CHAPTER TWO
REVIEW OF LITERATURE

This research reviews literature in seven aspects: (1) Concepts of leadership, (2) Concepts of management, (3) Concepts of motivation, (4) Concepts of communication, (5) Concept of manageability, (6) Concepts of controlling and directing, and (7) Relevant Research.

2.1   CONCEPTS OF LEADERSHIP

According to Smith (2004), team managers only succeed by being great facilitators and enablers. Listening and giving help are also important roles of managers. At the center of the team, they put coaching for other members and subordinates. Coaching also involves knowledge transfer and helps people cope with changing circumstances. Sometimes coaching through demonstration is the best practice. It is also about helping team members to develop their careers and to continue to learn.

Plunkett (1988, p. 294) defined leadership as the capacity to control or direct by influencing others to work successfully, and getting respect, trust, loyalty and cooperation from subordinates at the same time. There are a lot of times that consultation and conversation with the team members can give a lot of help to support the team.

Smith (2004) summarized a model of management and leadership activities as in the following figure:

Figure 1. Geoff Smith's model of management and leadership activities

Typical Management Activities	Typical Leadership Activities
• Making short-term plans.	• Getting team members to provide their ideas on direction, objectives and strategies.
• Acquiring and allocating	• Leading by example.
• Getting the right people into the right jobs.	• Communicating and enthusing people about the agreed direction, objectives and strategies.
• Seeing that policies, procedures and systems are observed.	• Inspiring people to overcome obstacles and to try new ways of working.
• Providing authority and encouraging responsibility.	• Creating the conditions where people will be motivated to achieve outstanding results.
• Monitoring performance.	• Coaching people to help them to change and to perform more effectively.
• Coping with disciplinary issues.	• Fostering teamwork.
• Resolving conflicts.	

2.2   CONCEPTS OF MANAGEMENT

2.2.1   Levels and Scope of Managers

Gareth R. Jones and Jennifer M. George (2003) categorized managers into 3 levels:

2.2.1.1   First –line managers or supervisors, are the persons who are in charge of daily supervision of staff at other levels which are non-managerial. They report directly to the next level managers / middle managers. This managerial level works in every department of a firm.

2.2.1.2   Middle Managers are responsible for the supervision of the first – line managers and often make suggestions to the next level manager / top managers. Their tasks include training, motivating and rewarding their subordinates. However, the main responsibilities of being a middle manager are to develop and improve the skills and knowledge of each employee which in turn can enhance their efficiency and effectiveness for the company.

2.2.1.3 Top managers are in charge of all the departments' performance. Also, they are responsible for cross-departmental supervision. They monitor how well the middle managers use the resources to achieve their goals. The key person or the most important manager is the Chief Executive Officer (CEO).

Mosley, Megginson, and Pietri (1997) stated that overall operation of the organization is the responsibility of top management. Middle management is responsible for a division, department or project, whereas supervisory management controls a small organizational unit, production line or laboratory. This last level is the non-managerial level.

Also, Lewis, Goodman, and Fandt (2001) stated that managers often differ with regard to both the scope of their responsibilities and their level within the vertical structure of the organization.

They have described the scope of responsibility into 2 types: functional responsibilities and general management responsibilities.

2.2.2 Functional managers are the type of managers who are responsible for a part of work groups. Usually, they are promoted from within the same work groups. In addition, functional managers often have the same background as their subordinates; such as sales managers, production managers and purchasing managers.

2.2.3 General managers, in contrast, manage whole sets of different departments that are responsible for different tasks. They may not specialize in specific areas of work and their technical skills may not be as strong as those of their subordinates. General managers must coordinate and energize the people in departments in order to achieve the overall goals of the organization.

2.3   CONCEPTS OF MOTIVATION

Herzberg, Mausner, and Snyderman's (1959) said in their study that there are two factors making employees feel happy and unhappy with their jobs. First, the factors that contribute to the happiness of employees are challenging work, recognition, responsibility, independence, and occupation growth. These factors are also called factors of motivators. On the other hand, the factors bringing unhappiness to employees are supervision, company policies, working conditions, administrative

practices; benefits and job security which can also be called factors of hygiene. However, the hygiene factors do not affect the job performance of employees. In contrast, when the motivators are increased, the employees often put in more effort to increase their job performance.

Barnard (1966, p. 142) believed that motivation encourages workers to be satisfied with the job. The organization might motivate the workers by

1. Material rewards such as money or presents.

2. Opportunities such as a higher position or new challenging job.

3. Good working conditions such as good office environment and good utilities.

4. Socialization such as good activities among colleagues.

5. Adjustment to working conditions such as to put the right man in the right job.

6. Participation such as give a chance for workers to share ideas in company activities.

7. Job training, set up the training course to develop worker efficiency or performance.

According to the study of Altmann (2000), the success of the company has been built up from part of the concern of the management for the subordinates. They said it is essential to provide employees with a good working environment which can lead to a higher level of employee job performance.

2.4   CONCEPTS OF COMMUNICATION

Drucker (1954) stated that in communication, the most important messages are non verbal messages or to hear what is not being said. As the nature of human physicality, we were born with two ears and only one mouth. An individual, therefore, should listen more and speak less.

Daggett and Miles (1991) said the average person spends approximately 70 percent of his or her waking time engaged in some form of communication-either listening, speaking, writing, reading, or gesturing.

The communication process between supervisor and subordinate is important and relates to communication satisfaction. The basic model is explained as follows:

Figure 2. Hamilton and Parker's basic model of communication
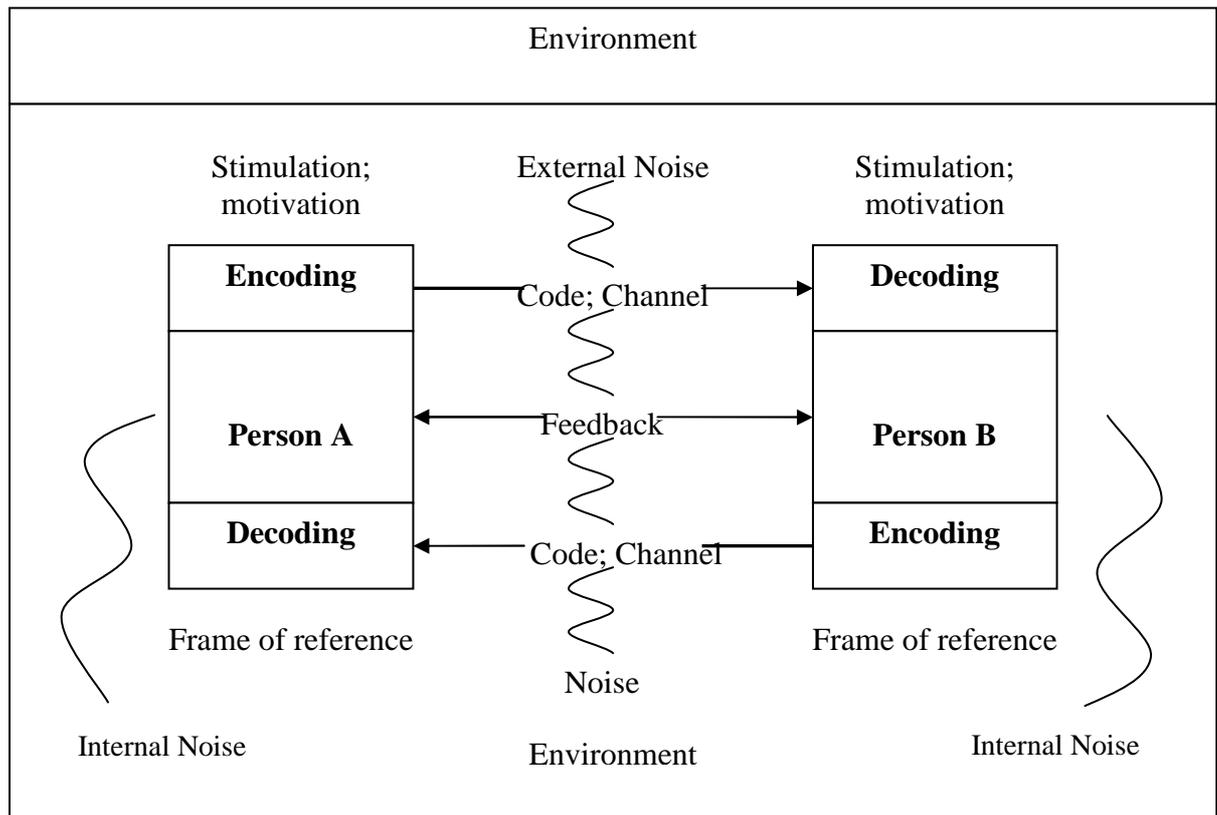
It is the same basic process for communicating with only one person, or with many people. The basic model of communication by Hamilton and Parker (1997) explains the communication process and the role that each element plays. The misunderstandings in communication can be decreased by making the communication process clear between receiver and sender. In the model, person A could be the sender (the source of message) or the receiver (the interpreter of the message). Person B also could be either the source or the interpreter. In fact, both sender and receiver will interchange with each other during communication, such as in the conversation between subordinates and supervisors, when the subordinates start a conversation they will be the sender and once the supervisors respond the supervisors will be the sender as well.

In addition, DeFleur (1970) described the former concept of stimulus and response or S-R Theory. He said that characteristics and interest in information of people were different from one another. The differentiation was based on the following factors:

(1) People had different personalities and psychological characteristics.

(2) The differentiation was incurred because people were from different societies.

(3) People in different societies learnt from different environments.

(4) Learning from different environments caused people to have different attitudes, values, beliefs, and personalities.

In addition, Handel (2000) stated that giving information to all employees of the organization and empowering them to perform their jobs in order to reach those targets could make the employees feel that they belong to the company's success. The perception motivated the employees to work at their highest performance.

One example of communication skills as an important management attribute as stated in *The Leadership Secret of the World's Most Successful CEOs* by Eric. It mentions the clear message that communicates to the subordinates making Hain Celestial Group grow constantly. The company is in the natural food and organic product business in which they are the biggest player in this market. The sales have grown to approximately USD 700 million annually with 2000 staff. He also said his most powerful leadership strategy is to communicate. He had no hidden agendas and his four clear messages to subordinates: build brands, stick to strategy, have good people, and achieve financial goals.

Eric suggested people should communicate directly instead of using e-mail and voice mail. In his opinion, many people used e-mail as a way to avoid confrontation. Communication by e-mail and voice mail is the easy way out when there's something important to talk about. In fact, these ways of communication are not as effective as the direct communication (Yaverbaum, 2004, p. 91).

2.5   CONCEPT OF MANAGEABILITY

Manageability means the capability of the supervisor arranging and distributing work among members of the work group to accomplish the organization's goal.

Managing can be explained in general meanings as follows:

1. Work "tasks and activities broken down into units"
2. People "personnel assigned to job and task responsibilities"
3. Relationship "coordination of work and people"
4. Condition of work "the environment where people work"

As Frunzi and Savini (1997) stated, managing involves arranging a unity and sequence to accomplish predetermined tasks. By definition, manageability is determining how work is to be segmented and coordinated.

The managing function requires that every manger be concerned with building, developing, and maintaining working relationships that help achieve the organization's objectives. In order to make such a structure possible, management must delegate authority throughout the organization and establish and clarify authority among the departments. Management should design the structure and establish authority relationships based on sound principles and organizational concepts, such as delegation of authority, unity of command, span of supervisor, division of work, departmentation, and line and staff authority as stated by Hilgert and Leonard (1998).

2.6   CONCEPT OF CONTROLLING AND DIRECTING

The managerial function of controlling concerns securing that company performance is on track as planned. It would not be possible for a supervisor to determine whether work was proceeding properly if there were no plans for checking. Controlling covers both making sure the plan is executed properly and correcting the process if it deviates from the original plan or obtain an unexpected result, as mentioned by Hilgert and Leonard (1998).

2.7   RELEVANT RESEARCH

Noppawan Kanjanawa (นพวรรณ กาญจนะวรรณ, 2540) studied the leadership styles as perceived and preferred by supervisors and their subordinates of the Electricity Generating Authority of Thailand to find out the most preferred leadership style of supervisors and their subordinates. The samples consisted of 220 supervisors and 379 subordinates answering a 5-rating-scale questionnaire of the studied leadership styles.

The research result showed that the most common leadership style of both supervisors and their subordinates was the team leadership style. This style shows equal concern for both task and people and represents the ideal management style. Since concern for employees is equal to that for task, this is therefore termed "team" or "democratic management".

Phusit Jarupornsin (ภูศิษฏ์ จารุพรสิน, 2547) reported in the research about the five key functions of management as stated below**:**

1. Planning is considered as ideas on how to accomplish the company goals.

2. Manageability occurs after planning. The manager or supervisor should arrange and distribute the task for each work group.

3. Human resource management is assigned to recruit the right people into the right position.

4. Coordinating is making a cooperative atmosphere in the work place. One task of the manager is to resolve internal conflicts before they become big issues.

5. Controlling involves monitoring one's action to make sure that tasks have been carried out properly and implementing corrective measures as necessary if it is not. Controlling is the last function after others have been done.

Northouse's study (as cited in Stogdill, 1974, p. 2) stated in a review of "leadership" research that leadership has been defined in many different ways. There are a number of ways to complete the sentence "Leadership is …". Researchers usually define leadership according to their individual perspectives and the aspects of the phenomenon of most interest to them.

Handel (2000, pp. 18-20) mentioned that power allocation and objective sharing makes subordinates a part of a company's success. This is a way to motivate subordinates to work efficiently.

Yaverbaum (2004, p. 91) said the most effective leadership strategy is to communicate. He suggested four clear messages in the company: build brands, stick to strategy, have good people, and achieve financial goals.

In his opinion, too many people hide behind e-mails as a way to avoid personal, face-to-face communication, and that e-mail and voice mail are the easy way out when there's something important to talk about. They hurt communication by eliminating the need to speak to the person directly.