cognitive perspective, the decision making process must be regarded as a continuous process integrated in the interaction with the environment. From a normative perspective, the analysis of individual decisions is concerned with the logic of decision making and rationality and the invariant choice it leads to.

Yet, at another level, it might be regarded as a problem solving activity which is terminated when a satisfactory solution is found. Therefore, decision making is a reasoning or emotional process which can be rational or irrational, can be based on explicit assumptions or tacit assumptions.

Decision making is said to have an intentional component. This means that although we can never "see" a decision, we can infer from observable behaviour that a decision has been made to act in a particular way. Therefore, we conclude that a psychological event that we call "decision making" has occurred. It is a construction that imputes commitment to action. That is, based on observable actions, we assume that people have made a commitment to affect the particular action.

Logical decision making is an important part of all science-based professions, where specialists apply their knowledge in a given area to making informed decisions. For example, medical decision making often involves making a diagnosis and selecting an appropriate treatment. Some research using naturalistic methods shows, however, that in situations with higher time pressure, higher stakes, or increased ambiguities, experts use intuitive decision making rather than structured approaches, following a recognition primed decision approach to fit a set of indicators into the expert's experience and immediately arrive at a satisfactory course of action without weighing alternatives. Also, recent robust decision efforts have formally integrated uncertainty into the decision making process.

Factors influencing decision making processes

According to behavioralist Isabel Briggs Myers, a person's decision making process depends on a significant degree on their cognitive style. Myers developed a set of four bi-polar dimensions, called the Myers-Briggs Type Indicator (MBTI). The terminal points on these dimensions are: *thinking* and *feeling*; *extroversion* and *introversion*; *judgement* and *perception*; and *sensing* and *intuition*. She claimed that a person's decision making style is based largely on how they score on these four dimensions. For example, someone who scored near the thinking, extroversion, sensing,

and judgement ends of the dimensions would tend to have a logical, analytical, objective, critical, and empirical decision making style.

Other studies suggest that these national or cross-cultural differences exist across entire societies. For example, Maris Martinsons has found that American, Japanese and Chinese business leaders each exhibit a distinctive national style of decision making.

Cognitive and personal biases

Some of the decision making techniques that we use in everyday life include:

- listing the advantages and disadvantages of each option, popularized by Plato and Benjamin Franklin;
- flipping a coin, cutting a deck of playing cards, and other random or coincidence methods;
- accepting the first option that seems like it might achieve the desired result;
- prayer, tarot cards, astrology, augurs, revelation, or other forms of divination;
- acquiesce to a person in authority or an "expert";
- calculating the expected value or utility for each option.

For example, a person is considering two jobs. At the first job option the person has a 60 % chance of getting a 30 % percent raise in the first year. And at the second job option the person has an 80 % chance of getting a 10 % raise in the first year. The decision maker would calculate the expected value of each option, calculating the probability multiplied by the increase of value. (0,60*0,30=0,18 [option a] 0,80*0,10=0,08 [option b]) The person deciding on the job would chose the option with the highest expected value, in this example option number one. An alternative may be to apply one of the processes described below, in particular in the Business and Management section.

Biases can creep into our decision making processes. Many different people have made a decision about the same question (*e.g.* "Should I have a doctor look at this troubling breast cancer symptom I've discovered?" "Why did I ignore the evidence that the project was going over budget?") and then craft potential cognitive interventions aimed at improving decision making outcomes.

Below is a list of some of the more commonly debated cognitive biases.

- Selective search for evidence (a.k.a. Confirmation bias in psychology) (Plous, 1993) — We tend to be willing to gather facts

that support certain conclusions but disregard other facts that support different conclusions.

- Premature termination of search for evidence — We tend to accept the first alternative that looks like it might work.
- Inertia — Unwillingness to change thought patterns that we have used in the past in the face of new circumstances.
- Selective perception — We actively screen-out information that we do not think is salient. (See prejudice.)
- Wishful thinking or optimism bias — We tend to want to see things in a positive light and this can distort our perception and thinking.
- Choice-supportive bias occurs when we distort our memories of chosen and rejected options to make the chosen options seem relatively more attractive.
- Recency — We tend to place more attention on more recent information and either ignore or forget more distant information. (See semantic priming.) The opposite effect in the first set of data or other information is termed Primacy effect (Plous, 1993).
- Repetition bias — A willingness to believe what we have been told most often and by the greatest number of different of sources.
- Anchoring and adjustment — Decisions are unduly influenced by initial information that shapes our view of subsequent information.
- Group think — Peer pressure to conform to the opinions held by the group.
- Source credibility bias — We reject something if we have a bias against the person, organization, or group to which the person belongs: We are inclined to accept a statement by someone we like. (See prejudice.)
- Incremental decision making and escalating commitment — We look at a decision as a small step in a process and this tends to perpetuate a series of similar decisions. This can be contrasted with **zero-based decision making**. (See slippery slope.)
- Attribution asymmetry — We tend to attribute our success to our abilities and talents, but we attribute our failures to bad luck and external factors. We attribute other's success to good luck, and their failures to their mistakes.
- Role fulfillment (Self Fulfilling Prophecy) — We conform to the decision making expectations that others have of someone in our position.

- Underestimating uncertainty and the illusion of control — We tend to underestimate future uncertainty because we tend to believe we have more control over events than we really do. We believe we have control to minimize potential problems in our decisions.

Neuroscience perspective of decision making

The anterior cingulate cortex (ACC) and orbitofrontal cortex are brain regions involved in decision making processes. A recent neuroimaging study, *Interactions between decision making and performance monitoring within prefrontal cortex*, found distinctive patterns of neural activation in these regions depending on whether decisions were made on the basis of personal volition or following directions from someone else.

Another recent study by *Kennerly, et al.* (2006) found that lesions to the ACC in the macaque resulted in impaired decision making in the long run of reinforcement guided tasks suggesting that the ACC is responsible for evaluating past reinforcement information and guiding future action.

Emotion appears to aid the decision making process:

- Decision making often occurs in the face of uncertainty about whether one's choices will lead to benefit or harm (see also Risk). The somatic-marker hypothesis is a neurobiological theory of how decisions are made in the face of uncertain outcome. This theory holds that such decisions are aided by emotions, in the form of bodily states, that are elicited during the deliberation of future consequences and that mark different options for behavior as being advantageous or disadvantageous. This process involves an interplay between neural systems that elicit emotional/bodily states and neural systems that map these emotional/bodily states.

Styles and methods of decision making
Positional and combinational styles

Styles and methods of decision making were elaborated by the founder of Predispositioning Theory, Aron Katsenelinboigen. In his analysis on styles and methods Katsenelinboigen referred to the game of chess, saying that "chess does disclose various methods of operation, notably the creation of predisposition—methods which may be applicable to other, more complex systems."

In his book Katsenelinboigen states that apart from the methods (reactive and selective) and sub-methods (randomization, predispositioning, programming), there are two major styles — positional and combinational. Both styles are utilized in the game of chess. According to Katsenelinboigen,

the two styles reflect two basic approaches to the uncertainty: deterministic (combinational style) and indeterministic (positional style). Katsenelinboigen's definition of the two styles are the following.

The combinational style is characterized by
- a very narrow, clearly defined, primarily material goal, and
- a program that links the initial position with the final outcome.

In defining the combinational style in chess, Katsenelinboigen writes:

The combinational style features a clearly formulated limited objective, namely the capture of material (the main constituent element of a chess position). The objective is implemented via a well defined and in some cases in a unique sequence of moves aimed at reaching the set goal. As a rule, this sequence leaves no options for the opponent. Finding a combinational objective allows the player to focus all his energies on efficient execution, that is, the player's analysis may be limited to the pieces directly partaking in the combination. This approach is the crux of the combination and the combinational style of play.

The positional style is distinguished by
- a positional goal and
- a formation of semi-complete linkages between the initial step and final outcome.

"Unlike the combinational player, the positional player is occupied, first and foremost, with the elaboration of the position that will allow him to develop in the unknown future. In playing the positional style, the player must evaluate relational and material parameters as independent variables. (...) The positional style gives the player the opportunity to develop a position until it becomes pregnant with a combination. However, the combination is not the final goal of the positional player — it helps him to achieve the desirable, keeping in mind a predisposition for the future development. The Pyrrhic victory is the best example of one's inability to think positionally."

The positional style serves to
a) create a predisposition to the future development of the position;
b) induce the environment in a certain way;
c) absorb an unexpected outcome in one's favor;
d) avoid the negative aspects of unexpected outcomes.

The positional style gives the player the opportunity to develop a position until it becomes pregnant with a combination. Katsenelinboigen writes:

"As the game progressed and defense became more sophisticated the combinational style of play declined. The positional style of chess does

not eliminate the combinational one with its attempt to see the entire program of action in advance. The positional style merely prepares the transformation to a combination when the latter becomes feasible."

MOTIVATIONAL THEORIES

Read, translate and render the task. Write a short summary of the topic

Drive Reduction Theories

There are a number of drive theories. The **Drive Reduction Theory** grows out of the concept that we have certain biological needs, such as hunger. As time passes the strength of the drive increases as it is not satisfied. Then as we satisfy that drive by fulfilling its desire, such as eating, the drive's strength is reduced. It is based on the theories of Freud and the idea of feedback control systems, such as a thermostat.

There are several problems, however, that leave the validity of the Drive Reduction Theory open for debate. The first problem is that it does not explain how Secondary Reinforcers reduce drive. For example, money does not satisfy any biological or psychological need but reduces drive on a regular basis through a pay check second-order conditioning. Secondly, if the drive reduction theory held true we would not be able to explain how a hungry human being can prepare a meal without eating the food before they finished cooking it.

However, when comparing this to a real life situation such as preparing food, one does get hungrier as the food is being made (drive increases), and after the food has been consumed the drive decreases. The only reason the food does not get eaten before is the human element of restraint and has nothing to do with drive theory. Also, the food will either be nicer after it is cooked, or it won't be edible at all before it is cooked.

Cognitive dissonance theory

Suggested by Leon Festinger, this occurs when an individual experiences some degree of discomfort resulting from an incompatibility between two cognitions. For example, a consumer may seek to reassure himself regarding a purchase, feeling, in retrospect, that another decision may have been preferable.

Another example of cognitive dissonance is when a belief and a behavior are in conflict. A person may believe smoking is bad for one's health and yet continues to smoke.

Affective-Arousal Theories
Need Achievement Theory

David McClelland's **achievement motivation theory** envisions that a person has a need for three things, but differs in degrees to which the various needs influence their behavior: Need for achievement, Need for power, and Need for affiliation.

Interests Theory

Holland Codes are used in the assessment of interests as in Vocational Preference Inventory (VPI; Holland, 1985). One way to look at interests is that if a person has a strong interest in one of the 6 Holland areas, then obtaining outcomes in that area will be strongly reinforcing relative to obtaining outcomes in areas of weak interest.

Need Theories
Need Hierarchy Theory

Abraham Maslow's hierarchy of human needs theory is the most widely discussed theory of motivation.

The theory can be summarized as thus:

- Human beings have wants and desires which influence their behavior; only unsatisfied needs can influence behavior, satisfied needs cannot.
- Since needs are many, they are arranged in order of importance, from the basic to the complex.
- The person advances to the next level of needs only after the lower level need is at least minimally satisfied.
- The further the progress up the hierarchy, the more individuality, humanness and psychological health a person will show.

The needs, listed from basic (lowest, earliest) to most complex (highest, latest) are as follows:

- physiological,
- safety and security,
- social,
- self esteem,
- self actualization.

Herzberg's two-factor theory

Frederick Herzberg's two-factor theory, aka intrinsic/extrinsic motivation, concludes that certain factors in the workplace result in job satisfaction, but if absent, lead to dissatisfaction.

He distinguished between:

- **Motivators**; (e.g. challenging work, recognition, responsibility) which give positive satisfaction, *and*
- **Hygiene factors**; (e.g. status, *job security*, *salary* and fringe benefits) that do not motivate if present, but, if absent, result in demotivation.

The name Hygiene factors is used because, like hygiene, the presence will not make you healthier, but absence can cause health deterioration.

The theory is sometimes called the "Motivator-Hygiene Theory."

Alderfer's ERG theory

Clayton Alderfer, expanding on Maslow's hierarchy of needs, created the **ERG theory** (existence, relatedness and growth). Physiological and safety, the lower order needs, are placed in the existence category, while love and self esteem needs are placed in the relatedness category. The growth category contains our self-actualization and self-esteem needs.

Self-determination theory

Self-determination theory, developed by Edward Deci and Richard Ryan, focuses on the importance of intrinsic motivation in driving human behavior. Like Maslow's hierarchical theory and others that built on it, SDT posits a natural tendency toward growth and development. Unlike these other theories, however, SDT does not include any sort of "autopilot" for achievement, but instead requires active encouragement from the environment. The primary factors that encourage motivation and development are autonomy, competence feedback, and relatedness.

Завдання 8
CONTROL (MANAGEMENT)

Read, translate and render the task. Write a short summary of the topic

Control in one of the managerial functions like planning, organizing, staffing and directing. It is an important function because it helps to check the errors and to take the corrective action so that deviation from standards are minimised and stated goals of the organisation are achieved in desired manner.

According to modern concepts, control is a foreseeing action whereas earlier concept of control was used only when errors were detected. Control in management means setting standards, measuring actual performance and taking corrective action. Thus, control comprises these three main activities.

Definitions

Management control can be defined as a systematic effort by business management to compare performance to predetermined standards, plans, or objectives in order to determine whether performance is in line with these standards and presumably in order to take any remedial action required to see that human and other corporate resources are being used in the most effective and efficient way possible in achieving corporate objectives.

Also control can be defined as "*that function of the system that adjusts operations as needed to achieve the plan, or to maintain variations from system objectives within allowable limits*". The control subsystem functions in close harmony with the operating system. The degree to which they interact depends on the nature of the operating system and its objectives. Stability concerns a system's ability to maintain a pattern of output without wide fluctuations. Rapidity of response pertains to the speed with which a system can correct variations and return to expected output.

A political election can illustrate the concept of control and the importance of feedback. Each party organizes a campaign to get its candidate selected and outlines a plan to inform the public about both the candidate's credentials and the party's platform. As the election nears, opinion polls furnish feedback about the effectiveness of the campaign and about each candidate's chances to win. Depending on the nature of this feedback, certain adjustments in strategy and/or tactics can be made in an attempt to achieve the desired result.

From these definitions it can be stated that there is close link between planning and controlling. Planning is a process by which an organisation's objectives and the methods to achieve the objectives are established, and controlling is a process which measures and directs the actual performance against the planned objectives of the organisation. Thus, planning and control are often referred to as siamese twins of management.

Characteristics of Control

- Control is a continuous process;
- Control is a management process;
- Control is embedded in each level of organisational hierarchy;
- Control is forward looking;
- Control is closely linked with planning;
- Controlling is tool for achieving organisational activities.

The elements of control

The four basic elements in a control system — (1) the characteristic or condition to be controlled, (2) the sensor, (3) the **comparator**, and (4)

the **activator** — occur in the same sequence and maintain a consistent relationship to each other in every system.

The first element is the characteristic or condition of the operating system which is to be measured. We select a specific characteristic because a correlation exists between it and how the system is performing. The characteristic may be the output of the system during any stage of processing or it may be a condition that has resulted from the output of the system. For example, it may be the heat energy produced by the furnace or the temperature in the room which has changed because of the heat generated by the furnace. In an elementary school system, the hours a teacher works or the gain in knowledge demonstrated by the students on a national examination are examples of characteristics that may be selected for measurement, or control. The second element of control, the sensor, is a means for measuring the characteristic or condition. The control subsystem must be designed to include a sensory device or method of measurement. In a home heating system this device would be the thermostat, and in a quality-control system this measurement might be performed by a visual inspection of the product.

The third element of control, the comparator, determines the need for correction by comparing what is occurring with what has been planned. Some deviation from plan is usual and expected, but when variations are beyond those considered acceptable, corrective action is required. It is often possible to identify trends in performance and to take action before an unacceptable variation from the norm occurs. This sort of preventative action indicates that good control is being achieved.

The fourth element of control, the activator, is the corrective action taken to return the system to expected output. The actual person, device, or method used to direct corrective inputs into the operating system may take a variety of forms. It may be a hydraulic controller positioned by a solenoid or electric motor in response to an electronic error signal, an employee directed to rework the parts that failed to pass quality inspection, or a school principal who decides to buy additional books to provide for an increased number of students. As long as a plan is performed within allowable limits, corrective action is not necessary; this seldom occurs in practice, however.

Information is the medium of control, because the flow of sensory data and later the flow of corrective information allow a characteristic or condition of the system to be controlled. To illustrate how information flow facilitates control, let us review the elements of control in the context of information.

Relationship between the elements of control and information
Controlled Characteristic or. Condition

The primary requirement of a control system is that it maintain the level and kind of output necessary to achieve the system's objectives. It is usually impractical to control every feature and condition associated with the system's output. Therefore, the choice of the controlled item (and appropriate information about it) is extremely important. There should be a direct correlation between the controlled item and the system's operation. In other words, control of the selected characteristic should have a direct relationship to the goal or objective of the system.

Sensor

After the characteristic is sensed, or measured, information pertinent to control is fed back. Exactly what information needs to be transmitted and also the language that will best facilitate the communication process and reduce the possibility of distortion in transmission must be carefully considered. Information that is to be compared with the standard, or plan, should be expressed in the same terms or language as in the original plan to facilitate decision making. Using machine methods (computers) may require extensive translation of the information. Since optimal languages for computation and for human review are not always the same, the relative ease of translation may be a significant factor in selecting the units of measurement or the language unit in the sensing element.

In many instances, the measurement may be sampled rather than providing a complete and continuous feedback of information about the operation. A sampling procedure suggests measuring some segment or portion of the operation that will represent the total.

Comparison with Standard

In a social system, the norms of acceptable behavior become the standard against which so-called deviant behavior may be judged. Regulations and laws provide a more formal collection of information for society. Social norms change, but very slowly. In contrast, the standards outlined by a formal law can be changed from one day to the next through revision, discontinuation, or replacement by another. Information about deviant behavior becomes the basis for controlling social activity. Output information is compared with the standard or norm and significant deviations are noted. In an industrial example, frequency distribution (a tabulation of the number of times a given characteristic occurs within

the sample of products being checked) may be used to show the average quality, the spread, and the comparison of output with a standard.

If there is a significant and uncorrectable difference between output and plan, the system is "out of control." This means that the objectives of the system are not feasible in relation to the capabilities of the present design. Either the objectives must be reevaluated or the system redesigned to add new capacity or capability. For example, the traffic in drugs has been increasing in some cities at an alarming rate. The citizens must decide whether to revise the police system so as to regain control, or whether to modify the law to reflect a different norm of acceptable behavior.

Activator

The activator unit responds to the information received from the comparator and initiates corrective action. If the system is a machine-to-machine system, the corrective inputs (decision rules) are designed into the network. When the control relates to a man-to-machine or man-to-man system, however, the individual(s) in charge must evaluate (1) the accuracy of the feedback information, (2) the significance of the variation, and (3) what corrective inputs will restore the system to a reasonable degree of stability. Once the decision has been made to direct new inputs into the system, the actual process may be relatively easy. A small amount of energy can change the operation of jet airplanes, automatic steel mills, and hydroelectric power plants. The pilot presses a button, and the landing gear of the airplane goes up or down; the operator of a steel mill pushes a lever, and a ribbon of white-hot steel races through the plant; a worker at a control board directs the flow of electrical energy throughout a regional network of stations and substations. It takes but a small amount of control energy to release or stop large quantities of input.

The comparator may be located far from the operating system, although at least some of the elements must be in close proximity to operations. For example, the measurement (the sensory element) is usually at the point of operations. The measurement information can be transmitted to a distant point for comparison with the standard (comparator), and when deviations occur, the correcting input can be released from the distant point. However, the input (activator) will be located at the operating system. This ability to control from afar means that aircraft can be flown by remote control, dangerous manufacturing processes can be operated from a safe distance, and national organizations can be directed from centralized headquarters.

Kinds of control

Control may be grouped according to three general classifications: (1) the nature of the information flow designed into the system (that is, open- or closed-loop control), (2) the kind of components included in the design (that is man or machine control systems), and (3) the relationship of control to the decision process (that is, organizational or operational control).

Open- and Closed-Loop Control

The difference between open-loop control and closed-loop control is determined by whether all of the control elements are an integral part of the system being regulated, and whether allowable variations from standard have been predetermined. In an open-loop system, not all of the elements will be designed into the system, and/or allowable variations will not be predetermined.

A street-lighting system controlled by a timing device is an example of an open-loop system. At a certain time each evening, a mechanical device closes the circuit and energy flows through the electric lines to light the lamps. Note, however, that the timing mechanism is an independent unit and is not measuring the objective function of the lighting system. If the lights should be needed on a dark, stormy day the timing device would not recognize this need and therefore would not activate energy inputs. Corrective properties may sometimes be built into the controller (for example, to modify the time the lights are turned on as the days grow shorter or longer), but this would not close the loop. In another instance, the sensing, comparison, or adjustment may be made through action taken by an individual who is not part of the system. For example, the lights may be turned on by someone who happens to pass by and recognizes the need for additional light.

If control is exercised as a result of the operation rather than because of outside or predetermined arrangements, it is a closed-loop system. The home thermostat is the classic example of a control device in a closed-loop system. When the room temperature drops below the desired point, the control mechanism closes the circuit to start the furnace and the temperature rises. The furnace-activating circuit is turned off as the temperature reaches the preselected level. The significant difference between this type of system and an open-loop system is that the control device is an element of the system it serves and measures the performance of the system. In other words, all four control elements are integral to the specific system.

An essential part of a closed-loop system is feedback; that is, the output of the system is measured continually through the item controlled, and the input is modified to reduce any difference or error toward zero. Many of the patterns of information flow in organizations are found to have the nature of closed loops, which use feedback. The reason for such a condition is apparent when one recognizes that any system, if it is to achieve a predetermined goal, must have available to it at all times an indication of its degree of attainment. In general, every goal-seeking system employs feedback.

Man and Machine Control

The elements of control are easy to identify in machine systems. For example, the characteristic to be controlled might be some variable like speed or temperature, and the sensing device could be a speedometer or a thermometer. An expectation of precision exists because the characteristic is quantifiable and the standard and the normal variation to be expected can be described in exact terms. In automatic machine systems, inputs of information are used in a process of continual adjustment to achieve output specifications. When even a small variation from the standard occurs, the correction process begins. The automatic system is highly structured, designed to accept certain kinds of input and produce specific output, and programmed to regulate the transformation of inputs within a narrow range of variation.

For an illustration of mechanical control, as the load on a steam engine increases and the engine starts to slow down, the regulator reacts by opening a valve that releases additional inputs of steam energy. This new input returns the engine to the desired number of revolutions per minute. This type of mechanical control is crude in comparison to the more sophisticated electronic control systems in everyday use. Consider the complex missile-guidance systems that measure the actual course according to predetermined mathematical calculations and make almost instantaneous corrections to direct the missile to its target.

Machine systems can be complex because of the sophisticated technology, whereas control of people is complex because the elements of control are difficult to determine. In human control systems, the relationship between objectives and associated characteristics is often vague; the measurement of the characteristic may be extremely subjective; the expected standard is difficult to define; and the amount of new inputs required is impossible to quantify. To illustrate, let us refer once more to a

formalized social system in which deviant behavior is controlled through a process of observed violation of the existing law (sensing), court hearings and trials (comparison with standard), incarceration when the accused is found guilty (correction), and release from custody after rehabilitation of the prisoner has occurred.

The speed limit established for freeway driving is one standard of performance that is quantifiable, but even in this instance, the degree of permissible variation and the amount of the actual variation are often a subject of disagreement between the patrolman and the suspected violator. The complexity of our society is reflected in many of our laws and regulations, which establish the general standards for economic, political, and social operations. A citizen may not know or understand the law and consequently would not know whether or not he was guilty of a violation.

Most organized systems are some combination of man and machine; some elements of control may be performed by machine whereas others are accomplished by man. In addition, some standards may be precisely structured whereas others may be little more than general guidelines with wide variations expected in output. Man must act as the controller when measurement is subjective and judgment is required. Machines such as computers are incapable of making exceptions from the specified control criteria regardless of how much a particular case might warrant special consideration. A pilot acts in conjunction with computers and automatic pilots to fly large jets. In the event of unexpected weather changes, or possible collision with another plane, he must intercede and assume direct control.

Завдання 9
CONFLICT

Read, translate and render the task. Write a short summary of the topic

Conflict is a state of discord caused by the actual or perceived opposition of needs, values and interests. A conflict can be internal (within oneself) or external (between two or more individuals). Conflict as a concept can help explain many aspects of social life and social death such as social disagreement, conflicts of interests, and fight between individuals, groups, or organizations. In political terms, "conflict" can refer to wars, revolutions or other struggles, which may involve the use of force as in the term armed conflict. Without proper social arrangement

or resolution, conflicts in social settings can result in stress or tensions among stakeholders.

Conflict as taught for graduate and professional work in conflict resolution commonly has the definition: "when two or more parties, with perceived incompatible goals, seek to undermine each other's goal-seeking capability".

One should not confuse the distinction between the presence and absence of conflict with the difference between competition and co-operation. In competitive situations, the two or more individuals or parties each have mutually inconsistent goals, either party tries to reach their goal it will undermine the attempts of the other to reach theirs. Therefore, competitive situations will, by their nature, cause conflict. However, conflict can also occur in cooperative situations, in which two or more individuals or parties have consistent goals, because the manner in which one party tries to reach their goal can still undermine the other individual or party.

A clash of interests, values, actions or directions often sparks a conflict. Conflicts refer to the existence of that clash. Psychologically, a conflict exists when the reduction of one motivating stimulus involves an increase in another, so that a new adjustment is demanded. The word is applicable from the instant that the clash occurs. Even when we say that there is a potential conflict we are implying that there is already a conflict of direction even though a clash may not yet have occurred.

Types and Modes of Conflict

A conceptual conflict can escalate into a verbal exchange and/or result in fighting.

Conflict can exist at a variety of levels of analysis:

- intrapersonal conflict (though this usually just gets delegated out to psychology);
- interpersonal conflict;
- emotional conflict;
- group conflict;
- organizational conflict;
- community conflict;
- intra-state conflict (for example: civil wars, election campaigns);
- international conflict;
- environmental resources conflict;
- intersocietal conflict;

- intra-societal conflict;
- ideological conflict;
- diplomatic conflict;
- economic conflict;
- military conflict;
- religious-based conflict (for example: Center For Reduction of Religious-Based Conflict);
- workplace conflict.

Conflicts in these levels may appear "nested" in conflicts residing at larger levels of analysis. For example, conflict within a work team may play out the dynamics of a broader conflict in the organization as a whole.

Theorists have claimed that parties can conceptualize responses to conflict according to a two-dimensional scheme; concern for one's own outcomes and concern for the outcomes of the other party. This scheme leads to the following hypotheses:

1. High concern for both one's own and the other party's outcomes leads to attempts to find mutually beneficial solutions.
2. High concern for one's own outcomes only leads to attempts to "win" the conflict.
3. High concern for the other party's outcomes only leads to allowing the other to "win" the conflict.
4. No concern for either side's outcomes leads to attempts to avoid the conflict.

In Western society, practitioners usually suggest that attempts to find mutually beneficial solutions lead to the most satisfactory outcomes, but this may not hold true for many Asian societies. Several theorists detect successive phases in the development of conflicts.

Often a group finds itself in conflict over facts, goals, methods or values. It is critical that it properly identify the type of conflict it is experiencing if it hopes to manage the conflict through to resolution. For example, a group will often treat an assumption as a fact.

The more difficult type of conflict is when values are the root cause. It is more likely that a conflict over facts, or assumptions, will be resolved than one over values. It is extremely difficult to "prove" that a value is "right" or "correct". In some instances, a group will benefit from the use of a facilitator or process consultant to help identify the specific type of conflict. Practitioners of nonviolence have developed many practices to solve social and political conflicts without resorting to violence or coercion.

Conflict can arise between several characters and there can be more than one in a story or plot line. The little plot lines usually enhance the main conflict.

Causes of Conflict

Structural Factors (How the conflict is set up).
- Specialization (The experts in fields).
- Interdependence (A company as a whole can't operate w/o other departments).
- Common Resources (Sharing the same secretary).
- Goal Differences (One person wants production to rise and others want communication to rise).
- Authority Relationships (The boss and employees beneath him/her).
- Status Inconsistencies.
- Jurisdictional Ambiguities (Who can discipline whom).

Personal Factors
- Skills and Abilities.
- Conflict management style.
- Personalities.
- Perception.
- Values and Ethics.
- Emotions.
- Communication barriers.
- Cultural Differences.

The assertion that "conflict is emotionally defined and driven," and "does not exist in the absence of emotion" is challenged by Economics, e.g. "the science which studies human behavior as a relationship between ends and scarce means which have alternative uses." In this context, scarcity means that available resources are insufficient to satisfy all wants and needs. The subject of conflict as a purely rational, strategic decision is specifically addressed by Game Theory, a branch of Economics.

Where applicable, there are many components to the emotions that are intertwined with conflict. There is a behavioral, physiological, cognitive component.

Behavioral- The way emotional experience gets expressed which can be verbal or non-verbal and intentional or un-intentional.

Physiological- The bodily experience of emotion. The way emotions make us feel in comparison to our identity.

Cognitive- The idea that we "assess or appraise" an event to reveal its relevancy to ourselves.

These three components collectively advise that "the meanings of emotional experience and expression are determined by cultural values, beliefs, and practices."

- Cultural values- culture tells people who are a part of it, "Which emotions ought to be expressed in particular situations" and "what emotions are to be felt."
- Physical- This escalation results from "anger or frustration."
- Verbal- This escalation results from "negative perceptions of the annoyer's character."

There are several principles of conflict and emotion.

1. Conflict is emotionally defined-conflict involves emotion because something "triggers" it. The conflict is with the parties involved and how they decide to resolve it — "events that trigger conflict are events that elicit emotion."
2. Conflict is emotionally valence — emotion levels during conflict can be intense or less intense. The "intensity" levels "may be indicative of the importance and meaning of the conflict issues for each" party.
3. Conflict Invokes a moral stance — when an event occurs it can be interpreted as moral or immoral. The judging of this morality "influences one's orientation to the conflict, relationship to the parties involved, and the conflict issues".
4. Conflict is identity based — Emotions and Identity are a part of conflict. When a person knows their values, beliefs, and morals they are able to determine whether the conflict is personal, relevant, and moral. "Identity related conflicts are potentially more destructive."
5. Conflict is relational — "conflict is relational in the sense that emotional communication conveys relational definitions that impact conflict." "Key relational elements are power and social status."

Emotions are acceptable in the workplace as long as they can be controlled and utilized for productive organizational outcomes.

Ways of addressing conflict

Five basic ways of addressing conflict were identified by Thomas and Kilman in 1976:

Avoidance — avoid or postpone conflict by ignoring it, changing the subject, etc. Avoidance can be useful as a temporary measure

to buy time or as an expedient means of dealing with very minor, non-recurring conflicts. In more severe cases, conflict avoidance can involve severing a relationship or leaving a group.

Collaboration — work together to find a mutually beneficial solution. While the Thomas Kilman grid views collaboration as the only win-win solution to conflict, collaboration can also be time-intensive and inappropriate when there is not enough trust, respect or communication among participants for collaboration to occur.

Compromise — find a middle ground in which each party is partially satisfied.

Competition — assert one's viewpoint at the potential expense of another. It can be useful when achieving one's objectives outweighs one's concern for the relationship.

Accommodation — surrender one's own needs and wishes to accommodate the other party.

The Thomas Kilman Instrument can be used to assess one's dominant style for addressing Conflict.

Завдання 10
CONFLICT MANAGEMENT

Read, translate and render the task. Write a short summary of the topic

Conflict management refers to the long-term management of intractable conflicts. It is the label for the variety of ways by which people handle grievances — standing up for what they consider to be right and against what they consider to be wrong. Those ways include such diverse phenomena as gossip, ridicule, lynching, terrorism, warfare, feuding, genocide, law, mediation, and avoidance. Which forms of conflict management will be used in any given situation can be somewhat predicted and explained by the social structure — or social geometry — of the case.

Conflict management is **NOT** the same as conflict resolution. The latter — conflict resolution — refers to resolving the dispute to the approval of one or both parties, whereas the former — conflict management — concerns an ongoing process that may never have a resolution. For example, gossip and feuds are very common methods of conflict management, but neither entails resolution. Neither is it the same as conflict transformation, which seeks to reframe the positions of the conflict parties.

Scientific studies

Scientific study of conflict management (also known as social control) owes its foundations to Donald Black, who typologized its elementary forms and used his strategy of pure sociology to explain several aspects of its variation. Research and theory on conflict management has been further developed by Allan Horwitz, Calvin Morill, James Tucker, Mark Cooney, M.P. Baumgartner, Roberta Senechal de la Roche, Marian Borg, Ellis Godard, Scott Phillips, and Bradley Campbell.

Utilizing a multidisciplinary approach and avoiding semantic discussions, we could also state that the father of conflict management is Thomas C. Schelling, an American economist and Nobel Prize winner, who authored the Strategy of Conflict in 1960. Schelling's main goal was to lay the foundation for a theory of conflict that would include the fields of economics, psychology, sociology and the law. Conflict is an omnipresent trait of human societies since it is almost impossible to find two parties with entirely overlapping interests, thus a general theory for bargaining and negotiation to address conflict is useful not only in the field of international politics or business management, but also at the personal and intimate level.

Counseling

When personal conflict leads to frustration and loss of efficiency, counseling may prove to be a helpful antidote. Although few organizations can afford the luxury of having professional counselors on the staff, given some training, managers may be able to perform this function. Nondirective counseling, or "listening with understanding", is little more than being a good listener — something every manager should be.

Sometimes the simple process of being able to vent one's feelings — that is, to express them to a concerned and understanding listener, is enough to relieve frustration and make it possible for the frustrated individual to advance to a problem-solving frame of mind, better able to cope with a personal difficulty that is affecting his work adversely. The nondirective approach is one effective way for managers to deal with frustrated subordinates and co-workers.

There are other more direct and more diagnostic ways that might be used in appropriate circumstances. The great strength of the nondirective approach (nondirective counseling is based on the client-centered therapy of Carl Rogers), however, lies in its simplicity, its effectiveness, and the fact that it deliberately avoids the manager-counselor's diagnosing

and interpreting emotional problems, which would call for special psychological training. No one has ever been harmed by being listened to sympathetically and understandingly. On the contrary, this approach has helped many people to cope with problems that were interfering with their effectiveness on the job.

Conflict resolution

Conflict resolution is the process of attempting to resolve a dispute or a conflict. Successful conflict resolution occurs by listening to and providing opportunities to meet the needs of all parties, and to adequately address interests so that each party is satisfied with the outcome. Conflict Practitioners talk about finding the win-win outcome for parties involved, vs. the win-lose dynamic found in most conflicts. While 'conflict resolution' engages conflict once it has already started , 'conflict prevention' aims to end conflicts before they start or before they lead to verbal, physical, or legal fighting or violence.

Conflict itself has both positive and negative outcomes. Practitioners in the field of Conflict Resolution aim to find ways to promote the positive outcomes and minimize the negative outcomes.

There is a debate in the field of conflict work as to whether or not all conflicts can be resolved, thus making the term conflict resolution one of contention. Other common terms include Conflict Management, Conflict Transformation and Conflict Intervention. Conflict management can be the general process in which conflict is managed by the parties toward a conclusion. However it is also referred to as a situation where conflict is a deliberate personal, social and organizational tool, especially used by capable politicians and other social engineers.

Conflict Practitioners work on conflict in many arenas — internationally, domestically, interpersonally and intrapersonally.

Among groups

Conflict resolution processes can vary. However, group conflict usually involves two or more groups with opposing views regarding specific issues. There is often another group or individual (mediator or facilitator) who is considered to be neutral (or suppressing biases) on the subject. This last bit though is quite often not entirely demanded if the "outside" group is well respected by all opposing parties. Resolution methods can include conciliation, mediation, arbitration or litigation.

These methods all require third party intervention. A resolution method which is direct between the parties with opposing views is negotiation.

Negotiation can be the 'traditional' model of hard bargaining where the interests of a group far outweigh the working relationships concerned. The 'principled' negotiation model is where both the interests and the working relationships concerned are viewed as important. Often, face saving and other intangible goals play a role in the success of negotiation.

It may be possible to avoid conflict without actually resolving the underlying dispute, by getting the parties to recognize that they disagree but that no further action needs to be taken at that time. In many cases such as in a democracy, a dialogue may be the preferred process in which it may even be desirable that they disagree, thus exposing the issues to others who need to consider it for themselves: in this case the parties might agree to disagree and agree to continue the dialogs on the issue.

It is also possible to manage a conflict without resolution, in forms other than avoidance. For more, see conflict management.

Among employees
Counseling

When personal conflict leads to frustration and loss of efficiency, counseling may prove to be a helpful antidote. Although few organizations can afford the luxury of having professional counselors on the staff, given some training, managers may be able to perform this function. Nondirective counseling, or "listening with understanding", is little more than being a good listener — something every manager should be.

Sometimes the simple process of being able to vent one's feelings — that is, to express them to a concerned and understanding listener, is enough to relieve frustration and make it possible for the frustrated individual to advance to a problem-solving frame of mind, better able to cope with a personal difficulty that is affecting his work adversely. The nondirective approach is one effective way for managers to deal with frustrated subordinates and co-workers.

There are other more direct and more diagnostic ways that might be used in appropriate circumstances. The great strength of the nondirective approach (nondirective counseling is based on the client-centered therapy of Carl Rogers), however, lies in its simplicity, its effectiveness, and the fact that it deliberately avoids the manager-counselor's diagnosing and interpreting emotional problems, which would call for special psychological training. No one has ever been harmed by being listened to sympathetically and understandingly. On the contrary, this approach has helped many people to cope with problems that were interfering with their effectiveness on the job.

Завдання 11
NEGOTIATION

Read, translate and render the task. Write a short summary of the topic

Broadly speaking, **negotiation** is an interaction of influences. Such interactions, for example, include the process of resolving disputes, agreeing upon courses of action, bargaining for individual or collective advantage, or crafting outcomes to satisfy various interests. Negotiation is thus a form of alternative dispute resolution.

Negotiation involves three basic elements: process, behavior and substance. The process refers to how the parties negotiate: the context of the negotiations, the parties to the negotiations, the tactics used by the parties, and the sequence and stages in which all of these play out. Behavior refers to the relationships among these parties, the communication between them and the styles they adopt. The substance refers to what the parties negotiate over: the agenda, the issues (positions and — more helpfully — interests), the options, and the agreement(s) reached at the end.

Skilled negotiators may use a variety of tactics ranging from negotiation hypnosis, to a straight forward presentation of demands or setting of preconditions to more deceptive approaches such as cherry picking. Intimidation and salami tactics may also play a part in swaying the outcome of negotiations.

Alternative dispute resolution

Negotiation is the one primary method of alternative dispute resolution, typically evidenced by a trained negotiator acting on behalf of a particular organization or position. Compare this to mediation where a disinterested third party listens to each sides' arguments and attempts to help craft an agreement between the parties. Lastly, arbitration is similar to a legal proceeding, whereby both sides make an argument as to the merits of their "case" and then the arbitrator decides the outcome both parties should follow (non-binding arbitration) or must follow (binding arbitration). The key to Negotiation is information.

Approaches to negotiation

Given the above definition, negotiation occurs in business, non-profit organizations, government branches, legal proceedings, among nations and in personal situations such as marriage, divorce, parenting, and everyday life. These approaches can be learned through classes or seminars on negotiation. See also negotiation theory.

The advocate's approach

In the advocacy approach, a skilled negotiator usually serves as advocate for one party to the negotiation and attempts to obtain the most favorable outcomes possible for that party. In this process the negotiator attempts to determine the minimum outcome(s) the other party is (or parties are) willing to accept, then adjusts their demands accordingly. A "successful" negotiation in the advocacy approach is when the negotiator is able to obtain all or most of the outcomes their party desires, but without driving the other party to permanently break off negotiations, unless the best alternative to a negotiated agreement (BATNA) is acceptable.

Traditional negotiating is sometimes called win-lose because of the assumption of a fixed "pie", that one person's gain results in another person's loss. This is only true, however, if only a single issue needs to be resolved, such as a price in a simple sales negotiation. If multiple issues are discussed, differences in the parties' preferences make win-win negotiation possible. For example, in a labor negotiation, the union might prefer job security over wage gains. If the employers have opposite preferences, a trade is possible that is beneficial to both parties. Such a negotiation is therefore not an adversarial zero-sum game.

The "win/win" negotiator's approach

During the early part of the twentieth century, academics such as Mary Parker Follett developed ideas suggesting that agreement often can be reached if parties look not at their stated positions but rather at their underlying interests and requirements to reach a decision that benefits both parties.

In the 1970s, practitioners and researchers began to develop win-win approaches to negotiation. Win-win is taken from Economic Game Theory, and has been adopted by negotiation North American academics to loosely mean Principled Negotiation. Getting to YES was published by Roger Fisher and William Ury as part of the Harvard negotiation project. The book's approach, referred to as Principled Negotiation, is also sometimes called mutual gains bargaining. The mutual gains approach has been effectively applied in environmental situations (see Lawrence Susskind and Adil Najam) as well as labor relations where the parties (e.g. management and a labor union) frame the negotiation as "problem solving".

There are a tremendous number of other scholars who have contributed to the field of negotiation, including Gerard E. Watzke at Tulane University, Sara Cobb at George Mason University, Len Riskin at

the University of Missouri, Howard Raiffa at Harvard, Robert McKersie and Lawrence Susskind at MIT, and Adil Najam and Jeswald Salacuse at The Fletcher School of Law and Diplomacy.

Emotion in negotiation

Emotions play an important part in the negotiation process, although it is only in recent years that their effect is being studied. Emotions have the potential to play either a positive or negative role in negotiation. During negotiations, the decision as to whether or not settle, rests in part on emotional factors. Negative emotions can cause intense and even irrational behavior, and can cause conflicts to escalate and negotiations to break down, while positive emotions facilitate reaching an agreement and help to maximize joint gains.

Affect effect: Dispositional affects affect the various stages of the negotiation process: which strategies are planned to be used, which strategies are actually chosen, the way the other party and its intentions are perceived, the willingness to reach an agreement and the final outcomes. Positive affectivity (PA) and negative affectivity (NA) of one or more of the negotiating sides can lead to very different outcomes.

Positive affect in negotiation

Even before the negotiation process starts, people in a positive mood have more confidence, and higher tendencies to plan to use a cooperative strategy. During the negotiation, negotiators who are in a positive mood tend to enjoy the interaction more, show less contentious behavior, use less aggressive tactics and more cooperative strategies. This in turn increases the likelihood that parties will reach their instrumental goals, and enhance the ability to find integrative gains. Indeed, compared with negotiators with negative or natural affectivity, negotiators with positive affectivity reached more agreements and tended to honor those agreements more. Those favorable outcomes are due to better decision making processes, such as flexible thinking, creative problem solving, respect for others' perspectives, willingness to take risks and higher confidence. Post negotiation positive affect has beneficial consequences as well. It increases satisfaction with achieved outcome and influences one's desire for future interactions. The PA aroused by reaching an agreement facilitates the dyadic relationship, which result in affective commitment that sets the stage for subsequent interactions.

PA also has its drawbacks: it distorts perception of self performance, such that performance is judged to be relatively better than it actually is.

Thus, studies involving self reports on achieved outcomes might be biased.

Negative affect in negotiation

Negative affect has detrimental effects on various stages in the negotiation process. Although various negative emotions affect negotiation outcomes, by far the most researched is anger. Angry negotiators plan to use more competitive strategies and to cooperate less, even before the negotiation starts. These competitive strategies are related to reduced joint outcomes. During negotiations, anger disrupts the process by reducing the level of trust, clouding parties' judgment, narrowing parties' focus of attention and changing their central goal from reaching agreement to retaliating against the other side. Angry negotiators pay less attention to opponent's interests and are less accurate in judging their interests, thus achieve lower joint gains. Moreover, because anger makes negotiators more self-centered in their preferences, it increases the likelihood that they will reject profitable offers. Anger doesn't help in achieving negotiation goals either: it reduces joint gains and does not help to boost personal gains, as angry negotiators don't succeed in claiming more for themselves. Moreover, negative emotions lead to acceptance of settlements that are not in the positive utility function but rather have a negative utility. However, expression of negative emotions during negotiation can sometimes be beneficial: legitimately expressed anger can be an effective way to show one's commitment, sincerity, and needs. Moreover, although NA reduces gains in integrative tasks, it is a better strategy then PA in distributive tasks (such as zero-sum).

Conditions for emotion effect in negotiation

Research points that negotiator's emotions do not necessarily affect the negotiation process. Albarracın et al. (2003) suggested that there are two conditions for emotional effect, both related to the ability (presence of environmental or cognitive disturbances) and the motivation:

> Identification of the affect: requires high motivation, high ability or both.

> Determination that the affect is relevant and important for the judgment: requires that either the motivation, the ability or both are low.

According to this model, emotions are expected to affect negotiations only when one is high and the other is low. When both ability and motivation are low the affect will not be identified, and when both are

high the affect will be identify but discounted as irrelevant for judgment. A possible implication of this model is, for example, that the positive effects PA has on negotiations (as described above) will be seen only when either motivation or ability are low.

The effect of the partner's emotions

Most studies on emotion in negotiations focus on the effect of the negotiator's own emotions on the process. However, what the other party feels might be just as important, as group emotions are known to affect processes both at the group and the personal levels. When it comes to negotiations, trust in the other party is a necessary condition for its emotion to affect, and visibility enhances the effect. Emotions contribute to negotiation processes by signaling what one feels and thinks and can thus prevent the other party from engaging in destructive behaviors and to indicate what steps should be taken next: PA signals to keep in the same way, while NA points that mental or behavioral adjustments are needed.

Partner's emotions can have two basic effects on negotiator's emotions and behavior: mimetic/ reciprocal or complimentary. For example, disappointment or sadness might lead to compassion and more cooperation. In a study by Butt et al. (2005) which simulated real multi-phase negotiation, most people reacted to the partner's emotions in reciprocal, rather than complimentary, manner. Specific emotions were found to have different effects on the opponent's feelings and strategies chosen:

Anger caused the opponents to place lower demands and to concede more in a zero-sum negotiation, but also to evaluate the negotiation less favorably. It provoked both dominating and yielding behaviors of the opponent.

Pride led to more integrative and compromise strategies by the partner.

Guilt or **regret** expressed by the negotiator led to better impression of him by the opponent, however it also led the opponent to place higher demands. On the other hand, personal guilt was related to more satisfaction with what one achieved.

Worry or **disappointment** left bad impression on the opponent, but led to relatively lower demands by the opponent.

Problems with lab negotiation studies

Negotiation is a rather complex interaction. Capturing all its complexity is a very difficult task, let alone isolating and controlling only certain aspects of it. For this reason most negotiation studies are done

under laboratory conditions, and focus only on some aspects. Although lab studies have their advantages, they do have major drawbacks when studying emotions:

> Emotions in lab studies are usually manipulated and are therefore relatively 'cold' (not intense). Although those 'cold' emotions might be enough to show effects, they are qualitatively different from the 'hot' emotions often experienced during negotiations.

> In real life there is self-selection to which negotiation one gets into, which effects the emotional commitment, motivation and interests. However this is not the case in lab studies.

> Lab studies tend to focus on relatively few well defined emotions. Real life scenarios provoke a much wider scale of emotions.

> Coding the emotions has a double catch: if done by a third side, some emotions might not be detected as the negotiator sublimates them for strategic reasons. Self report measures might overcome this, but they are usually filled only before or after the process, and if filled during the process might interfere with it.

Завдання 12
PUBLIC ADMINISTRATION

Read, translate and render the task. Write a short summary of the topic

Public Administration can be broadly described as the development, implementation and study of branches of government policy. Public Administration is linked to pursuing the public good by enhancing civil society and social justice. Though public administration has historically referred to as government management, it increasingly encompasses Non-Governmental Organizations (NGOs) that are not acting out of self-interest.

The history of public administration

The evolution of the theory of Public Administration can be classified into six "generations": one pre-generation and five succeeding generations.

The pre-generation

The pre-generation includes thinkers such as Plato, Aristotle and Machiavelli. Until the birth of the national state, the emphasis lay principally on the problems of moral and political nature, and on the organization of the public administration. The operation of this administration was a less urgent problem. Machiavelli wrote the book

The Prince, which offered a guideline for European rulers. The operation of the administration, and not only the organization, also profited from the attention it received in this book.

From the 16th century, the national state was the reigning model of the administrative organization in Western Europe. These states needed an organization for the implementation of law and order and for setting up a defensive structure. The need for expert civil servants, with knowledge about taxes, statistics, administration and the military organization grew.

In the 18th century the need for administrative expertise grew even further. Therefore King Frederick William I of Prussia established professorates in Cameralism, an economic and social school of thought within 18th century Prussia to reform society, at the universities of Frankfurt an der Oder and University of Halle. The most well known professor of Cameralism was Johann Heinrich Gottlob Justi

The first generation

Lorenz von Stein, since 1855 professor in Vienna, is considered the founder of the science of public administration. In the time of Von Stein the science of public administration was considered to be a form of administrative law, but Von Stein thought that opinion was too restrictive.

His opinions were innovative in several respects:

> He considered the science of public administration a melting pot of several disciplines, like sociology, political sciences, administrative law and public finance. In the opinion of Von Stein the science of public administration was an integrating science.

> According to Von Stein the science of public administration was an interaction between theory and practice. He considered the public administration as leading practically, but the theory had to form the base.

> Von Stein thought that the science of public administration should strive to adopt a scientific method.

In the United States Woodrow Wilson was the first to consider the science of public administration. In an 1887 article entitled "The Study of Administration," Wilson wrote "it is the object of administrative study to discover, first, what government can properly and successfully do, and, secondly, how it can do these proper things with the utmost possible efficiency and at the least possible cost either of money or of energy." Wilson was more influential to the science of public administration than

Von Stein, primarily due to an article Wilson wrote in 1887 in which he argued in favor of four concepts:

Separation between politics and public administration.

Consideration of the government from a commercial perspective.

Comparative analysis between political and private organizations and political schemes.

Reaching effective management by training civil servants and assessing their quality.

The separation between politics and the public administration, which Wilson argued, has been the subject of fierce debates for a long time, and the different points of view on this subject differentiate periods in the science of public administration.

The second generation

The discussion about the separation between politics and the public administration as argued by Wilson continued to play an important role up to 1945.

Luther Gulick and Lyndall Urwick were the founders of the Science of Administration. They integrated the ideas of earlier theorists like Henri Fayol into a comprehensive theory of administration. Gulick and Urwick believed that the thoughts of Fayol offered a systematic treatment of management, which was unique at that time. They believed that this could be applied as well for the management of companies as for administrative sciences. They did not want to separate the two disciplines, but believed a single Science of Administration, which exceeds the borders between the private and the public sector, could exist. Later on the Science of Administration would focus primarily on governmental organizations. The reasoning of the Science of Administration was largely borrowed from the fourteen principles of organization of Fayol.

The third generation

After 1945, the third generation arose which questioned the ideas of Wilson and the second generation.

Initially the distinction between politics and the public administration was strongly relativized by the third generation, but the discussion would continue. Because of the unsuccessful American intervention in Vietnam and the Watergate scandal politics became discredited and in the eighties there was again a plea in favor of bureaucracy, especially in the United States. The public administration had to detach itself from politics.

After Louis Brownlow from the University of Chicago chaired the Hoover Commission on the Reorganization of Government, he founded Public Administration Service on the University of Chicago campus (at 1313 E. 60th Street). From 193 until the late 1970s PAS provided consulting services to governments at all levels: cities counties, states, the federal government and many foreign countries.

The Fourth Generation

In the 1980s and early 1990s, the New Public Management model was proposed by David Osborne and Ted Gaebler. This public administration model advocates the use of private sector innovation, resources, and organizational ideas to improve the public sector. This model was advocated by U.S. Vice President Al Gore in the 1990s and adopted by the Clinton Administration. It is now part of the bureaucratic system of government in the United States. Some criticisms of this model is that it emphasizes people as "customers" rather than "citizens" and that customers are placed as an end-product user of government rather than part of the policy making process. This model focuses on a person as a unit of the economy rather than democracy. The model is still widely accepted among all levels of government.

The Fifth Generation

In the late 1990s and early 21st century, Janet and Robert Denhardt proposed The New Public Service model. This model of public administration focuses on people being treated as "citizens" rather than "customers". The citizen's primary role is to participate in government and be active throughout the process of implementing policy, instead of the end product of said policies. Whilst this remains feasible at the nation-state level to which the concept of 'citizen' is wedded, the emergence of 'transnational administration' with the growing number of international organizations and 'transnational executive networks' complicates the prospects for citizen engagement.

Rational choice models of bureaucracy

An influential new stream of rational choice analysis in public administration was inaugurated by William Niskanen, whose 1971 'budget-maximizing' model argued that rational bureaucrats will always and everywhere seek to increase their budgets, thereby contributing strongly to state growth. Niskanen went on to serve on the U.S. Council of Economic Advisors under President Reagan, and his model provides a strong

underpinning for the worldwide move towards cutbacks of public spending and the introduction of privatization in the 1980s and 1990s. Niskanen's universalist approach was critiqued by a range of pluralist authors who argued that officials' motivations are more public interest-oriented.

The bureau-shaping model (put forward by Patrick Dunleavy) also argues against Niskanen that rational bureaucrats should only maximize the part of their budget that they spend on their own agency's operations or give to contractors or powerful interest groups (that are able to organize a flowback of benefits to senior officials). For instance, rational officials will get no benefit from paying out larger welfare checks to millions of poor people, since the bureaucrats' own utilities are not improved. Consequently we should expect bureaucracies to significantly maximize budgets in areas like police forces and defense, but not in areas like welfare state spending.

New public management (NPM) and its potential successors

Outside the U.S., critics argue that NPM has failed in the UK and other countries where it has been applied, so that it is now 'dead'. One claimed successor to NPM is digital era governance focusing on themes of reintegrating responsibilities into government, needs-based holism (doing things in joined-up ways) and digitalization (exploiting the transformational capabilities of modern IT and digital storage).

Public administration as an academic discipline

A Public Administrator can fill many voids. The academic field evolved in the United States from both academic political science and law as a separate study in the 1910s. In Europe, notably England and Germany (Max Weber), it started as a separate scholarly field in the 1890s, but it was first taught in Continental universities in the 1720s. The Federalist Papers several times referred to the importance of good administration, and scholars such as John A. Rohr see a long history behind the constitutional legitimacy of government bureaucracy.

There is minor tradition that holds that the more specific term public management refers to ordinary, routine or typical management concerns, but in the context of achieving public good. Others see public management as a new, economically driven perspective on the operation of government. This latter view is often termed "new public management" by its advocates and can be seen as a reform attempt aimed at reemphasizing the professional nature of the field versus its academic, moral or disciplinary characteristics. A few public administration theorists advocate a bright line differentiation of the professional field from related

academic disciplines like political science and sociology. But, in general, the interdiscipline rather than a discipline.

As a field, public administration can be compared to business administration, and the MPA viewed as similar to an MBA for those wishing to pursue governmental or non-profit careers. An MPA often entails substantial ethical and sociological aspects not usually found in business schools. There are derivative and related degrees that address public affairs, public policy, and the like. Differences often connote program emphases on policy analysis techniques or other topical focuses such as the study of international affairs as opposed to focuses on constitutional issues such as separation of powers, administrative law, problems of governance and power, and participatory democracy.

Public administration theory is the domain where discussions of the meaning and purpose of government, bureaucracy, budgets, governance, and public affairs take place in the field. In recent years, public administration theory has occasionally connoted a heavy orientation toward critical theory and postmodern philosophical notions of government, governance, and power, but many public administration scholars support a classic definition of the term which gives weight to constitutionality, service, bureaucratic forms of organization, and hierarchical government linary nature of PA.

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