<div align="center">Chapter One
The Exceptional Manager:
What You Do, How You Do It</div>

✦ **Organization**
  ↳ a group of people who work together to achieve some specific purpose

Management is defined as
1. The pursuit of organizational goals efficiently and effectively by
2. Integrating the work of people through
3. Planning, organizing, leading, and controlling the organization's resources

✦ To be *efficient* means to use resources -people, money, raw materials, and the like - wisely and cost-effectively
✦ To be *effective* means to achieve results, to make the right decisions and to successfully carry them out so that they achieve organizational goals

Example – Efficiency versus Effectiveness
✦ Many companies now use a recorded "telephone menu" of options to answer customer calls
✦ This is efficient for the companies, but not effective
✦ Most consumers prefer a live agent

Rewards of Studying Management
✦ Understanding how to deal with organizations from the outside
✦ Understanding how to relate to your supervisors
✦ Understanding how to interact with co-workers
✦ Understanding how to manage yourself in the workplace

Rewards of Practicing Management
✦ You and your employees can experience a sense of accomplishment
✦ You can stretch your abilities and magnify your range
✦ You can build a catalog of successful products or services

Seven Challenges to Being an Exceptional Manager
1. Managing for competitive advantage – staying ahead of rivals
2. Managing for diversity – the future won't resemble the past
3. Managing for globalization – the expanding management universe
4. Managing for information technology
5. Managing for ethical standards
6. Managing for Sustainability— The Business of Green
7. Managing for your own happiness & life goals

Example – Losing Competitive Advantage: How Did Newspapers Lose Their Way?
✦ First: Giving Away the Product
  ↳ newspaper proprietors, decided to promote their product by giving it away for free to various Web sites
✦ Second: Relying Too Much on Advertising for Revenue
  ↳ for decades publishers relied for revenues more on advertising than on readers willing to pay

- ✦ **Competitive advantage**
    - ↪ the ability of an organization to produce goods or services more effectively than competitors do, thereby outperforming them
- ✦ Being responsive to customers
- ✦ Innovation
- ✦ Quality
- ✦ Efficiency

- ✦ By 2015, consumers are projected to spend $1.4 trillion online, a rise of 13.5 % annually
- ✦ Information technology has facilitated
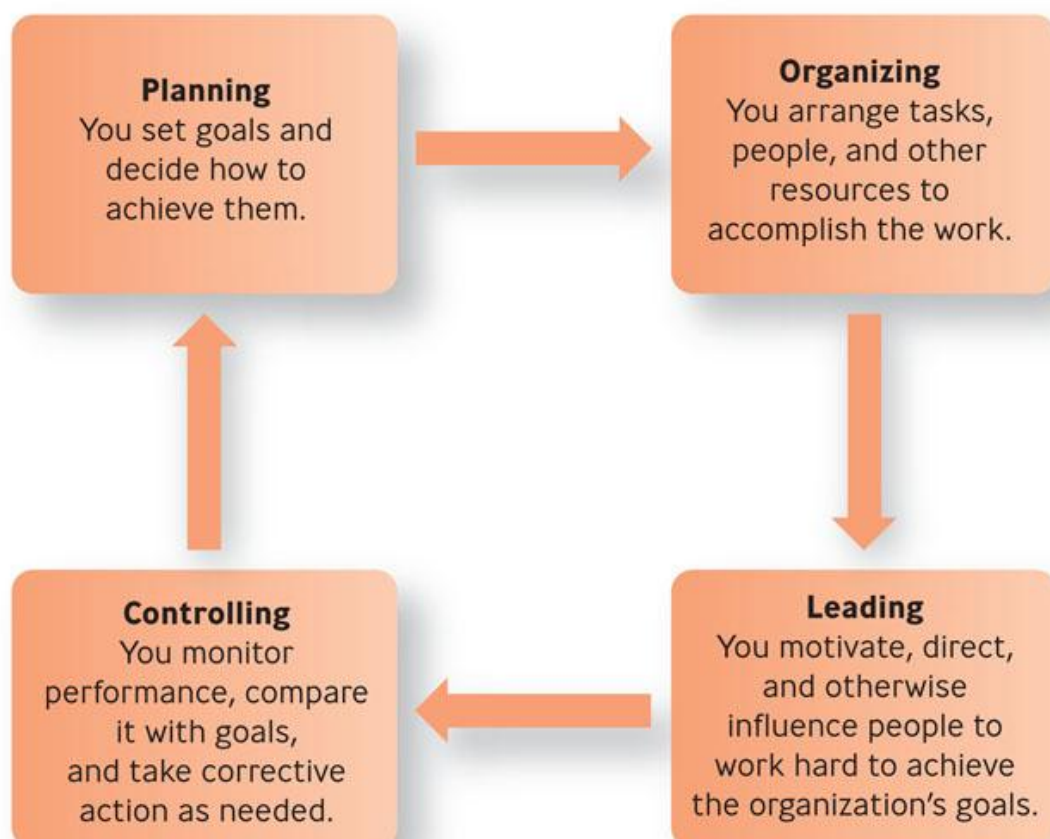e-business, using the Internet to facilitate every aspect of running a business

Implications of e-business
- ✦ Far-ranging e-management and e-communication
- ✦ Accelerated decision making, conflict, and stress
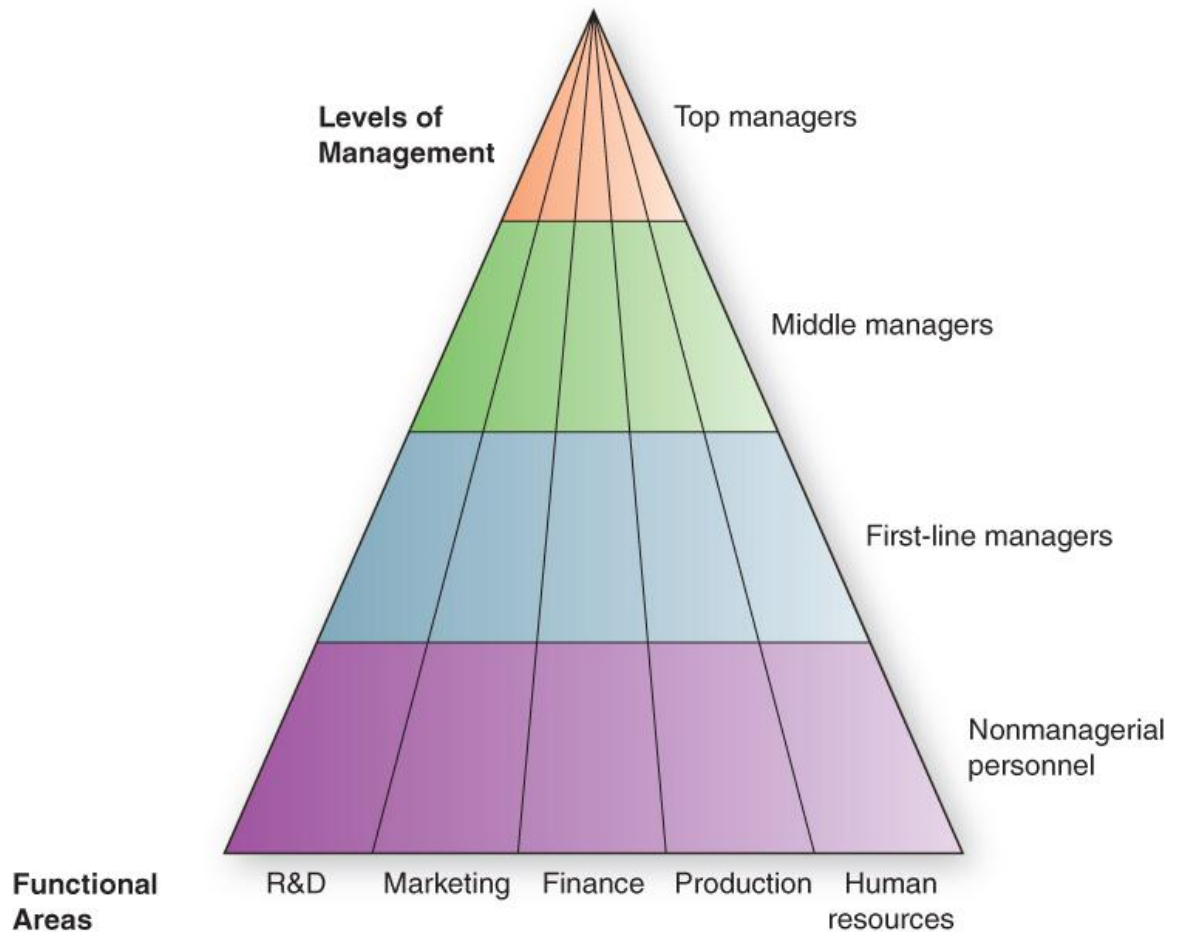- ✦ Changes in organizational structure, jobs, goal setting, and knowledge management

- ✦ **Sustainability**
    - ↪ economic development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

What Managers Do: The Four Principal Functions

Planning
You set goals and decide how to achieve them.

Organizing
You arrange tasks, people, and other resources to accomplish the work.

Controlling
You monitor performance, compare it with goals, and take corrective action as needed.

Leading
You motivate, direct, and otherwise influence people to work hard to achieve the organization's goals.

Pyramid Power: Levels & Areas of Management

✦ **Top managers**
  ↳ make long-term decisions about the overall direction of the organization and establish the objectives, policies, and strategies for it
✦ **Middle managers**
  ↳ implement the policies and plans of the top managers above them and supervise and coordinate the activities of the first-line managers below them
✦ **First-line managers**
  ↳ make short-term operating decisions, directing the daily tasks of nonmanagerial personnel
✦ **Functional manager**
  ↳ responsible for just one organizational activity
✦ **General manager**
  ↳ responsible for several organizational activities

Roles Managers Must Play Successfully

The manager's roles: Mintzberg's useful findings

1. A manager relies more on verbal than on written communication
2. A manager works long hours at an intense pace
3. A manager's work is characterized by fragmentation, brevity, & variety

Three Types of Managerial Roles

✦ **Interpersonal roles**
  ↳ managers interact with people inside and outside their work units
  ↳ figurehead, leader, liaison
✦ **Informational roles**
  ↳ managers receive and communicate information
  ↳ monitor, disseminator, spokesperson
✦ **Decisional roles**
  ↳ managers use information to make decisions to solve problems or take advantage of opportunities
  ↳ entrepreneur, disturbance handler, resource allocator, negotiator

The Entrepreneurial Spirit

✦ **Entrepreneurship**
  ↳ process of taking risks to try to create a new empire
  ↳ Entrepreneur, intrapreneur
✦ **Entrepreneur**
  ↳ someone who sees a new opportunity for a product or service and launches a business to try to realize it
✦ **Intrapreneur**
  ↳ someone who works inside an existing organization who sees an opportunity for a product or service and mobilizes the organization's resources to try to realize it

How Do Entrepreneurs & Managers Differ

✦ Being an *entrepreneur* is what it takes to start a business
✦ Being a *manager* is what it takes to grow or maintain a business

The Entrepreneurial Spirit

✦ **Necessity entrepreneurs**
  ↳ people who suddenly must earn a living and are simply trying to replace lost income and are hoping a job comes along
✦ **Opportunity entrepreneurs**
  ↳ those who start their business out of a burning desire rather than because they lost a job

The Skills Exceptional Managers Need

✦ **Technical skills**
  ↳ the job-specific knowledge needed to perform well in a specialized field
✦ **Conceptual skills**
  ↳ the ability to think analytically, to visualize an organization as a whole and understand how the parts work together
✦ **Human skills**
  ↳ the ability to work well in cooperation with other people to get things done

The Most Valued Traits in Managers

✦ The ability to motivate and engage others
✦ The ability to communicate
✦ Work experience outside the United States
✦ High energy levels to meet the demands of global travel and a 24/7 world

Chapter Two
Management Theory:
Essential Background for the Successful Manager

How We Got to Today's Management Outlook
- ✦ **Evidence based management**
  - ↪ translating principles based on best evidence into organizational practice, bringing rationality to the decision making process
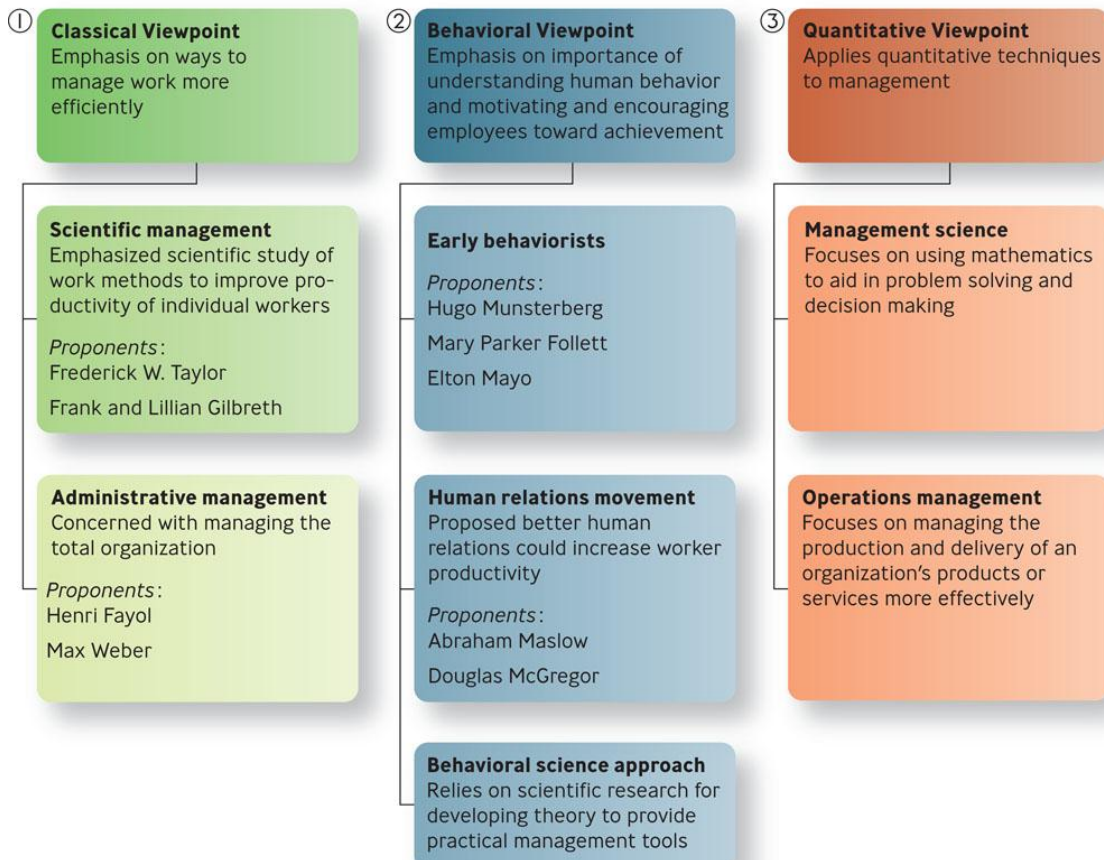 - ↪ Pfeffer and Sutton

Two Overarching Perspectives about Management
- ✦ **Historical perspective**
  - ↪ classical, behavioral, and quantitative
- ✦ **Contemporary perspective**
  - ↪ systems, contingency, and quality-management

Five Practical Reasons for Studying This Chapter
- • **Understanding of the present**
- • **Guide to action**
- • **Source of new ideas**
- • **Clues to meaning of your managers' decisions**
- • **Clues to meaning of outside events**

Classical Viewpoint: Scientific & Administrative Management

① **Classical Viewpoint**
Emphasis on ways to manage work more efficiently

Scientific management
Emphasized scientific study of work methods to improve productivity of individual workers
Proponents:
Frederick W. Taylor
Frank and Lillian Gilbreth

Administrative management
Concerned with managing the total organization
Proponents:
Henri Fayol
Max Weber

② **Behavioral Viewpoint**
Emphasis on importance of understanding human behavior and motivating and encouraging employees toward achievement

Early behaviorists
Proponents:
Hugo Munsterberg
Mary Parker Follett
Elton Mayo

Human relations movement
Proposed better human relations could increase worker productivity
Proponents:
Abraham Maslow
Douglas McGregor

Behavioral science approach
Relies on scientific research for developing theory to provide practical management tools

③ **Quantitative Viewpoint**
Applies quantitative techniques to management

Management science
Focuses on using mathematics to aid in problem solving and decision making

Operations management
Focuses on managing the production and delivery of an organization's products or services more effectively

Scientific Management: Pioneered by Taylor & the Gilbreths

- ✦ **Scientific management**
  - ↪ emphasized the scientific study of work methods to improve the productivity of individual workers
  - ↪ Frederick W. Taylor, Frank and Lillian Gilbreth

Principles of Scientific Management
1. Scientifically study each part of the task
2. Carefully select workers with the right abilities
3. Give workers the training and incentives to do the task
4. Use scientific principles to plan the work method

Administrative Management: Pioneered by Fayol& Weber

- ✦ **Administrative management**
  - ↪ concerned with managing the total organization
- ✦ **Henri Fayol**
  - ↪ French engineer and industrialist
  - ↪ first to identify the major functions of management
- ✦ Max Weber believed that a bureaucracy was a rational, efficient, ideal organization based on the principles of logic

Five Positive Bureaucratic Features
1. A well-defined hierarchy of authority
2. Formal rules and procedures
3. A clear division of labor
4. Impersonality
5. Careers based on merit

.

The Problem with the Classical Viewpoint
- ✦ Mechanistic
- ✦ Tends to view humans as cogs within a machine, not taking into account the importance of human needs

Why the Classical Viewpoint is Important?
- ✦ Work activity was amenable to a rational approach
- ✦ Through the application of scientific methods, time and motion studies, and job specialization it was possible to boost productivity

Behavioral Viewpoint: Behaviorism, Human Relations, & Behavioral Science
- ✦ **Behavioral viewpoint**
  - ↪ Emphasized the importance of understanding human behavior and of motivating employees toward achievement

The **behavioral viewpoint** developed over three phases:
1. Early behaviorism
2. The human relations movement
3. Behavioral science.

Early Behaviorism: Pioneered by Munsterberg, Follett, & Mayo
✦ **Hugo Munsterberg**
  ↳ Father of industrial psychology
1. Study jobs and determine which people are best suited to specific jobs
2. Identify the psychological conditions under which employees do their best work
3. Devise management strategies to influence employees to follow management's interests

✦ **Mary Parker Follett**
  ↳ social worker and social philosopher
1. Organizations should be operated as "communities"
2. Conflicts should be resolved by having managers and workers talk over differences and find solutions that would satisfy both parties
3. The work process should be under control of workers with relevant knowledge

✦ **Hawthorne effect**
  ↳ employees worked harder if they received added attention, thought that managers cared about their welfare and that supervisors paid special attention to them
  ↳ Elton Mayo

The Human Relations Movement: Pioneered by Maslow & McGregor
✦ **Human relations movement**
  ↳ proposed that better human relations could increase worker productivity
  ↳ Abraham Maslow and Douglas McGregor

Maslow's Hierarchy of Needs
• **Self-actualization**
• **Esteem**
• **Social**
• **Safety**
• **Physiological**

Douglas McGregor –
Theory X versus Theory Y
✦ **Theory X**
  ↳ represents a pessimistic, negative view of workers
  ↳ workers are irresponsible, resistant to change, lack ambition, hate work, and want to be led
✦ **Theory Y**
  ↳ represents an optimistic, positive view of workers
  ↳ Workers are considered capable of accepting responsibility, self-direction, self control and being creative

Why Theory X/Theory Y Is Important
✦ Helps managers understand how their beliefs affect their behavior.
✦ Managers can be more effective by considering how their behavior is shaped by their expectations about human nature

The Behavioral Science Approach
✦ **Behavioral science**
- ↳ relies on scientific research for developing theories about human behavior that can be used to provide practical tools for managers

Quantitative Viewpoints: Management Science & Operations Research
✦ **Quantitative management**
- ↳ application to management of quantitative techniques, such as statistics and computer simulations
- ↳ Management science, operations management

Management Science: Using Mathematics to Solve Management Problems
✦ **Management science**
- ↳ stresses the use of rational, science-based techniques and mathematical models to improve decision making and strategic planning

Operations Management: Helping Organizations Deliver Products or Services More Effectively
✦ **Operations management**
- ↳ focuses on managing the production and delivery of an organization's products or services more effectively
- ↳ work scheduling, production planning, facilities location and design

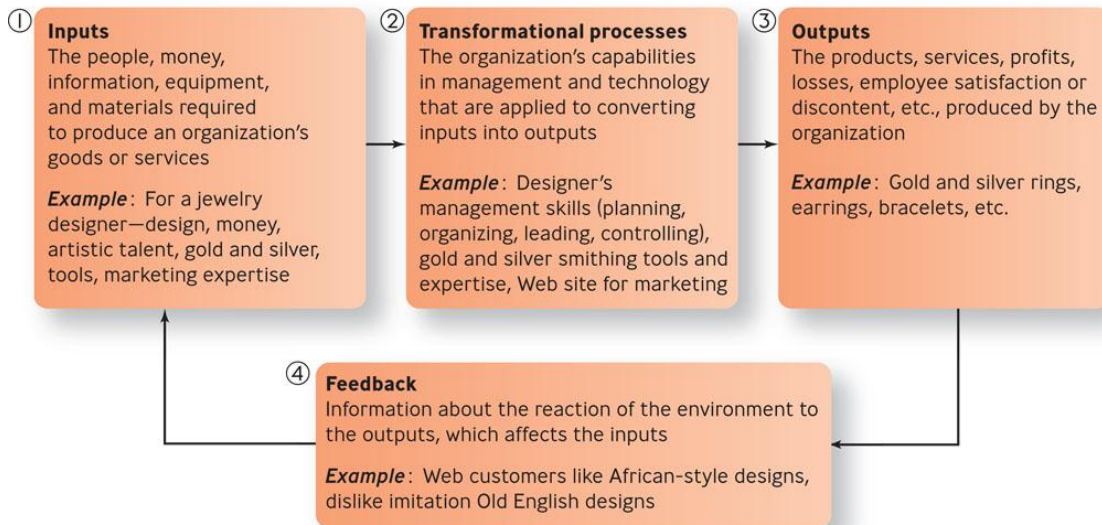## The Contemporary Perspective

The Systems Viewpoint	The Contingency Viewpoint	The Quality-Management Viewpoint
Regards the organization as systems of interrelated parts that operate together to achieve a common purpose	Emphasizes that a manager's approach should vary according to—i.e., be contingent on—the individual and environmental situation	Three approaches

Quality control	Quality assurance	Total quality management
Strategy for minimizing errors by managing each state of production	Focuses on the performance of workers, urging employees to strive for "zero defects"	Comprehensive approach dedicated to continuous quality improvement, training, and customer satisfaction
Proponent: Walter Shewart		*Proponents*: W. Edwards Deming Joseph M. Juran

Systems Viewpoint
✦ **Systems viewpoint**
- ↳ regards the organization as a system of interrelated parts
- ↳ collection of subsystems
- ↳ part of the larger environment

The Four Parts of a System

① **Inputs**
The people, money, information, equipment, and materials required to produce an organization's goods or services

Example: For a jewelry designer—design, money, artistic talent, gold and silver, tools, marketing expertise

② **Transformational processes**
The organization's capabilities in management and technology that are applied to converting inputs into outputs

Example: Designer's management skills (planning, organizing, leading, controlling), gold and silver smithing tools and expertise, Web site for marketing

③ **Outputs**
The products, services, profits, losses, employee satisfaction or discontent, etc., produced by the organization

Example: Gold and silver rings, earrings, bracelets, etc.

④ **Feedback**
Information about the reaction of the environment to the outputs, which affects the inputs

Example: Web customers like African-style designs, dislike imitation Old English designs

Systems Viewpoint
- ✦ **Open system**
  - ↳ continually interacts with its environment
- ✦ **Closed system**
  - ↳ has little interaction with its environment

Contingency Viewpoint
- ✦ **Contingency viewpoint**
  - ↳ emphasizes that a manager's approach should vary according to the individual and the environmental situation
  - ↳ Most practical because it addresses problems on a case-by-case basis

Quality Control & Quality Assurance
- ✦ **Quality**
  - ↳ total ability of a product or service to meet customer needs
- ✦ **Quality control**
  - ↳ the strategy for minimizing errors by managing each stage of production
- ✦ **Quality assurance**
  - ↳ focuses on the performance of workers, urging employees to strive for "zero defects"

Quality-Management Viewpoint
- ✦ **Total quality management (TQM)**
  - ↳ comprehensive approach-led by top management and supported throughout the organization-dedicated to continuous quality improvement, training, and customer satisfaction
  - ↳ Deming, Juran

Total Quality Management
1. Make continuous improvement a priority
2. Get every employee involved
3. Listen to and learn from customers and employees
4. Use accurate standards to identify and eliminate problems

The Learning Organization: Handling Knowledge & Modifying Behavior

✦ **Learning organization**
- ↳ organization that actively creates, acquires, and transfers knowledge within itself and is able to modify its behavior to reflect new knowledge

How to Build a Learning Organization:
Three Roles Managers Play

How to build a learning organization

1. Build a commitment to learning
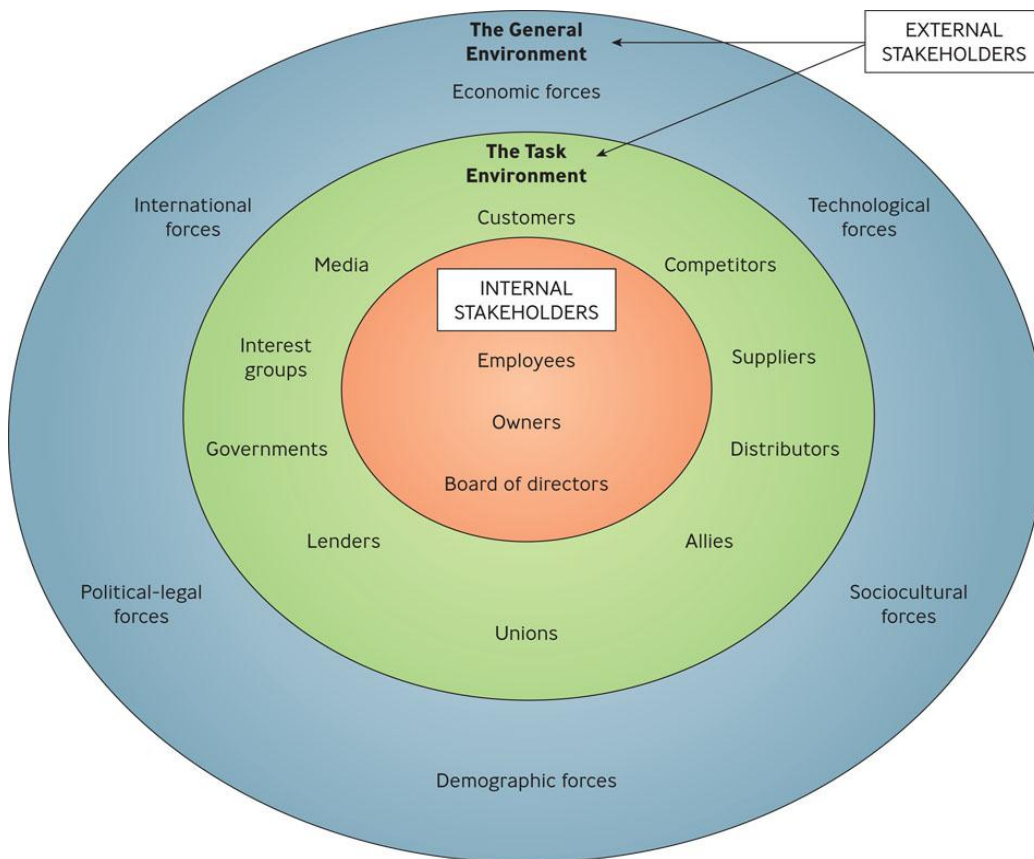2. Work to generate ideas with impact
3. Work to generalize ideas with impact

The Community of Stakeholders Inside the Organization

✦ **Stakeholders**
    ↳ the people whose interests are affected by an organization's activities
    ↳ Internal, external

The Organization's Environment

✦ **Internal stakeholders**
    ↳ consist of employees, owners, and the board of directors
✦ **Owners**
    ↳ consist of all those who can claim the organization as their legal property
✦ **Board of directors**
    ↳ members elected by the stockholders to see that the company is being run
      according o their interests

- ✦ **External stakeholders**
  - ↳ people or groups in the organization's external environment that are affected by it
  - ↳ Task, general environment

The Task Environment
- ✦ **Customers**
  - ↳ those who pay to use an organization's goods or services
- ✦ **Competitors**
  - ↳ people or organizations that compete for customers or services
- ✦ **Suppliers**
  - ↳ A person or organization that provides raw materials, services, equipment, labor or energy to other organizations
- ✦ **Distributor**
  - ↳ a person or organization that helps another organization sell its goods and services to customers
- ✦ **Strategic allies**
  - ↳ describes the relationship of two organizations who join forces to achieve advantages neither can perform as well alone
- ✦ Employee Organizations: Unions & Associations
- ✦ Local Communities
- ✦ Financial Institutions

- ✦ **Government regulators**
  - ↳ regulatory agencies that establish ground rules under which organizations may operate
- ✦ **Special interest groups**
  - ↳ groups whose members try to influence specific issues
- ✦ **Mass Media**

The General Environment
- ✦ **Economic forces**
  - ↳ consist of the general economic conditions and trends – unemployment, inflation, interest rates, economic growth – that may affect an organization's performance
- ✦ **Technological forces**
  - ↳ new developments in methods for transforming resources into goods and services
- ✦ **Sociocultural forces**
  - ↳ Influences and trends originating in a country's, a society's, or a culture's human relationships and values that may affect an organization
- ✦ **Demographic forces**
  - ↳ influences on an organization arising from changes in the characteristics of a population, such as age, gender, or ethnic origin
- ✦ **Political-Legal forces**
  - ↳ changes in the way politics shape laws and laws shape the opportunities for and threats to an organization
- ✦ **International forces**
  - ↳ changes in the economic, political, legal, and technological global system that may affect an organization

✦ **Ethical dilemma**
   ↳ situation in which you have to decide whether to pursue a course of action that may benefit you or your organization but that is unethical or even illegal.

Defining Ethics & Values
✦ **Ethics**
   ↳ standards of right and wrong that influence behavior
✦ **Values**
   ↳ relatively permanent and deeply held underlying beliefs and attitudes that help determine a person's behavior

Values
Organizations may have two value systems that conflict:
1. The value system stressing financial performance versus
2. The value system stressing cohesion and solidarity in employee relationships
   .

Four Approaches to Deciding Ethical Dilemmas
✦ **Utilitarian**
   ↳ guided by what will result in the greatest good for the greatest number of people
✦ **Individual**
   ↳ guided by what will result in the individual's best long term interest, which ultimately are in everyone's self-interest
✦ **Moral-rights**
   ↳ guided by respect for the fundamental rights of human beings
✦ **Justice**
   ↳ guided by respect for impartial standards of fairness and equity

White-Collar Crime, SarbOx, & Ethical Training
✦ **Sarbanes-Oxley of 2002**
   ↳ Often shortened to SarbOx or SOX, established requirements for proper financial record keeping for public companies and penalties of as much as 25 years in prison for noncompliance.

How Do People Learn Ethics? Kohlberg's Theories
✦ **Level 1**, preconventional – follows rules
✦ **Level 2**, conventional – follows expectations of others
✦ **Level 3**, postconventional – guided by internal values

How Organizations Can Promote Ethics
1. Creating of a strong ethical climate
2. Screening prospective employees
3. Instituting ethics codes and training programs
4. Rewarding ethical behavior: Protecting whistle-blowers

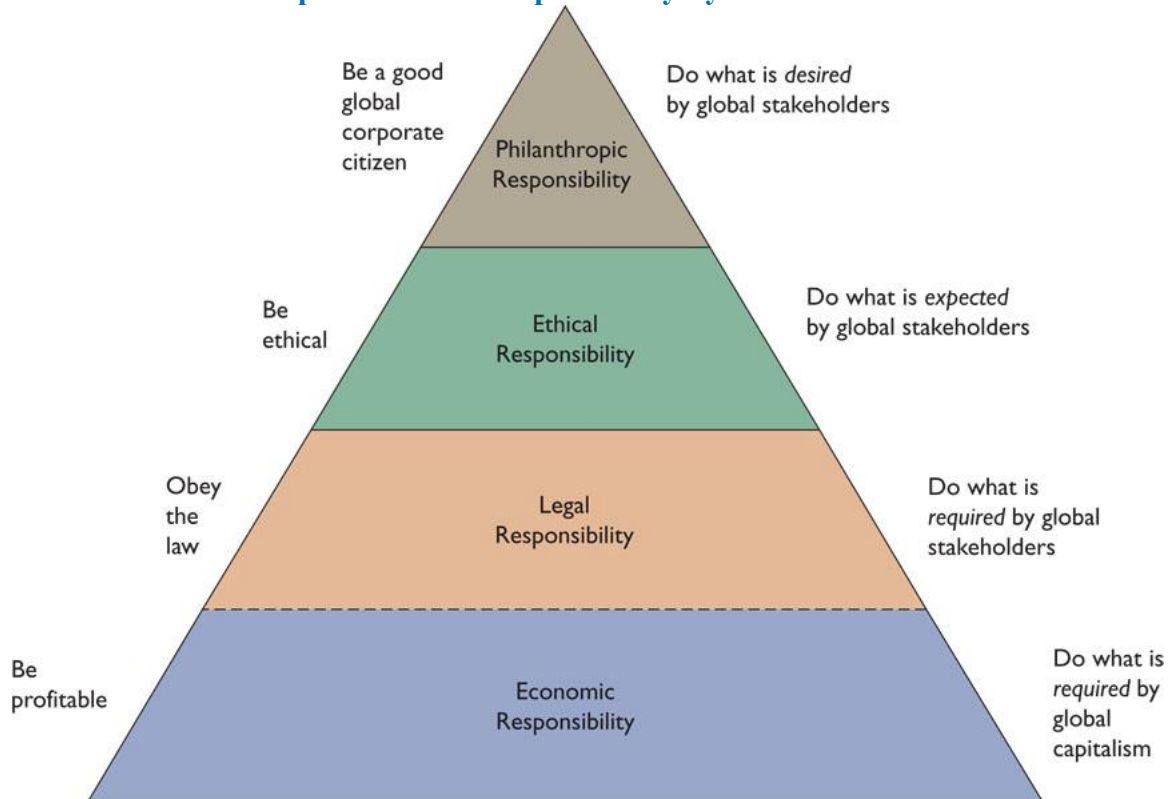## The Social Responsibilities Required of You as a Manager
✦ **Social responsibility**
↳ manager's duty to take actions that will benefit the interests of society as well as of the organization

✦ **Corporate social responsibility**
↳ notion that corporations are expected to go above and beyond following the law and making a profit

Carroll's Global Corporate Social Responsibility Pyramid

Be a good global corporate citizen — **Philanthropic Responsibility** — Do what is *desired* by global stakeholders

Be ethical — **Ethical Responsibility** — Do what is *expected* by global stakeholders

Obey the law — **Legal Responsibility** — Do what is *required* by global stakeholders

Be profitable — **Economic Responsibility** — Do what is *required* by global capitalism

✦ **Philanthropy**
↳ making charitable donations to benefit humankind

Corporate Governance
✦ **Corporate governance**
↳ the system of governing a company so that the interests of corporate owners and other stakeholders are protected.

The Need for Independent Directors
✦ More attention is being paid to strengthening corporate governance so that directors are clearly separated in their authority from the CEO

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Chapter Four
Global Management:
Managing Across Borders

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Globalization: The Collapse of Time & Distance
+ **Globalization**
  ↳ the trend of the world economy toward becoming a more interdependent system

+ **Global village**
  ↳ the "shrinking" of time and space as air travel and the electronic media have made it much easier for the people of the globe to communicate with one another
+ **E-commerce**
  ↳ the buying and selling of products and services through computer networks
+ U.S. retail e-commerce sales were estimated at $48.2 billion in the third quarter of 2011

Example: Worldwide E-Commerce – Amazon.com
+ Jeffrey Bezos left Wall Street in 1994 to launch an online bookstore called Amazon.com
+ Believed there could be a great deal of interaction
+ It reported 2011 net sales of $48.07 billion,

One Big World Market: The Global Economy
+ **Global economy**
  ↳ the increasing tendency of the economies of the world to interact with one another as one market instead of many national markets

+ **Positive effects**
  ↳ more markets for American exports
+ **Negative effects**
  ↳ vast surplus funds from global investments flowed into U.S. that were invested badly in subprime mortgages

Minifirms operating worldwide
+ Small companies can get started more easily
+ Small companies can maneuver faster

Why Learn About International Management?
+ **Multinational corporation**
  ↳ business firm with operations in several countries
+ **Multinational organization**
  ↳ nonprofit organization with operations in several countries

Why Learn About International Management?
+ You may deal with foreign customers or partners
+ You may deal with foreign employees or suppliers
+ You may work for a foreign firm in the United States
+ You may work for an American firm outside the United States – or for a foreign one

The Successful International Manager
✦ **Ethnocentric managers**
  ↪ believe that their native country, culture, language, and behavior are superior to all others
✦ **Parochialism**
  ↪ narrow view in which people see things solely through their own perspective

✦ **Polycentric managers**
  ↪ take the view that native managers in the foreign offices best understand native personnel and practices, and so the home office should leave them alone
✦ **Geocentric managers**
  ↪ accept that there are differences and similarities between home and foreign personnel and practices and that they should use whatever techniques are most effective

Being an Effective Road Warrior
Lesson 1: Frequent travel may be needed because personal encounters are essential
Lesson 2: Travel may be global, but understanding must be local
Lesson 3: Frequent travel requires frequent adjustments

Why Companies Expand Internationally
1. Availability of supplies
2. New markets
3. Lower labor costs
4. Access to finance capital
5. Avoidance of tariffs & import quotas

Five Ways of Expanding Internationally

| Global outsourcing | Importing, exporting, & countertrading | Licensing & franchising | Joint ventures | Wholly-owned subsidiaries |

Lowest risk & investment ←——————————————————————————→ *Highest risk & investment*

How Companies Expand Internationally
✦ **Global outsourcing**
  ↪ using suppliers outside the U.S. to provide labor, goods, or services
✦ **Importing**
  ↪ a company buys goods outside the country and resells them domestically
✦ **Exporting**
  ↪ a company produces goods domestically and sells them outside the country
✦ **Countertrading**
  ↪ bartering goods for goods
✦ **Licensing**
  ↪ a firm allows a foreign company to pay it a fee to make or distribute the firm's product or service
✦ **Franchising**
  ↪ a firm allows a foreign company to pay it a fee and a share of the profit in return for using the firm's brand name and a package of materials and services

- ✦ **Joint ventures**
  - ↳ formed with a foreign company to share the risks and rewards of starting a new enterprise together in a foreign country
  - ↳ also known as a strategic alliance
- ✦ **Wholly-owned subsidiary**
  - ↳ foreign subsidiary that is totally owned and controlled by an organization
- ✦ **Greenfield venture**
  - ↳ a foreign subsidiary that the owning organization has built from scratch.

Barriers to International Trade
- ✦ **Tariffs**
  - ↳ customs duty, or tax, levied mainly on imports
- ✦ **Import quotas**
  - ↳ limits on the numbers of a product that can be imported
- ✦ **Embargoes**
  - ↳ complete ban on the import or export of certain products

Organizations Promoting International Trade
- ✦ **World Trade Organization (WTO)**
  - ↳ designed to monitor and enforce trade agreements
  - ↳ Agreements are based on the *General Agreement on Tariffs and Trade (GATT)*
  - ↳ Consist of 153 countries
- ✦ **World Bank**
  - ↳ purpose is to provide low-interest loans to developing nations for improving transportation, education, health, and telecommunications
- ✦ **International Money Fund (IMF)**
  - ↳ designed to assist in smoothing the flow of money between nations

Major Trading Blocs
- ✦ **Trading bloc**
  - ↳ group of nations within a geographic region that have agreed to remove trade barriers with one another
  - ↳ also known as an economic community

- ✦ NAFTA – U.S., Canada, Mexico
- ✦ European Union – 27 trading partners in Europe
- ✦ APEC – group of 21 Pacific Rim countries
- ✦ ASEAN - trading bloc of 11 countries in Asia
- ✦ Mercosur – trading bloc in Latin America
- ✦ CAFTA – Central America

The Importance of National Culture
- **Culture**
  - ↳ shared set of beliefs, values, knowledge, and patterns of behavior common to a group of people

Cultural Dimensions
- **Low-context culture**
  - ↳ shared meanings are primarily derived from written and spoken words
- **High-context culture**
  - ↳ people rely heavily on situational cues for meaning when communicating with others

The Globe Project's Nine Cultural Dimensions
- **Power distance**
  - ↳ how much unequal distribution of power should there be in organizations and society
- **Uncertainty avoidance**
  - ↳ how much should people rely on social norms and rules to avoid uncertainty
- **Institutional collectivism**
  - ↳ how much should leaders encourage and reward loyalty to the social unit
- **In-group collectivism**
  - ↳ how much pride and loyalty should people have for their family or organization
- **Gender egalitarianism**
  - ↳ how much should society maximize gender role differences
- **Assertiveness**
  - ↳ how confrontational and dominant should individuals be in social relationships
- **Future orientation**
  - ↳ how much should people delay gratification by planning and saving for the future
- **Performance orientation**
  - ↳ how much should individuals be rewarded for improvement and excellence
- **Humane orientation**
  - ↳ how much should society encourage and reward people for being kind, fair, friendly, and generous

Other Cultural Variations
1. Language
2. Interpersonal space
3. Communication
4. Time orientation
   - Monochronic, Polychronic
5. Religion

U.S. Managers on Foreign Assignments: Why Do They Fail?
- **Expatriates**
  - ↳ people living or working in a foreign country
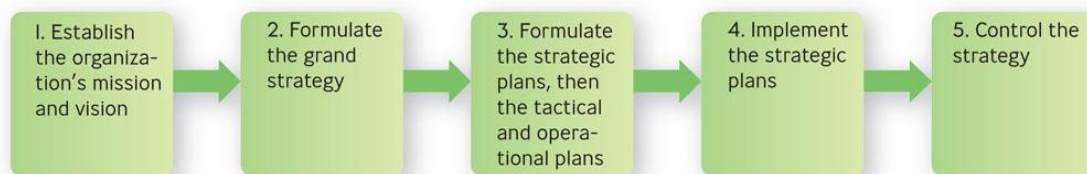- 10%–20% of all U.S. managers sent abroad returned early because of job dissatisfaction or adjustment difficulties

Planning & Uncertainty
✦ **Planning**
↳ coping with uncertainty by formulating future courses of action to achieved specified results
↳ setting goals and deciding how to achieve them

Planning & Strategic Management

Why Not Plan?
1. Planning requires you to set aside the time to do it
2. You may have to make some decisions without a lot of time to plan

How Planning Helps You
1. Helps you check on your progress
2. Helps you coordinate activities
3. Helps you think ahead
4. Helps you cope with uncertainty

Four Basic Strategy Types
• **Defenders**
• **Prospectors**
• **Reactors**
• **Analyzers**

✦ **Defenders**
↳ expert at producing and selling narrowly defined products

✦ **Prospectors**
↳ focus on developing new products and in seeking out new markets, rather than waiting for things to happen

✦ **Analyzers**
↳ let other organizations take the risks of product development and marketing and then imitate what seems to work best

✦ **Reactors**
↳ make adjustments only when finally forced to by environmental pressures

✦ **Adaptive Cycle**
   ↪ businesses are continuously cycling through decisions about three kinds of business problems: (1) *entrepreneurial*, (2) *engineering*, and (3) *administrative*

Making Plans

Mission statement: "What is our reason for being?"	Vision statement: "What do we want to become?"	Strategic planning: Done by top managers for the next 1–5 years	Tactical planning: Done by middle managers for the next 6–24 months	Operational planning: Done by first-line managers for the next 1–52 weeks
		↓ Goals ↓ Action plans	↓ Goals ↓ Action plans	↓ Goals ↓ Action plans

Mission & Vision Statements

✦ **Mission statement**
   ↪ expresses the purpose of the organization
✦ **Vision statement**
   ↪ long-term goal describing "what" an organization wants to become
   ↪ clear sense of the future and the actions needed to get there

Example: Nest Fresh Eggs

"NestFresh strives to provide you and your family with a more sustainable, humane alternative to conventional eggs, which are produced in caged facilities. We insist on producing cage free and organic eggs to create awareness about the need for humane treatment of egg laying hens and the importance of environmental responsibility."

Three Types of Planning for Three Levels of Management
✦ **Strategic planning**
   ↪ determine what the organization's long-term goals should be for the next 1-5 years with the resources they expect to have available
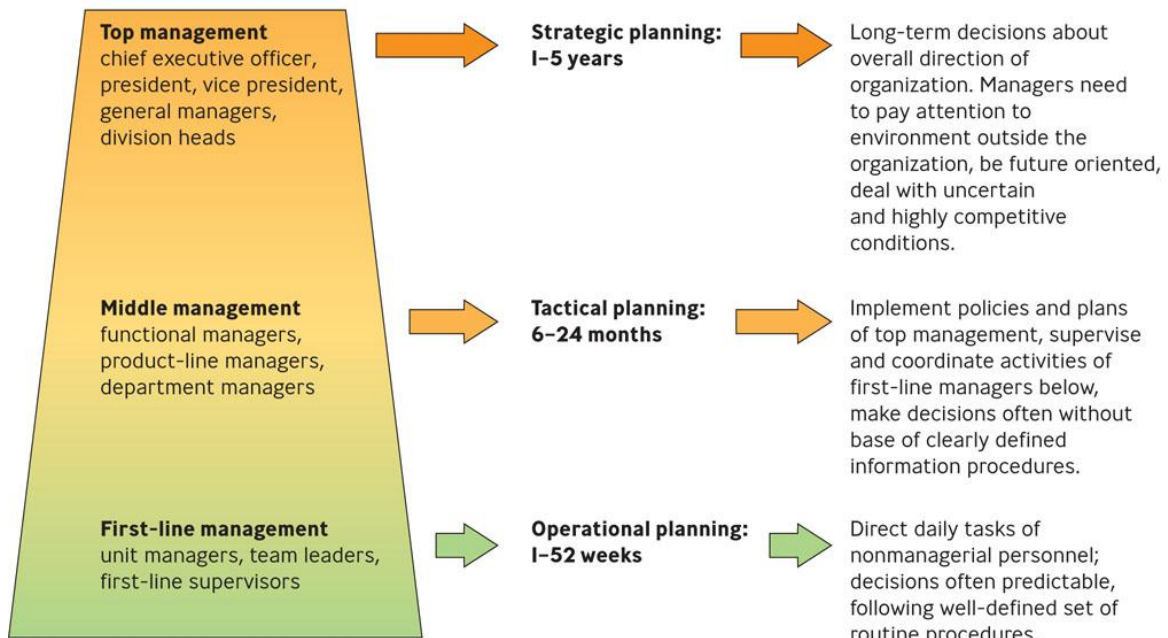✦ **Tactical planning**
   ↪ determine what contributions their departments or similar work units can make during the next 6-24 months
✦ **Operational planning**
   ↪ determine how to accomplish specific tasks with available resources within the next 1-52 weeks

Three Levels of Management

Top management chief executive officer, president, vice president, general managers, division heads	→	Strategic planning: I–5 years	→	Long-term decisions about overall direction of organization. Managers need to pay attention to environment outside the organization, be future oriented, deal with uncertain and highly competitive conditions.
Middle management functional managers, product-line managers, department managers	→	Tactical planning: 6–24 months	→	Implement policies and plans of top management, supervise and coordinate activities of first-line managers below, make decisions often without base of clearly defined information procedures.
First-line management unit managers, team leaders, first-line supervisors	→	Operational planning: I–52 weeks	→	Direct daily tasks of nonmanagerial personnel; decisions often predictable, following well-defined set of routine procedures.

Goals,

✦ **Goals**
↳ specific commitment to achieve a measurable result within a stated period of time
↳ also known as an objective
↳ strategic, tactical, operational

Goals

✦ **Strategic goals**
↳ set by and for top management and focus on objectives for the organization as a whole.

✦ **Tactical goals**
↳ set by and for middle managers and focus on the actions needed to achieve strategic goals.

✦ **Operational goals**
↳ set by and for first-line managers and are concerned with short-term matters associated with realizing tactical goals.

Action Plans & Operating Plans

✦ **Action plan**
↳ defines the course of action needed to achieve the stated goal

✦ **Operating plan**
↳ designed for a 1-year period
↳ defines how you conduct your business based on the action plan
↳ identifies clear targets such as revenue, cash flow, and market share

Standing Plans: Policies, Procedures, & Rules

✦ **Standing plans**
  ↳ plans developed for activities that occur repeatedly over a period of time
  ↳ consist of policies, procedures, and rules.

✦ **Policy**
  ↳ outlines the general response to a designated problem or situation

✦ **Procedure**
  ↳ outlines the response to a particular problem or circumstances
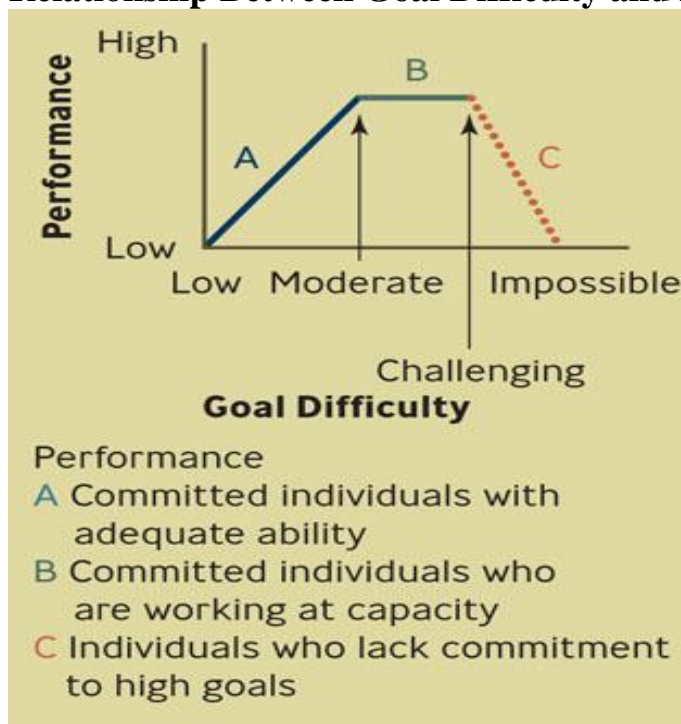
✦ **Rule**
  ↳ designates specific required action

Single-Use Plans: Programs & Projects

✦ **Single-use plans**
  ↳ plans developed for activities that are not likely to be repeated in the future

✦ **Program**
  ↳ encompasses a range of projects or activities

✦ **Project**
  ↳ plan of less scope and complexity than a program

SMART Goals

- *S*pecific
- *M*easurable
- *A*ttainable
- *R*esults-oriented
- *T*arget dates

Relationship Between Goal Difficulty and Performance

Performance
A Committed individuals with adequate ability
B Committed individuals who are working at capacity
C Individuals who lack commitment to high goals

<u>What Is **MBO**?</u>

1. Jointly set objectives
2. Develop action plan
3. Periodically review performance
4. Give performance appraisal and rewards, if any

Three Types of Objectives Used in MBO

Improvement Objectives

Purpose Express performance to be accomplished in a specific way for a specific area
Examples "Increase sport utility sales by 10%." "Reduce food spoilage by 15%."

Personal Development Objectives

Purpose Express personal goals to be realized
Examples "Attend five days of leadership training." "Learn basics of Microsoft Office software by June 1."

Maintenance Objectives

Purpose Express the intention to maintain performance at previously established levels
Examples "Continue to meet the increased sales goals specified last quarter." "Produce another 60,000 cases of wine this month."

Cascading Objectives: MBO from the Top Down
Objectives are structured in a *unified hierarchy*, becoming more specific at lower levels of the organization.

Example: Wal-Mart Setting Objectives for Change

✦ In 2008 Walmart CEO, Lee Scott, laid out new environmental, health, and ethical goals
✦ Walmart would continue to promote energy-saving in more products
✦ Walmart would apply cost-cutting skills to helping other companies deliver health care for its employees

The Planning/Control Cycle
1. Make the plan
2. Carry out the plan
3. Control the direction by comparing results with the plan
4. Control the direction by taking corrective action in two ways
   - Correcting deviations
   - Improving future plans
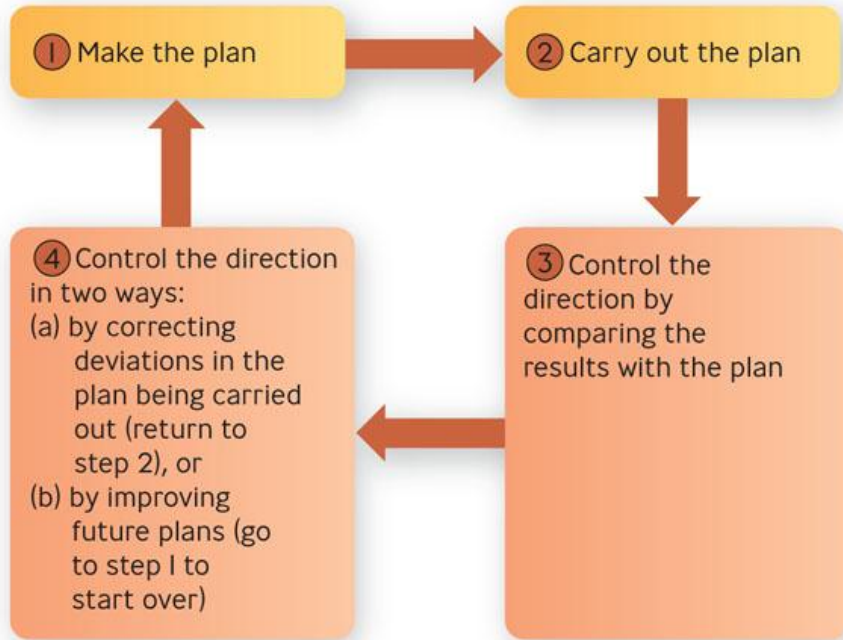
The Planning/Control Cycle

The Two Planning Steps

① Make the plan

② Carry out the plan

The Two Control Steps

④ Control the direction in two ways:
(a) by correcting deviations in the plan being carried out (return to step 2), or
(b) by improving future plans (go to step 1 to start over)

③ Control the direction by comparing the results with the plan

The Dynamics of Strategic Planning
- ✦ **Strategy**
  - ↳ large-scale action plan that sets the direction for an organization
- ✦ **Strategic management**
  - ↳ process that involves managers from all parts of the organization in the formulation and the implementation of strategies and strategic goals

Why Strategic Management & Strategic Planning are Important
1. Provide direction and momentum
2. Encourage new ideas
3. Develop a sustainable competitive advantage

Sustainable competitive advantage occurs when an organization can stay ahead in four areas:
- ✦ Being responsive to customers
- ✦ Innovation
- ✦ Quality
- ✦ Effectiveness

What Is an Effective Strategy?
- ✦ **Strategic positioning**
  - ↳ attempts to achieve sustainable competitive advantage by preserving what is distinctive about a company
  - ↳ "performing different activities from rivals, or performing similar activities in different ways"

What Is an Effective Strategy?
1. Strategy is the creation of a unique & valuable position
2. Strategy requires trade-offs in competing
3. Strategy involves creating a "fit" among activities

The Strategic-Management Process

| 1. Establish the mission and the vision | 2. Establish the grand strategy with environmental scanning | 3. Formulate the strategic plans (using, e.g., Porter) | 4. Carry out the strategic plans | 5. Maintain strategic control |

Feedback: Revise actions, if necessary, based on feedback
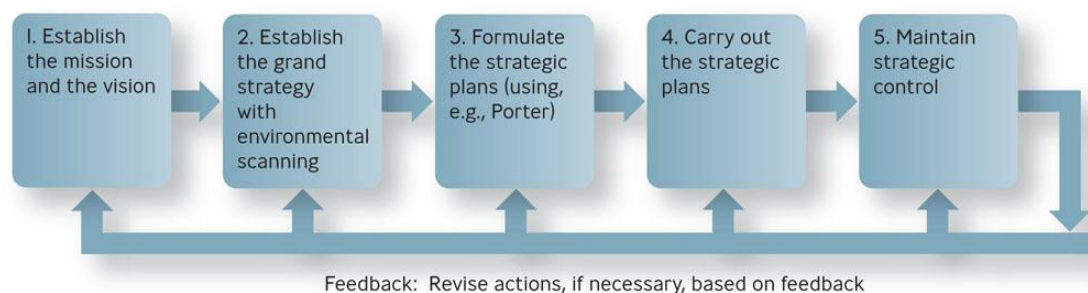
Common Grand Strategies
- ✦ **Growth strategy**
  - ↳ involves expansion - as in sales revenues, market share, number of employees, or number of customers
- ✦ **Stability**
  - ↳ involves little or no significant change
- ✦ **Defensive**
  - ↳ involves reduction in the organization's efforts
  - ↳ retrenchment

How Companies Can Implement Grand Strategies

Growth strategy

- It can improve an existing product or service to attract more buyers.
- It can increase its promotion and marketing efforts to try to expand its market share.
- It can expand its operations, as in taking over distribution or manufacturing previously handled by someone else.
- It can expand into new products or services.
- It can acquire similar or complementary businesses.
- It can merge with another company to form a larger company.

Stability strategy

- It can go for a no-change strategy (if, for example, it has found that too-fast growth leads to foul-ups with orders and customer complaints).
- It can go for a little-change strategy (if, for example, the company has been growing at breakneck speed and believes it needs a period of consolidation).

Defensive strategy

- It can reduce costs, as by freezing hiring or tightening expenses.
- It can sell off (liquidate) assets—land, buildings, inventories, and the like.
- It can gradually phase out product lines or services.
- It can divest part of its business, as in selling off entire divisions or subsidiaries.
- It can declare bankruptcy.
- It can attempt a turnaround—do some retrenching, with a view toward restoring profitability.

- **Strategy formulation**
  - process of choosing among different strategies and altering them to best fit the organization's needs
- **Strategy implementation**
  - putting strategic plans into effect
- **Strategic control**
  - consists of monitoring the execution of strategy and making adjustments, if necessary
- **Engage people**
- **Keep it simple**
- **Stay focused**
- **Keep moving**

Competitive Intelligence
- **Competitive intelligence**
  - means gaining information about one's competitors' activities so that you can anticipate their moves and react appropriately
  - public prints and advertising, investor information, informal sources

SWOT Analysis
- **Environmental scanning**
  - careful monitoring of an organization's internal and external environments to detect early signs of opportunities and threats that may influence the firm's plans

INSIDE MATTERS—Analysis of Internal Strengths & Weaknesses

S—Strengths: inside matters
Strengths could be work processes, organization, culture, staff, product quality, production capacity, image, financial resources & requirements, service levels, other internal matters.

W—Weaknesses: inside matters
Weaknesses could be in the same categories as stated for Strengths: work processes, organization, culture, etc.

O—Opportunities: outside matters
Opportunities could be market segment analysis, industry & competition analysis, impact of technology on organization, product analysis, governmental impacts, other external matters.

T—Threats: outside matters
Threats could be in the same categories as stated for Opportunities: market segment analysis, etc.

OUTSIDE MATTERS—Analysis of External Opportunities & Threats

- **Organizational strengths**
  - skills and capabilities that give the organization special competencies and competitive advantages in executing strategies in pursuit of its mission

✦ **Organizational weaknesses**
  ↳ drawbacks that hinder an organization in executing strategies in pursuit of its mission

✦ **Organizational opportunities**
  ↳ environmental factors that the organization may exploit for competitive advantage
✦ **Organizational threats**
  ↳ environmental factors that hinder an organization's achieving a competitive

Example: How Would You Analyze Toyota?
✦ **Internal strengths**
  ↳ attention to detail and a frugality that shuns waste of every kind
✦ **Internal weaknesses**
  ↳ parts were supplied by outside companies rather than trusted traditional suppliers
✦ **External opportunities**
  ↳ stressed commitment to customers
  ↳ still ranks high in quality

Forecasting: Predicting the Future
✦ **Trend analysis**
  ↳ hypothetical extension of a past series of events into the future
✦ **Contingency planning**
  ↳ creation of alternative hypothetical but equally likely future conditions
  ↳ also called scenario planning and scenario analysis

Porter's Five Competitive Forces
1. Threat of new entrants
2. Bargaining power of suppliers
3. Bargaining power of buyers
4. Threat of substitute products or services
5. Rivalry among competitors

Porter's Four Competitive Strategies

Strategy	Wide	Narrow
1. Cost-leadership	✓	
2. Differentiation	✓	
3. Cost-focus		✓
4. Focused-differentiation		✓

Type of market targeted (column header over Wide/Narrow)

✦ **Porter's Four Competitive Strategies:**

✦ **Cost-leadership strategy**
  ↪ keep the costs, and hence prices, of a product or service below those of competitors and to target a wide market

✦ **Differentiation strategy**
  ↪ offer products that are of unique and superior value compared to those of competitors but to target a wide market

✦ **Cost-focus strategy**
  ↪ keep the costs of a product below those of competitors and to target a narrow market

✦ **Focused-differentiation**
  ↪ offer products that are of unique and superior value compared to those of competitors and to target a narrow market

Single-Product versus Diversification
✦ **Single-product strategy**
  ↪ company makes and sells only one product within its market
  ↪ Benefit-focus
  ↪ Risk-vulnerability

The Diversification Strategy
✦ **Diversification**
  ↪ operating several businesses under one ownership that are not related to one another
  ↪ Related, unrelated

✦ **Reduced risk**
↳ because more than one product
✦ **Management efficiencies**
↳ administration spread over several businesses
✦ **Synergy**
↳ the sum is greater than the parts

The BCG Matrix
✦ **BCG matrix**
↳ a means of evaluating strategic business units on the basis of (1) their business growth rates and (2) their share of the market.

Stars Have high growth, high market share—definite keepers	**Question marks** Risky new ventures— some will become stars, some dogs	
Cash cows Have slow growth but high market share— income finances stars and question marks	**Dogs** Have low growth, low market share—should be gotten rid of	

Market growth rate — High / Low

Market share — High / Low
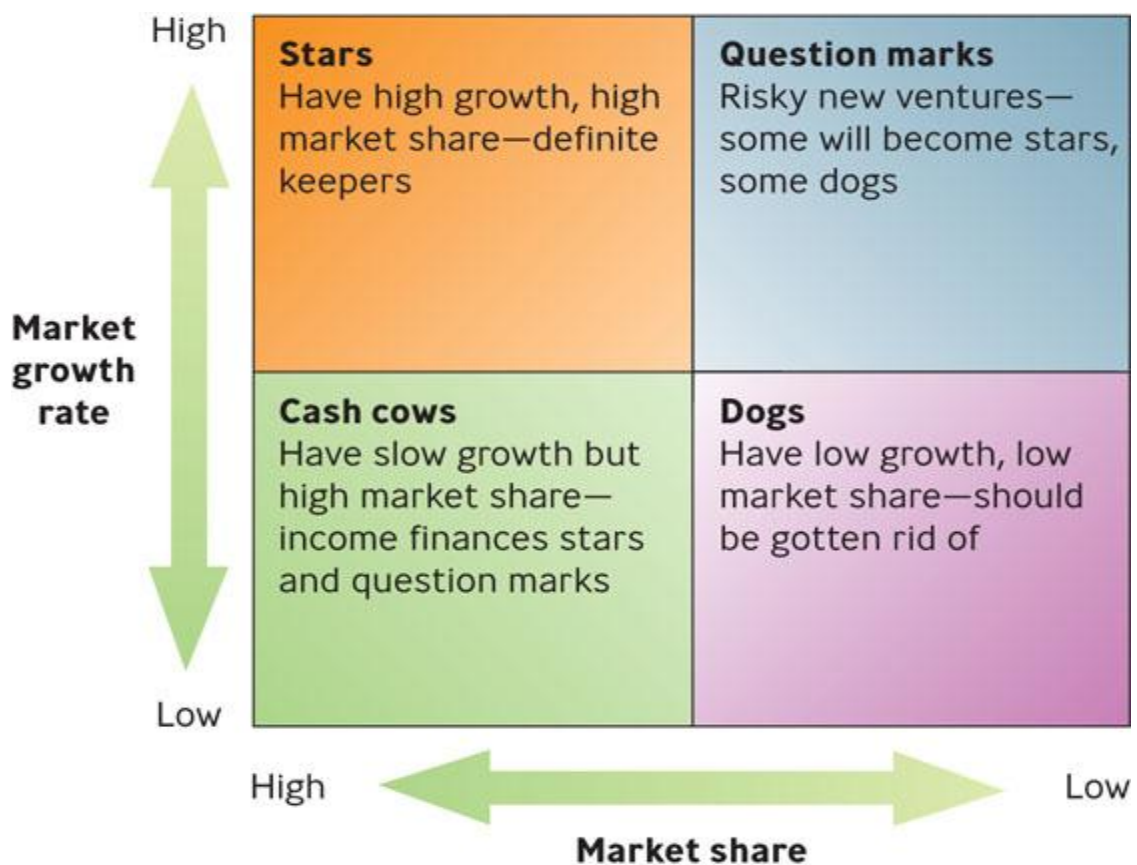
Execution: Getting Things Done
✦ **Execution**
↳ consists of using questioning, analysis, and follow-through in order to mesh strategy with reality, align people with goals, and achieve results promised
↳ central part of any company's strategy

The Three Core Processes of Business
✦ **People**
↳ Consider who will benefit you in the future
✦ **Strategy**
↳ Consider how success will be accomplished
✦ **Operations**
↳ Consider what path will be followed

What Questions Should a Strong Strategic Plan Address?

1. What is the assessment of the external environment?

2. How well do you understand the existing customers and markets?

3. What is the best way to grow the business profitably, and what are the obstacles to growth?

4. Who is the competition?

5. Can the business execute the strategy?

6. Are the short term and long term balanced?

7. What are the important milestones for executing the plan?

8. What are the critical issues facing the business?

9. How will the business make money on a sustainable basis?

Building a Foundation of Execution
- ✦ Know your people & your business
- ✦ Insist on realism
- ✦ Set clear goals & priorities
- ✦ Follow through
- ✦ Reward the doers
- ✦ Expand the capabilities
- ✦ Know yourself

Two Kinds of Decision Making
- ✦ **Decision**
  - ↳ choice made from among available alternatives
- ✦ **Decision making**
  - ↳ process of identifying and choosing alternative courses of action

Rational Decision Making

Stage 1	Stage 2	Stage 3	Stage 4
Identify the problem or opportunity.	Think up alternative solutions.	Evaluate alternatives & select a solution.	Implement & evaluate the solution chosen.
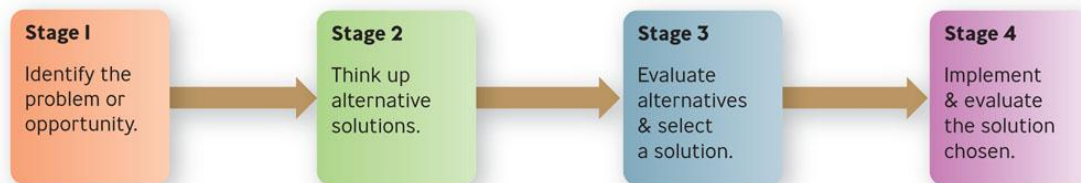
- ✦ **Rational model of decision making**
  - ↳ explains how managers should make decisions
  - ↳ assumes managers will make logical decisions that will be optimum in furthering the organization's interest
  - ↳ also called the classical model

Assumptions of the Rational Model

- **Complete information, no uncertainty.** You should obtain complete, error-free information about all alternative courses of action and the consequences that would follow from each choice.

- **Logical, unemotional analysis.** Having no prejudices or emotional blind spots, you are able to logically evaluate the alternatives, ranking them from best to worst according to your personal preferences.

- **Best decision for the organization.** Confident of the best future course of action, you coolly choose the alternative that you believe will most benefit the organization.

Nonrational Decision Making
- ✦ **Nonrational models of decision making**
  - ↳ assume that decision making is nearly always uncertain and risky, making it difficult for managers to make optimal decisions

Bounded Rationality
- ✦ **Bounded Rationality**
  - ↳ suggests that the ability of decision makers to be rational is limited by numerous constraints
  - ↳ complexity, time and money, cognitive capacity

Some Hindrances to Perfectly Rational Decision Making

- **Complexity:**
The problems that need solving are often exceedingly complex, beyond understanding.

- **Time and money constraints:**
There is not enough time or money to gather all relevant information.

- **Different cognitive capacity, values, skills, habits, and unconscious reflexes:**
Managers aren't all built the same way, of course, and all have personal limitations and biases that affect their judgment.

- **Imperfect information:**
Managers have imperfect, fragmentary information about the alternatives and their consequences.

- **Information overload:**
There is too much information for one person to process.

- **Different priorities:**
Some data are considered more important, so certain facts are ignored.

- **Conflicting goals:**
Other managers, including colleagues, have conflicting goals.

Satisficing and Incremental Models

✦ **Satisficing Model**
↳ managers seek alternatives until they find one that is satisfactory, not optimal
✦ **Incremental Model**
↳ managers take small, short-term steps to alleviate a problem

Intuition Model

✦ **Intuition**
↳ making a choice without the use of conscious thought or logical inference
↳ sources are expertise and feelings

Implementation Principles of Evidence-Based Decision Making

✦ Treat your organization as an unfinished prototype.
✦ No brag, just facts.
✦ See yourself and your organization as outsiders do.
✦ Evidence-based management is not just for senior executives.
✦ Like everything else, you still need to sell it
✦ If all else fails, slow the spread of bad practice
✦ The best diagnostic question: What happens when people fail?

What Makes It Hard to Be Evidence Based

1. There's too much evidence.
2. There's not enough good evidence.
3. The evidence doesn't quite apply.
4. People are trying to mislead you.
5. You are trying to mislead you.
6. The side effects outweigh the cure.
7. Stories are more persuasive anyway.

Analytics

✦ **Analytics**
↳ sophisticated forms of business data analysis
↳ portfolio analysis, time-series forecast
↳ also called business analytics

Example: The Oakland A's Play Moneyball
- ✦ The A's could not afford superstar free agents
- ✦ Looked for players that could contribute in ways other clubs didn't value as much
- ✦ Found that indicators of success lay in on-base percentage and slugging percentage

Key Attributes Among Analytics Competitors
1. Use of modeling: going beyond simple descriptive statistics
2. Having multiple applications, not just one
3. Support from the top

General Decision-Making Styles
- ✦ **Risk propensity**
  - ↪ the willingness to gamble or to undertake risk for the possibility of gaining an increased payoff
- ✦ **Decision-making style**
  - ↪ reflects the combination of how an individual perceives and responds to information
  - ↪ value orientation
  - ↪ tolerance for ambiguity

Decision-Making Styles
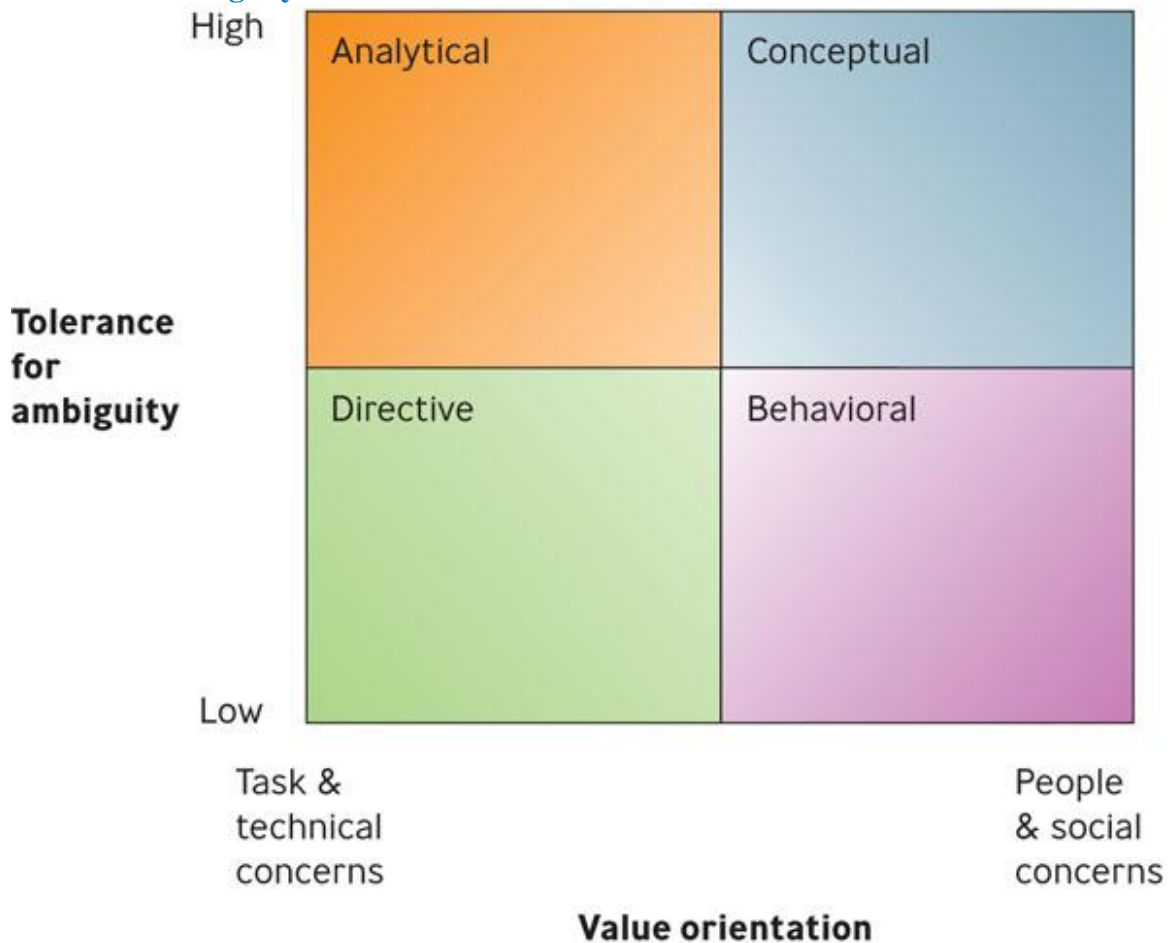
- ✦ **Directive**
    - ↪ people are efficient, logical, practical, and systematic in their approach to solving problems
    - ↪ action-oriented, decisive, and likes to focus on facts
- ✦ **Analytical**
    - ↪ considers more information and alternatives
- ✦ **Conceptual**
    - ↪ takes a broad perspective to problem solving
    - ↪ likes to consider many options and future possibilities
- ✦ **Behavioral**
    - ↪ supportive, receptive to suggestions, show warmth
    - ↪ prefer verbal to written information

Which Style Do You Have?

Knowledge of your decision-making style:
- ✦ Helps you to understand yourself
- ✦ Can increase your ability to influence others
- ✦ Gives you an awareness of how people can take the same information and yet arrive at different decisions

Road Map to Ethical Decision Making: A Decision Tree
1. Is the proposed action legal?
2. If "yes," does the proposed action maximize shareholder value?
3. If "yes," is the proposed action ethical?
4. If "no," would it be ethical *not* to take the proposed action?

The Ethical Decision Tree
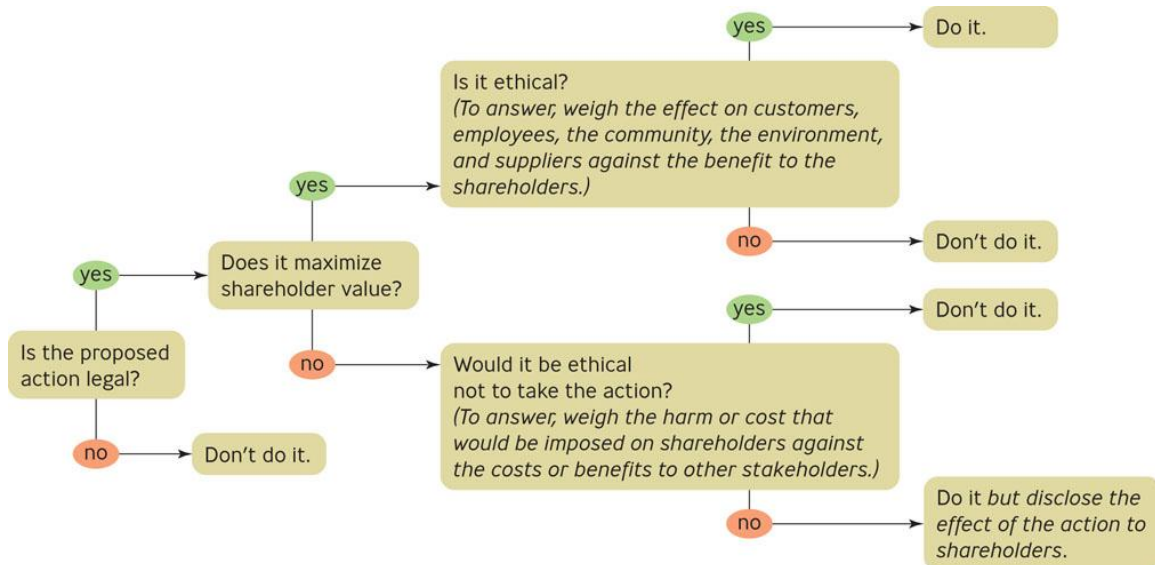
Ineffective Responses to a Decision Situation
- • **Relaxed avoidance**
- • **Relaxed change**
- • **Defensive avoidance**
- • **Panic**

Three Effective Reactions: Deciding to Decide
- **Importance**
  - ↪ "How high priority is this situation?"
- **Credibility**
  - ↪ "How believable is the information about the situation?"
- **Urgency**
  - ↪ "How quickly must I act on the information about the situation?"

Common Decision-Making Biases
1. Availability bias
2. Confirmation bias
3. Representativeness bias
4. Sunk cost bias
5. Anchoring and adjustment bias
6. Escalation of commitment bias

Advantages of Group Decision Making
- Greater pool of knowledge
- Different perspectives
- Intellectual stimulation
- Better understanding of decision rationale
- Deeper commitment to the decision

Disadvantages of Group Decision Making
- A few people dominate or intimidate
- Groupthink
- Satisficing
- Goal displacement

Groupthink
- **Groupthink**
  - ↪ occurs when group members strive to agree for the sake of unanimity and thus avoid accurately assessing the decision situation

What Managers Need to Know About Groups & Decision Making
- They are less efficient.
- Their size affects decision quality.
- They may be too confident.
- Knowledge counts.

When a Group Can Help in Decision Making

1. **When it can increase quality:** If additional information would increase the quality of the decision, managers should involve those people who can provide the needed information. Thus, if a type of decision occurs frequently, such as deciding on promotions or who qualifies for a loan, groups should be used because they tend to produce more consistent decisions than individuals do.

2. **When it can increase acceptance:** If acceptance within the organization is important, managers need to involve those individuals whose acceptance and commitment are important.

3. **When it can increase development:** If people can be developed through their participation, managers may want to involve those whose development is most important.

Participative Management

✦ **Participative Management**
 ↪ process of involving employees in setting goals, making decisions, solving problems, and making changes in the organization

Group Problem-Solving Techniques

✦ **Consensus**
 ↪ occurs when members are able to express their opinions and reach agreement to support the final decision
✦ **Brainstorming**
 ↪ technique used to help groups generate multiple ideas and alternatives for solving problems

Computer-Aided Decision Making

✦ **Chauffeur-driven systems**
 ↪ ask participants to answer predetermined questions on electronic keypads or dials
✦ **Group-driven systems**
 ↪ involves a meeting within a room of participants who express their ideas anonymously on a computer network
 ↪ for anonymous networking

Chapter Eight
**Organizational Culture,
Structure, & Design:**
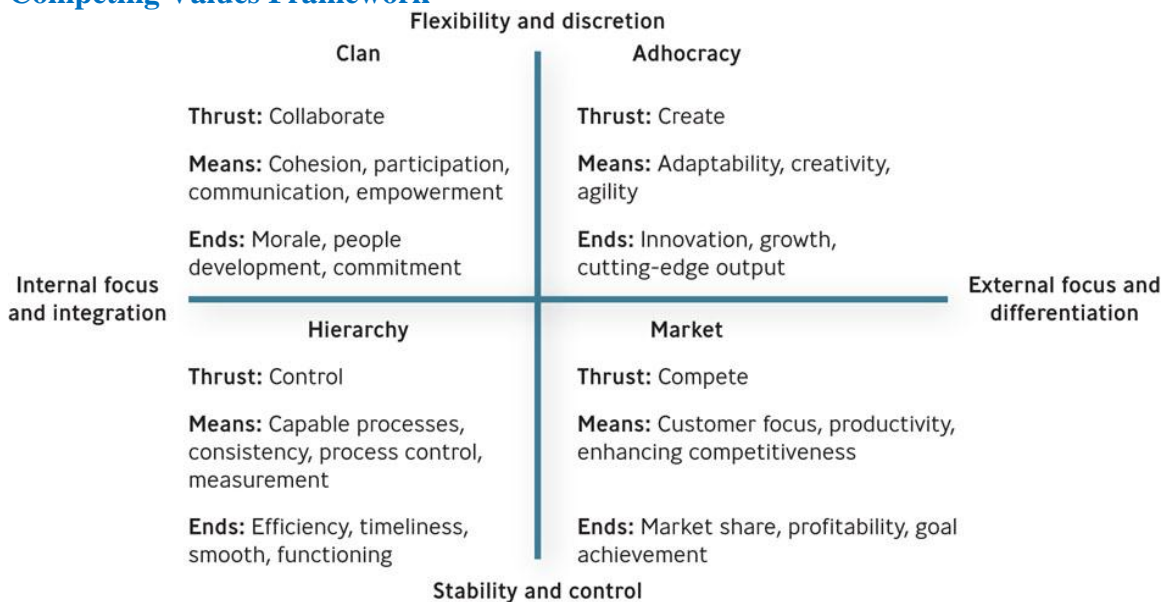Building Blocks of the Organization

What Is an Organizational Culture?
✦ **Organizational culture**
  ↳ system of shared beliefs and values that develops within an organization and guides the behavior of its members
  ↳ Also called corporate culture

Culture Plus Structure

Vision → Strategy → Culture → Structure & internal practices → Collective attitudes & behaviors → Achievement of goals

Competing Values Framework

Flexibility and discretion

Clan
Thrust: Collaborate
Means: Cohesion, participation, communication, empowerment
Ends: Morale, people development, commitment

Adhocracy
Thrust: Create
Means: Adaptability, creativity, agility
Ends: Innovation, growth, cutting-edge output

Internal focus and integration — External focus and differentiation

Hierarchy
Thrust: Control
Means: Capable processes, consistency, process control, measurement
Ends: Efficiency, timeliness, smooth, functioning

Market
Thrust: Compete
Means: Customer focus, productivity, enhancing competitiveness
Ends: Market share, profitability, goal achievement

Stability and control

Four Types of Organizational Culture
✦ **Clan culture**
  ↳ Internal focused
  ↳ values flexibility rather than stability
  ↳ encourages collaboration among employees
✦ **Adhocracy culture**
  ↳ attempts to create innovative products by being adaptable, creative, and quick to respond to changes in the marketplace
✦ **Market culture**
  ↳ focused on the external environment
  ↳ driven by competition and a strong desire to deliver results
✦ **Hierarchy culture**
  ↳ apt to have a formalized structured work environment aimed at achieving effectiveness through a variety of control mechanisms

The Three Levels of Organizational Culture
Level 1: Observable artifacts
- ↳ physical manifestations such as manner of dress, awards, myths and stories about the company
- ↳ visible behavior exhibited by managers and employees

Level 2: Espoused Values
- ✦ **Espoused values**
  - ↳ explicitly stated values and norms preferred by an organization
- ✦ **Enacted values**
  - ↳ represent the values and norms actually exhibited in the organization

Level 3: Basic Assumptions
- ↳ represent the core values of the organization's culture
- ↳ those taken for granted and highly resistant to change

How Employees Learn Culture
- ✦ **Symbol**
  - ↳ an object, act, quality, or event that conveys meaning to others
- ✦ **Story**
  - ↳ narrative based on true events, which is repeated – and sometimes embellished upon – to emphasize a particular value
- ✦ **Hero**
  - ↳ person whose accomplishments embody the values of the organization
- ✦ **Rites and rituals**
  - ↳ activities and ceremonies, planned an unplanned, that celebrate important occasions and accomplishments in the organization's life

Four Functions of Organizational Culture

Cultures For Enhancing Economic Performance: Three Perspectives

Strength

Fit

Adaptive
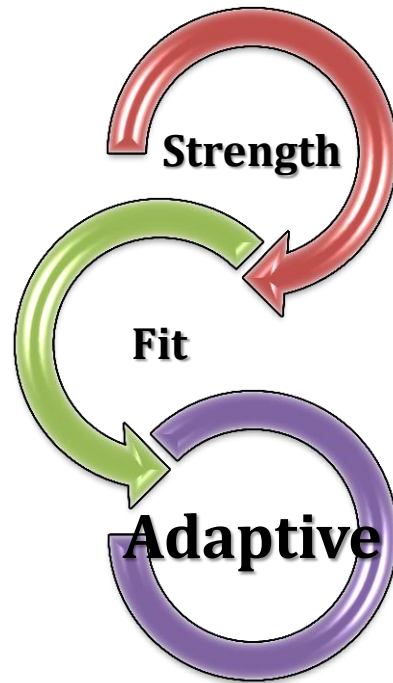
The Process of Cultural Change
1. Formal statements
2. Slogans & sayings
3. Stories, legends, & myths
4. Leader reaction to crises
5. Role modeling, training, & coaching
6. Physical design
7. Rewards, titles, promotions, & bonuses
8. Organizational goals & performance criteria
9. Measurable & controllable activities
10. Organizational structure
11. Organizational systems & procedures

Organizational Structure
✦ **Organization**
  ↳ a system of consciously coordinated activities or forces of two or more people
  ↳ For-profit, nonprofit, mutual-benefit

The Organization Chart

✦ **Organization Chart**
  ↪ box-and-lines illustration showing the formal lines of authority and the organization's official positions or work specializations

```
                          Board of
                          Directors
                              |
  Strategic Planning     Chief Executive          Legal
       Advisor    --------    Officer    --------  Counsel
                              |
                          President    --------  Cost-Containment
                              |                        Staff
          _____
         |                                            |
     Executive                                    Executive
  Administrative                                    Medical
     Director                                      Director
```

Executive Administrative Director branches:
- Director of Personnel
- Director of Admissions
  - Director of Patient & Public Relations
- Director of Nutrition & Food Services
  - Director of Accounting

Executive Medical Director branches:
- Director of X-Ray & Laboratory Services
  - Director of Surgery
- Director of Pharmacy
  - Director of Outpatient Services
- Chief Physician

Common Elements of Organizations

1. **Common purpose** - unifies employees or members and gives everyone an understanding of the organization's reason for being
2. **Coordinated effort** – the coordination of individual effort into group wide effort
3. **Division of labor** – arrangement of having discrete parts of a task done by different people
4. **Hierarchy of authority** - control mechanism for making sure the right people do the right things at the right time
   1. Unity of command
5. **Span of control** - refers to the number of people reporting directly to a given manager
   1. Narrow, wide
6. **Authority, responsibility, & delegation**
   1. Authority – rights inherent in a managerial position to make decisions and utilize resources
   2. Accountability – managers must report and justify work results to the managers above them
6. **Authority, responsibility, & delegation (cont.)**
   ↪ **Responsibility** – obligation you have to perform the tasks assigned to you
   ↪ **Delegation** – process of assigning managerial authority and responsibility to managers and employees lower in the hierarchy

Line and Staff
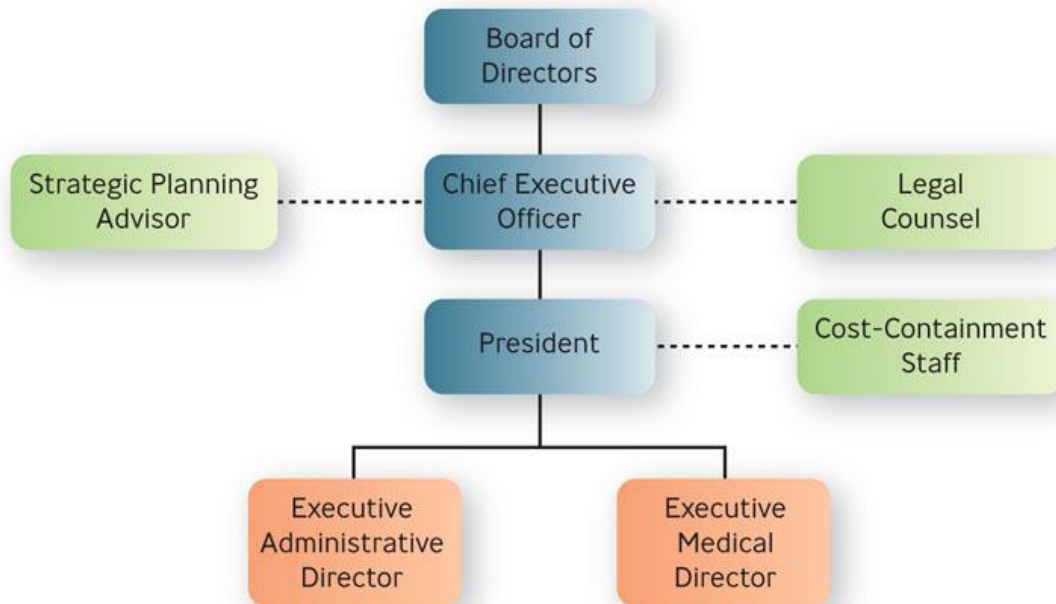
7. **Centralization versus decentralization of authority**
   ↳ **Centralized authority** – important decisions are made by higher-level managers
   ↳ **Decentralized authority** – important decisions are made by middle-level and supervisory-level managers

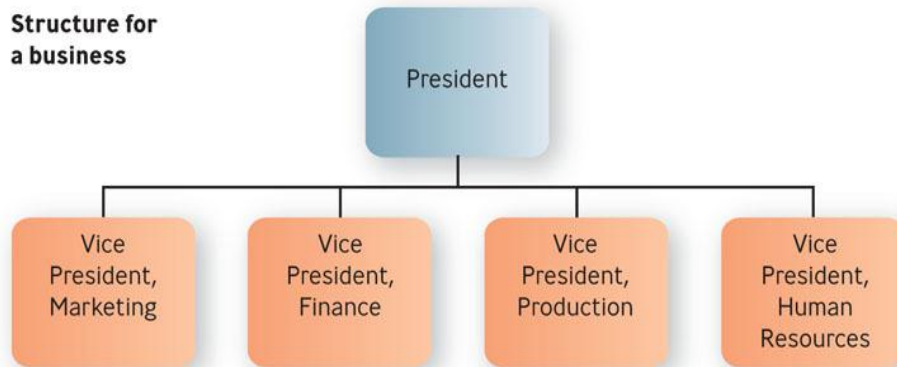## Basic Types of Organizational Structures
   ✦ **Simple structure**
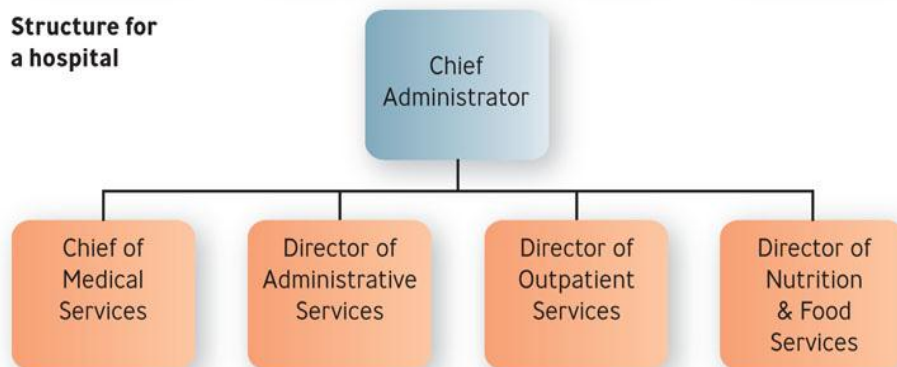   ↳ authority is centralized in a single person with few rules and low work specialization

✦ **Functional structure**
↳ people with similar occupational specialties are put together in formal groups

Structure for a business

Structure for a hospital

. **Divisional structure**
↳ people with diverse occupational specialties are put together in formal groups by similar products, customers or geographic regions

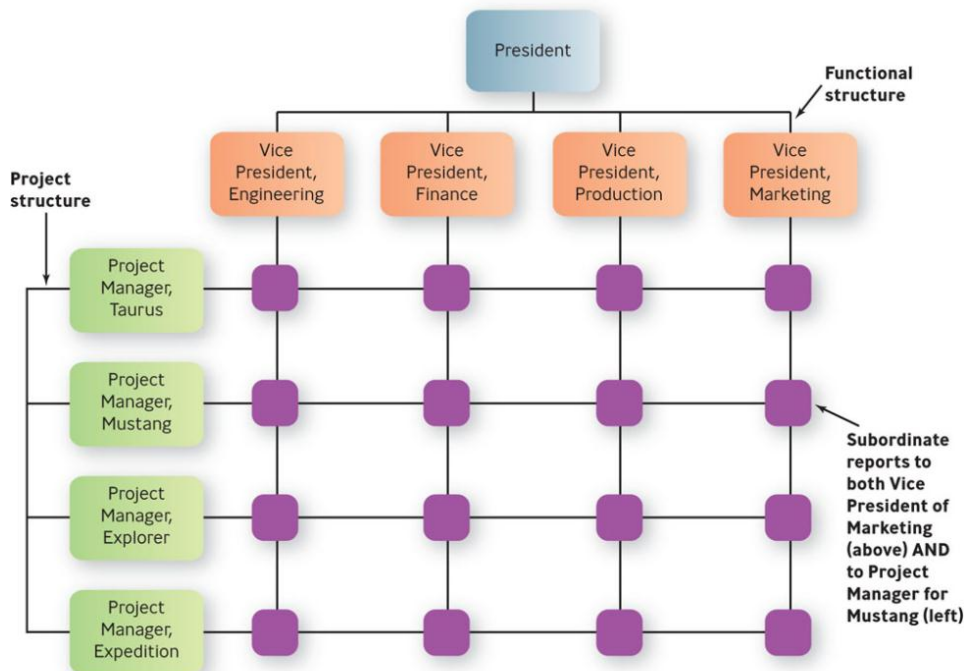**Product divisional structure**
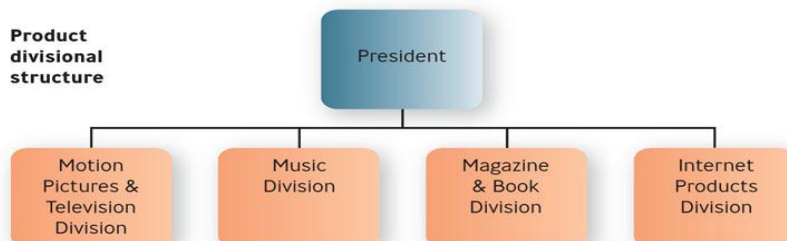
**Customer divisional structure**
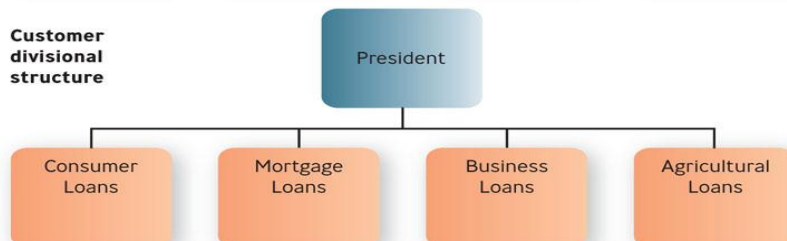
Geographic divisional structure
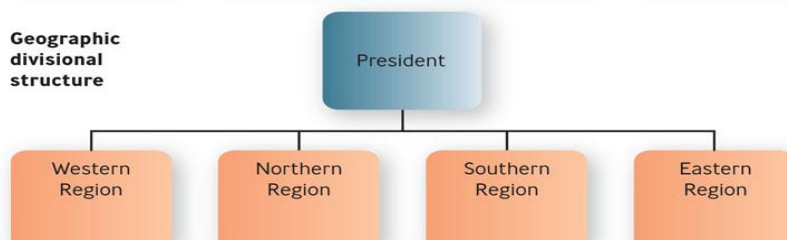
✦ **Matrix structure**
  ↳ an organization combines functional and divisional chains of command in a grid so that there are two command structures-vertical and horizontal
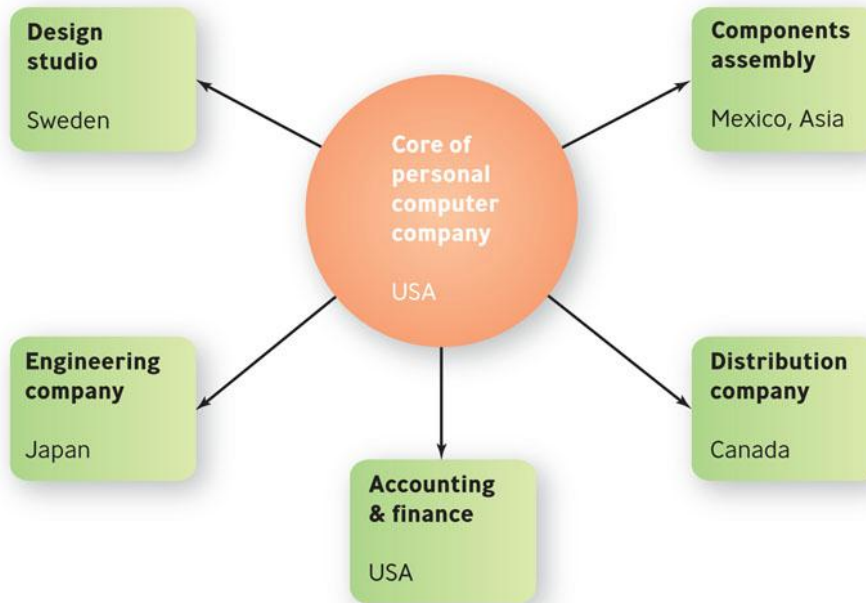

✦ **Horizontal design**
  ↳ Teams or workgroups, either temporary or permanent, are used to improve collaboration and work on shared tasks by breaking down internal boundaries.
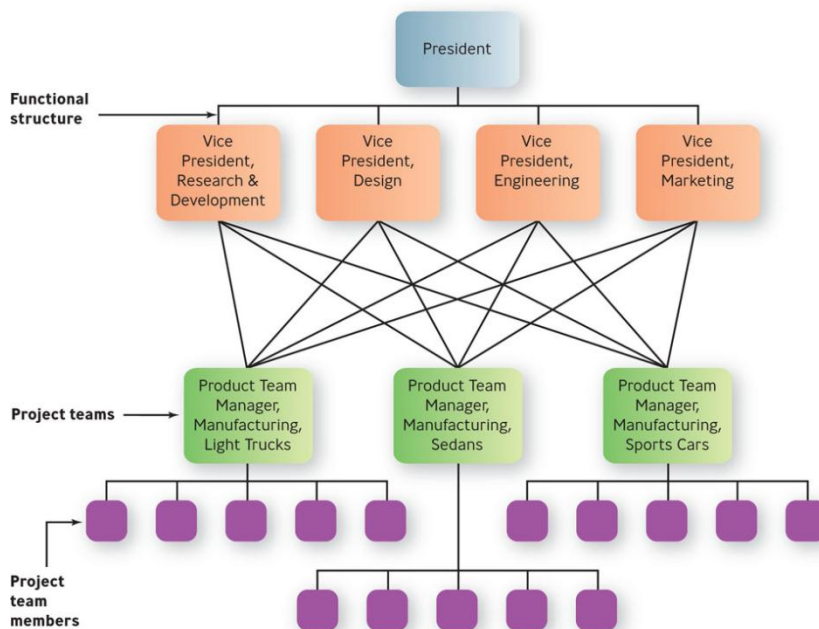
✦ **Hollow structure**
　　↳ the organization has a central core of key functions and outsources other functions to vendors who can do them cheaper or faster

✦ **Modular structure**
　　↳ firm assembles product chunks, or modules, provided by outside contractors

Example: MySQL
✦ MySQL employs 320 workers in 25 countries
✦ 70% work from home
✦ Productivity is measured strictly by output
✦ MySQL hires strictly for skill, not "the ability to play nicely with other

Mechanistic vs. Organic Organizations

Mechanistic Organizations	Organic Organizations
Centralized hierarchy of authority	Decentralized hierarchy of authority
Many rules and procedures	Few rules and procedures
Specialized tasks	Shared tasks
Formalized communication	Informal communication
Few teams or task forces	Many teams or task forces
Narrow span of control, taller structures	Wider span of control, flatter structures

Differentiation vs. Integration
- **Differentiation**
  - ↪ tendency of the parts of an organization to disperse and fragment
- **Integration**
  - ↪ tendency of the parts of an organization to draw together to achieve a common purpose

Stages in the Life of an Organization

Stage 1: Birth stage – the organization is created
Stage 2: Youth stage – growth and expansion
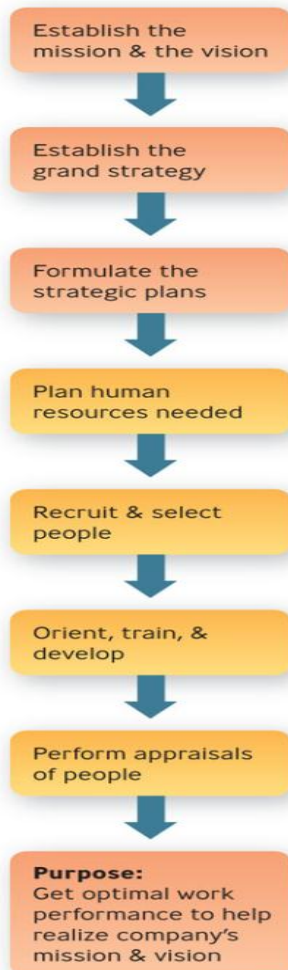**Stage 3: Midlife stage** – period of growth evolving into stability
Stage 4: Maturity stage -organization becomes very bureaucratic, large, and mechanistic

Strategic Human Resource Management

✦ **Human Resource Management**

consists of the activities managers perform to plan for, attract, develop, and retain an effective workforce

```
┌─────────────────────┐
│ Establish the       │
│ mission & the vision│
└─────────────────────┘
          │
          ▼
┌─────────────────────┐
│ Establish the       │
│ grand strategy      │
└─────────────────────┘
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┌─────────────────────┐
│ Formulate the       │
│ strategic plans     │
└─────────────────────┘
          │
          ▼
┌─────────────────────┐
│ Plan human          │
│ resources needed    │
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│ Recruit & select    │
│ people              │
└─────────────────────┘
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│ Orient, train, &    │
│ develop             │
└─────────────────────┘
          │
          ▼
┌─────────────────────┐
│ Perform appraisals  │
│ of people           │
└─────────────────────┘
          │
          ▼
┌─────────────────────┐
│ Purpose:            │
│ Get optimal work    │
│ performance to help │
│ realize company's   │
│ mission & vision    │
└─────────────────────┘
```

Planning the Human Resources Needed

✦ **Strategic human resource planning**

consists of developing a systematic, comprehensive strategy for understanding current employee needs and predicting future employee needs

Understanding Current Employee Needs

✦ **Job analysis**

determining the basic elements of a job by observation and analysis

✦ **Job description**
summarizes what the holder of a job does and why they do it
✦ **Job specification**
describes the minimum qualifications a person must have to perform a job successfully

Predicting Future Employee Needs
✦ **Human resource inventory**
report listing your organization's employees by name, education, training, languages, and other important information

Labor Relations
✦ **National Labor Relations Board**
enforces procedures whereby employees may vote for a union and collective bargaining
✦ **Collective bargaining**
negotiations between management and employees about disputes over compensation, benefits, working conditions, and job security

Compensation & Benefits
✦ **Fair Labor Standards Act of 1938**
established minimum living standards for workers engaged in interstate commerce, including provision of a federal minimum wage

Equal Employment Opportunity
✦ **Equal Employment Opportunity Commission**
job is to enforce antidiscrimination and other employment related laws
✦ **Discrimination**
occurs when people are hired or promoted - or denied hiring or promotion - for reasons not relevant to the job
✦ **Affirmative action**
focuses on achieving equality of opportunity within an organization including establishment of minority hiring goals

Workplace Discrimination
✦ **Adverse impact**
occurs when an organization uses an employment practice or procedure that results in unfavorable outcomes to a protected class
✦ **Disparate treatment**
results when employees from protected groups are intentionally treated differently.

Equal Employment Opportunity
✦ **Sexual harassment**
consists of unwanted sexual attention that creates an adverse work environment
✦ Quid pro quo – tangible economic injury
✦ Hostile environment – offensive work environment

Recruitment

✦ **Recruitment**
↳ process of locating and attracting qualified applicants for jobs open in the organization
↳ internal, external

✦ **Realistic job preview**
↳ gives a candidate a picture of both the positive and negative features of the job and the organization before he is hired
↳ people tend to quit less frequently and be more satisfied

Selection

✦ **Selection process**
↳ screening of job applicants to hire the best candidate
↳ application forms, résumés, reference checks
✦ **Unstructured interview**
↳ no fixed set of questions and no systematic scoring procedure
↳ involves asking probing questions to find out what the applicant is like
✦ **Structured interview**
↳ involves asking each applicant the same questions and comparing their responses to a standardized set of answers
↳ **Situational** – focuses on hypothetical situations
↳ **Behavioral** – explore what applicants have actually done in the past
✦ **Employment tests**
↳ legally considered to consist of any procedure used in the employment selection decision process
↳ ability, performance, personality
↳ reliability, validity

Example: Finish Line

✦ At Finish Line, store managers use the results of web-based personality tests developed by Unicru to screen applicants
✦ Applicants are scored as green, yellow, or red
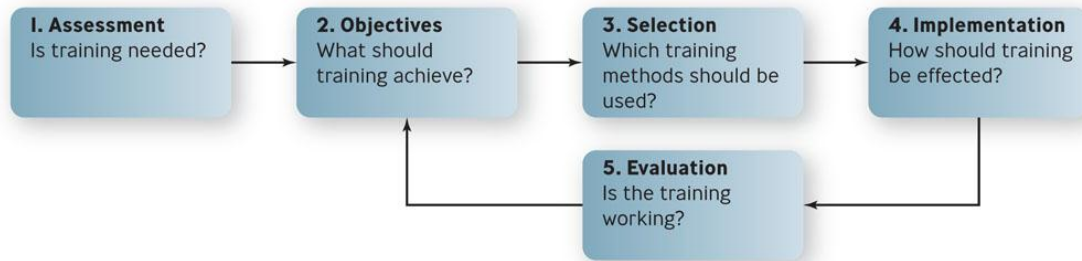
Orientation, Training, & Development

✦ **Orientation**
↳ helping the newcomer fit smoothly into the job and the organization
↳ designed to give employees the information they need to be successful

Following orientation, the employee should emerge with information about:
✦ The job routine
✦ The organization's mission and operations
✦ The organization's work rules and employee benefits

Five Steps in the Training Process

I. Assessment	2. Objectives	3. Selection	4. Implementation
Is training needed?	What should training achieve?	Which training methods should be used?	How should training be effected?

5. Evaluation
Is the training working?

Orientation, Training, & Development
✦ **Training**
educating technical and operational employees in how to better do their current jobs
✦ **Development**
educating professionals and managers in the skills they need to do their jobs in the future

Example: E-Learning
✦ Millions of people are taking short-term, practical courses related to their careers
✦ **Advantages**
No transportation is needed
You can follow a flexible schedule
You can work at your own pace

Performance Appraisal
✦ **Performance management**
↳ the continuous cycle of improving job performance through goal setting, feedback and coaching, and rewards and positive reinforcement
✦ **Performance appraisal**
↳ consists of assessing an employer's performance and providing him with feedback
✦ **Objective appraisal**
↳ based on fact and often numerical
↳ measure results
↳ harder to challenge legally
↳ also called results appraisal

✦ **Subjective appraisal**
↳ based on a manager's perceptions of an employees traits and behaviors
↳ BARS - rates employee gradations in performance according to scales of specific behaviors

Who Should Make Performance Appraisals?
• **Peers and subordinates**
• **Customers and clients**
• **Self-appraisals**

Forced ranking

all employees within a business unit are ranked against one another and grades are distributed
along some sort of bell curve

Effective Performance Appraisal

✦ **Formal appraisal**

↳ conducted at specific times throughout the year and based on performance measures that have been established in advance

✦ **Informal appraisal**

↳ conducted on an unscheduled basis and consists of less rigorous indications of employee performance

Compensation & Benefits

✦ **Compensation**

↳ wages or salaries, incentives, and benefits

✦ **Base pay**

↳ basic wage or salary paid employees in exchange for doing their jobs

Managing Promotions, Transfers, Disciplining, & Dismissals

✦ Promotion – moving upward
✦ Transfer – moving sideways
✦ Disciplining & Demotion – the threat of moving downward
✦ Dismissal – moving out of the organization

Labor-Management Issues

✦ **Labor unions**

organizations of employees formed to protect and advance their members' interests by bargaining with management over job-related issues

Union Security

✦ **Union security clause**

↳ the part of the labor-management agreement that states that employees who receive union benefits must join the union, or at least pay dues to it

Workplace Labor Agreements

Workplace	Definition	Status
Closed shop	Employer may hire only workers for a job who are already in the union	Illegal
Union shop	Workers aren't required to be union members when hired for a job but must join the union within a specified time	Not allowed in 22 states (right-to-work states)
Agency shop	Workers must pay equivalent of union dues, but aren't required to join the union	Applies to public-sector teachers in some states, prohibited in others
Open shop	Workers may choose to join or not join a union	Applies in 22 states (right-to-work states)

Compensation
- ✦ **Two-tier wage contracts**
↪ new employees are paid less or receive lesser benefits than veteran employees have
- ✦ **Cost-of-living adjustment (COLA)**
↪ clause during the period of the contract ties future wage increases to increases in the cost of living
- ✦ **Givebacks**
↪ the union agrees to give up previous wage or benefit gains in return for something else

Settling Labor-Management Disputes
- ✦ **Grievance**
↪ a complaint by an employee that management has violated the terms of the labor-management agreement
- ✦ **Mediation**
↪ process in which a neutral third party, a mediator, listens to both sides in a dispute, makes suggestions, and encourages them to agree on a solution.
- ✦ **Arbitration**
↪ process in which a neutral third party, an arbitrator, listens to both parties in a dispute and makes a decision that the parties have agreed will be binding on them

Organizational Change & Innovation:
Lifelong Challenges for the Exceptional Manager

Ways to Deal With Change and Innovation
- ✦ Allow room for failure
- ✦ Give one consistent explanation for the change
- ✦ Look for opportunities in unconventional ways
- ✦ Have the courage to follow your ideas
- ✦ Allow grieving, then move on

Collins's Five Stages of Decline

Stage 1 Hubris Born of Success
Stage 2 Undisciplined Pursuit of More
Stage 3 Denial of Risk and Peril
Stage 4 Grasping for Salvation
Stage 5 Capitulation to Irrelevance or Death

Fundamental Change: What Will You Be Called Upon to Deal With?
1. The marketplace is becoming more segmented & moving toward more niche products
2. There are more competitors offering targeted products, requiring faster speed-to-market
3. Some traditional companies may not survive radically innovative change
4. China, India, & other offshore suppliers are changing the way we work
5. Knowledge, not information, is becoming the new competitive advantage

Two Types of Change

- ✦ **Reactive change**
↪ making changes in response to problems or opportunities as they arise
- ✦ **Proactive change**
↪ involves making carefully thought-out changes in anticipation of possible or expected problems or opportunities
↪ also called planned change

Forces For Change Outside and Inside the Organization

Outside Forces	Inside Forces
Demographic characteristics • Age • Education • Skill level • Gender • Immigration **Market changes** • Mergers & acquisitions • Domestic & international competition • Recession **Technological advancements** • Manufacturing automation • Office automation **Social & political pressures** • Leadership • Values	**Employee problems** • Unmet needs • Job dissatisfaction • Absenteeism & turnover • Productivity • Participation/suggestions **Managers' behavior** • Conflict • Leadership • Reward systems • Structural reorganization

THE NEED FOR CHANGE

The Forces for Change: Outside the Organization
1. Demographic characteristics
2. Market changes
3. Technological advancement
4. Shareholder & customer demands
5. Supplier practices
6. Social & political pressures

Forces Originating Inside the Organization
1. Employee problems
2. Managers' behavior

Areas in Which Change is Often Needed
1. Changing people
↳ Perceptions, attitudes, performance, skills
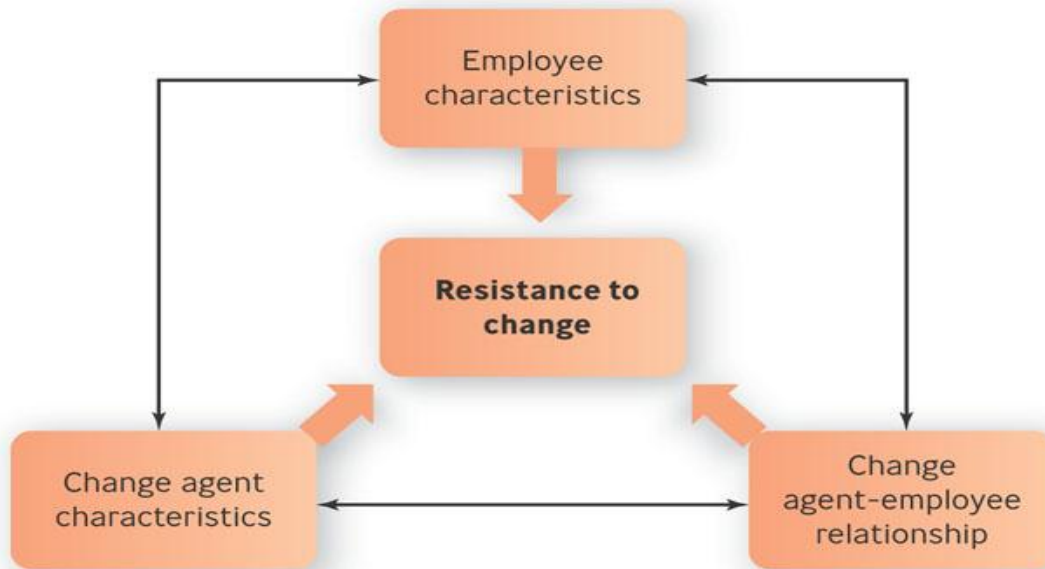2. Changing technology
3. Changing structure
4. Changing strategy

Changing Technology
✦ **Technology**
↳ any machine or process that enables an organization to gain a competitive advantage in changing materials used to produce a finished product
↳ not just computer technology

A Model of Resistance to Change

The Causes of Resistance to Change
- **Resistance to change**

an emotional/behavioral response to real or imagined threats to an established work routine.

The Degree to Which Employees Fear Change
- Least threatening: **Adaptive change**

Reintroduction of a familiar practice
- Somewhat threatening: **Innovative change**

Introduction of a practice that is new to the organization
- Very threatening: **Radically innovative change**

Involves introducing a practice that is new to the industry

Reasons Employees Resist Change
- Individual's predisposition toward change
- Surprise and fear of the unknown
- Climate of mistrust
- Fear of failure
- Loss of status or job security
- Peer pressure
- Disruption of cultural traditions or group relationships
- Personality conflicts
- Lack of tact or poor timing
- Non-reinforcing reward system

Lewin's Change Model
- **Unfreezing**

creating the motivation to change
- **Changing**

learning new ways of doing things
- **Refreezing**

making the new ways normal

Steps to Leading Organizational Change

Step	Description
1. Establish a sense of urgency.	Unfreeze the organization by creating a compelling reason for why change is needed.
2. Create the guiding coalition.	Create a cross-functional, cross-level group of people with enough power to lead the change.
3. Develop a vision and a strategy.	Create a vision and a strategic plan to guide the change process.
4. Communicate the change vision.	Create and implement a communication strategy that consistently communicates the new vision and strategic plan.
5. Empower broad-based action.	Eliminate barriers to change, and use target elements of change to transform the organization. Encourage risk taking and creative problem solving.
6. Generate short-term wins.	Plan for and create short-term "wins" or improvements. Recognize and reward people who contribute to the wins.
7. Consolidate gains and produce more change.	The guiding coalition uses credibility from short-term wins to create more change. Additional people are brought into the change process as change cascades throughout the organization. Attempts are made to reinvigorate the change process.
8. Anchor new approaches in the culture.	Reinforce the changes by highlighting connections between new behaviors and processes and organizational success. Develop methods to ensure leadership development and succession.

Organization Development

✦ **Organization development (OD)**
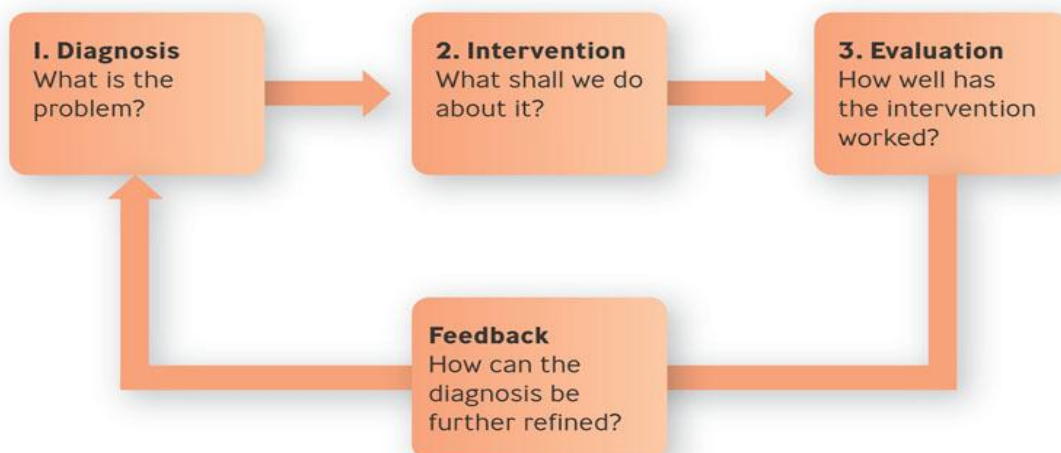↳ set of techniques for implementing planned change to make people and organizations more effective

✦ **Change agent**
↳ a consultant with a background in behavioral sciences who can be a catalyst in helping organizations deal with old problems in new ways

What Can OD Be Used For?
1. Managing conflict
2. Revitalizing organizations
3. Adapting to mergers

The OD Process

How OD Works
1. Diagnosis: What is the problem?
2. Intervention: What shall we do about it?
   - Intervention – attempt to correct the diagnosed problem
3. Evaluation: How well
   has the intervention
   worked?

Example: Patagonia Tries to Become Greener
- ✦ Patagonia has long been a supporter of the environmental movement
- ✦ Company wondered how "green" the origins and handling of if products were
- ✦ Transportation took little energy, but manufacturing sometimes produced ecologically unfriendly by-products
- ✦ Patagonia did not want to sacrifice quality for environmental reasons

The Effectiveness of OD
1. Multiple interventions
2. Management support
3. Goals geared to both short and long term results
4. OD is affected by culture

Two Myths about Innovation
- ✦ **Myth No. 1**: Innovation happens in a "Eureka!" moment
- ✦ **Myth No. 2**: Innovation can be systematized

Seeds of Innovation
- • **Hard work in a specific direction**
- • **Hard work with direction change**
- • **Curiosity**
- • **Wealth & money**
- • **Necessity**
- • **Combination of seeds**

Types of Innovation
- ✦ **Product innovation**
  change in the appearance or performance of a product or the creation of a new one
- ✦ **Process innovation**
  change in the way a product is conceived, manufactured, or disseminated
- ✦ **Incremental innovation**
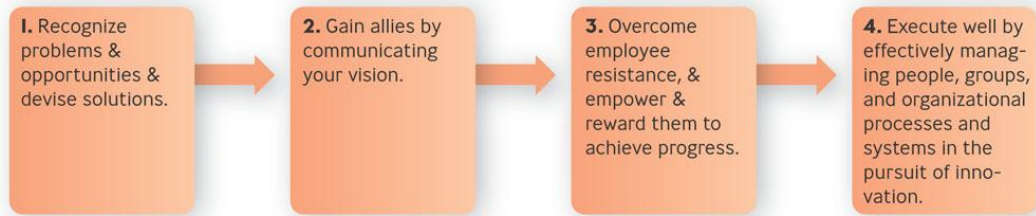 creation of products, services, or technologies that modify existing ones
- ✦ **Radical innovation**
  creation of products, services, or technologies that replace existing ones

Celebrating Failure: Factors Encouraging Innovation
- ✦ Organizations can make innovation happen by providing 1) the right organizational *culture*, 2) the appropriate *resources*, and 3) the correct *reward system*
- ✦ Culture: Is innovation viewed as a benefit or a boondoggle?
- ✦ Resources: Do managers put money where their mouths are?
- ✦ Rewards: Is experimentation reinforced in ways that matter?

Four Steps For Fostering Innovation

1. Recognize problems & opportunities & devise solutions.

2. Gain allies by communicating your vision.

3. Overcome employee resistance, & empower & reward them to achieve progress.

4. Execute well by effectively managing people, groups, and organizational processes and systems in the pursuit of innovation.

Gain Allies by Communicating Your Vision
- ✦ Showing how the product or service will be made
- ✦ Showing how potential customers will be reached
- ✦ Demonstrating how you'll beat your competitors
- ✦ Explaining when the innovation will take place

Personality & Individual Behavior
✦ **Personality**

the stable psychological traits and behavioral attributes that give a person his or her identity

The Big Five Personality Dimensions
✦ **Extroversion**

how outgoing, talkative, sociable, and assertive a person is

✦ **Agreeableness**

how trusting, good-natured, cooperative, and soft-hearted one is

✦ **Conscientiousness**

how dependable, responsible, achievement-oriented, and persistent one is

✦ **Emotional stability**

how relaxed, secure, and unworried one is

✦ **Openness to experience**

how intellectual, imaginative, curious, and broad-minded one is

Do Personality Tests Work for the Workplace?
✦ *Extroversion* has been associated with success for managers and salespeople
✦ *Conscientiousness* has been found to have the strongest positive correlation with job performance and training performance

Cautions About Using Personality Testing in the Workplace

- *Use professionals.* Rely on reputable, licensed psychologists for selecting and overseeing the administration, scoring, and interpretation of personality and psychological tests. This is particularly important, since not every psychologist is expert at these kinds of tests.

- *Don't hire on the basis of personality test results alone.* Supplement any personality test data with information from reference checks, personal interviews, ability tests, and job performance records. Also avoid hiring people on the basis of specified personality profiles. As a case in point, there is no distinct "managerial personality."

- *Be alert for gender, racial, and ethnic bias.* Regularly assess any possible adverse impact of personality tests on the hiring of women and minorities. This is truly a matter of great importance, since you don't want to find your company (or yourself) embroiled in a lawsuit at some point downstream.

- *Graphology tests don't work, but integrity tests do.* Personality traits and aptitudes cannot be inferred from samples of people's penmanship, as proponents of graphology tests claim. However, dishonest job applicants can often be screened by integrity tests, since dishonest people are reportedly unable to fake conscientiousness, even on a paper-and-pencil test.

Proactive Personality

✦ **Proactive personality**

someone who is more apt to take initiative and persevere to influence the environment

Five Traits Important in Organizations

✦ **Locus of control**

↳ indicates how much people believe they control their fate through their own efforts

↳ internal, external

✦ Expect different degrees of structure and compliance for each type

✦ Employ different reward systems for each type

✦ **Self-efficacy**

↳ belief in one's ability to do a task

↳ learned helplessness

✦ **Self-esteem**

↳ the extent to which people like or dislike themselves, their overall self-evaluation

✦ **Self-monitoring**

the extent to which people are able to observe their own behavior and adapt it to external situations

✦ **Emotional intelligence**

ability to cope, empathize with others, and be self-motivated

Some Ways That Managers Can Boost Employee Self-Esteem

- Reinforce employees' positive attributes and skills.

- Provide positive feedback whenever possible.

- Break larger projects into smaller tasks and projects.

- Express confidence in employees' abilities to complete their tasks.

- Provide coaching whenever employees are seen to be struggling to complete tasks.

The Traits of Emotional Intelligence

1. *Self-awareness.* The most essential trait. This is the ability to read your own emotions and gauge your moods accurately, so you know how you're affecting others.

2. *Self-management.* This is the ability to control your emotions and act with honesty and integrity in reliable and adaptable ways. You can leave occasional bad moods outside the office.

3. *Social awareness.* This includes empathy, allowing you to show others that you care, and organizational intuition, so you keenly understand how your emotions and actions affect others.

4. *Relationship management.* This is the ability to communicate clearly and convincingly, disarm conflicts, and build strong personal bonds.

Organizational Behavior
✦ **Organizational Behavior**
↳ tries to help managers not only *explain* workplace behavior but also to *predict* it, so that they can better lead and motivate their employees to perform productively
↳ individual, group behavior

Formal
Goals
Policies
Hierarchy
Structure

The Organization

Informal
Values
Attitudes
Personalities
Perceptions
Conflicts
Culture

Values and Attitudes
✦ **Values**
abstract ideals that guide one's thinking and behavior across all situations
✦ **Attitude**
a learned predisposition toward a given object

Three Components of Attitudes
✦ **Affective**
consists of feelings or emotions one has about a situation
✦ **Cognitive**
beliefs and knowledge one has about a situation
✦ **Behavioral**
refers to how one intends or expects to behave toward a situation

Attitudes
✦ **Cognitive dissonance**
↳ the psychological discomfort a person experiences between his or her cognitive attitude and incompatible behavior
↳ Importance, control, rewards

Ways to Reduce Cognitive Dissonance
✦ Change attitude or behavior
✦ Belittle importance of the inconsistent behavior
✦ Find consonant elements that outweigh dissonant ones

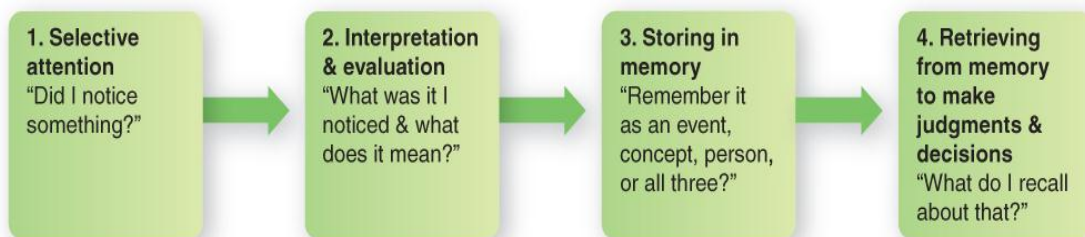## Example: Thinking Beyond Profit to Create Value for Society

- ✦ **IBM** celebrated its 100th anniversary in June 2011 by offering a global service day, with 300,000 IBM employees signing up to perform 2.6 million hours of service to the world
- ✦ In West Africa **Procter & Gamble** set up Pampers mobile clinics

Perception
- ✦ **Perception**

process of interpreting and understanding one's environment

The Four Steps in the Perceptual Process

1. Selective attention "Did I notice something?"	→	2. Interpretation & evaluation "What was it I noticed & what does it mean?"	→	3. Storing in memory "Remember it as an event, concept, person, or all three?"	→	4. Retrieving from memory to make judgments & decisions "What do I recall about that?"

Distortions in Perception
- ✦ **Stereotyping**
↳ tendency to attribute to an individual the characteristics one believes are typical of the group to which that individual belongs
↳ sex-role, age, race/ethnicity
- ✦ **Halo effect**
↳ forming an impression of an individual based on a single trait
- ✦ **Recency effect**
↳ Tendency to remember recent information better than earlier information
- ✦ **Causal attributions**
↳ activity of inferring causes for observed behaviors
↳ fundamental, self-serving bias

Example: Are Attractive Men & Women Paid More than Ordinary People

- ✦ Being good looking seems to be strongly associated with self-confidence
- ✦ Employers showed higher estimates for beautiful people's productivity
- ✦ Good-looking people are good communicators

Self-Fulfilling Prophecy
- ✦ **Self-Fulfilling prophecy**
↳ the phenomenon in which people's expectations of themselves or others lead them to behave in ways that make those expectations come true
↳ also called the Pygmalion effect

Work-Related Attitudes
✦ **Employee engagement**
an individual's involvement, satisfaction, and enthusiasm for work
✦ **Job satisfaction**
extent to which you feel positively or negatively about various aspects of your work
✦ **Organizational commitment**
↳ reflects the extent to which an employee identifies with an organization and is committed to its goals
↳ Strong positive relationship between organizational commitment and job satisfaction

Important Workplace Behaviors
✦ Performance and productivity
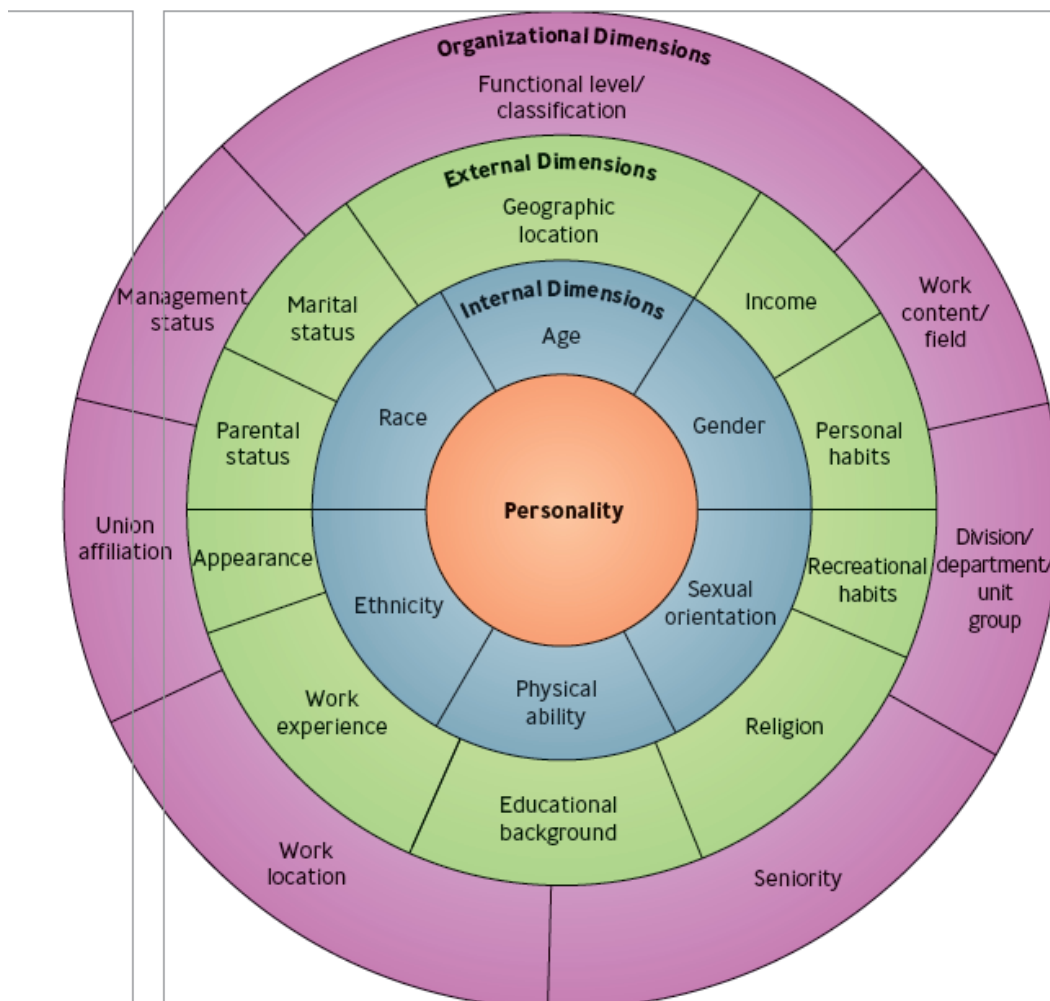✦ Absenteeism and turnover
✦ Organizational citizenship behaviors
✦ Counterproductive work behaviors

The New Diversified Workforce
✦ **Diversity**
represents all the ways people are unlike and alike—the differences and similarities in age, gender, race, religion, ethnicity, sexual orientation, capabilities, and socioeconomic background

The Diversity Wheel

The Diversity Wheel

✦ **Internal dimensions**
↳ those human differences that exert a powerful, sustained effect throughout every stage of our lives
↳ gender, age, ethnicity, race, sexual orientation, physical abilities

✦ **External dimensions**
↳ consist of the personal characteristics that people acquire, discard, or modify throughout their lives
↳ educational background, marital status, parental status, religion, income, geographic location, work experience, recreational habits, appearance, personal habits.

Trends in Workforce Diversity

✦ Age: More Older People in the Workforce
✦ Gender: More Women Working
✦ Race & Ethnicity: More People of Color in the Workforce
✦ Sexual Orientation: Gays & Lesbians Become More Visible
✦ People with Differing Physical & Mental Abilities
✦ Educational Levels: Mismatches Between Education & Workforce Needs

Barriers to Diversity

• **Stereotypes and prejudices**
• **Fear of reverse discrimination**
• **Resistance to diversity program priorities**
• **Unsupportive social atmosphere**
• **Lack of support for family demands**
• **Lack of support for career-building steps**

What is Stress?

✦ **Stress**
↳ the tension people feel when they are facing or enduring extraordinary demands, constraints, or opportunities and are uncertain about their ability to handle them effectively

Sources of Job-Related Stress

✦ Demands created by individual differences,
✦ Individual task demands
✦ Individual role demands
✦ Group demands,
✦ Organizational demands
✦ Nonwork demands.

Symptom of Stress

✦ **Physiological**
backaches, headaches, sweaty palms, nausea
✦ **Psychological**
boredom, irritability, nervousness, anger, anxiety, depression
✦ **Behavioral**
sleeplessness, changes in eating habits, increased smoking/alcohol/drug abuse

Consequences of Stress

✦ **Burnout**

state of emotional, mental, and even physical exhaustion

Reducing Stressors in Organizations

✦ Roll out employee assistance programs
✦ Recommend a holistic wellness approach
✦ Create a supportive environment
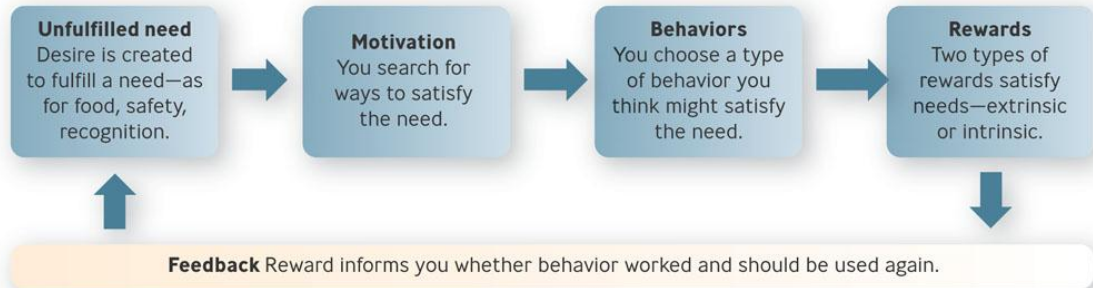✦ Make jobs interesting
✦ Make career counseling available

Chapter Twelve
Motivating Employees:
Achieving Superior Performance in
the Workplace

Motivation: What It Is, Why It's Important

✦ **Motivation**
the psychological processes that arouse and direct goal-directed behavior

Unfulfilled need	Motivation	Behaviors	Rewards
Desire is created to fulfill a need—as for food, safety, recognition.	You search for ways to satisfy the need.	You choose a type of behavior you think might satisfy the need.	Two types of rewards satisfy needs—extrinsic or intrinsic.

Feedback Reward informs you whether behavior worked and should be used again.

✦ **Extrinsic rewards**
payoff a person receives from others for performing a particular task
✦ **Intrinsic rewards**
satisfaction a person receives from performing the particular task itself

You want to motivate people to:
✦ Join your organization
✦ Stay with your organization
✦ Show up for work at your organization
✦ Be engaged while at your organization
✦ Do extra for your organization

Content Perspectives

✦ **Content perspectives**
theories that emphasize the needs that motivate people
✦ **Needs**
physiological or psychological deficiencies that arouse behavior

Maslow's Hierarchy of Needs

Hierarchy of needs theory proposes that people are motivated by five levels of needs
✦ Physiological
✦ Safety
✦ Love
✦ Esteem
✦ Self-actualization

The pyramid shows, from top to bottom: Self-actualization, Esteem, Love, Safety, Physiological.
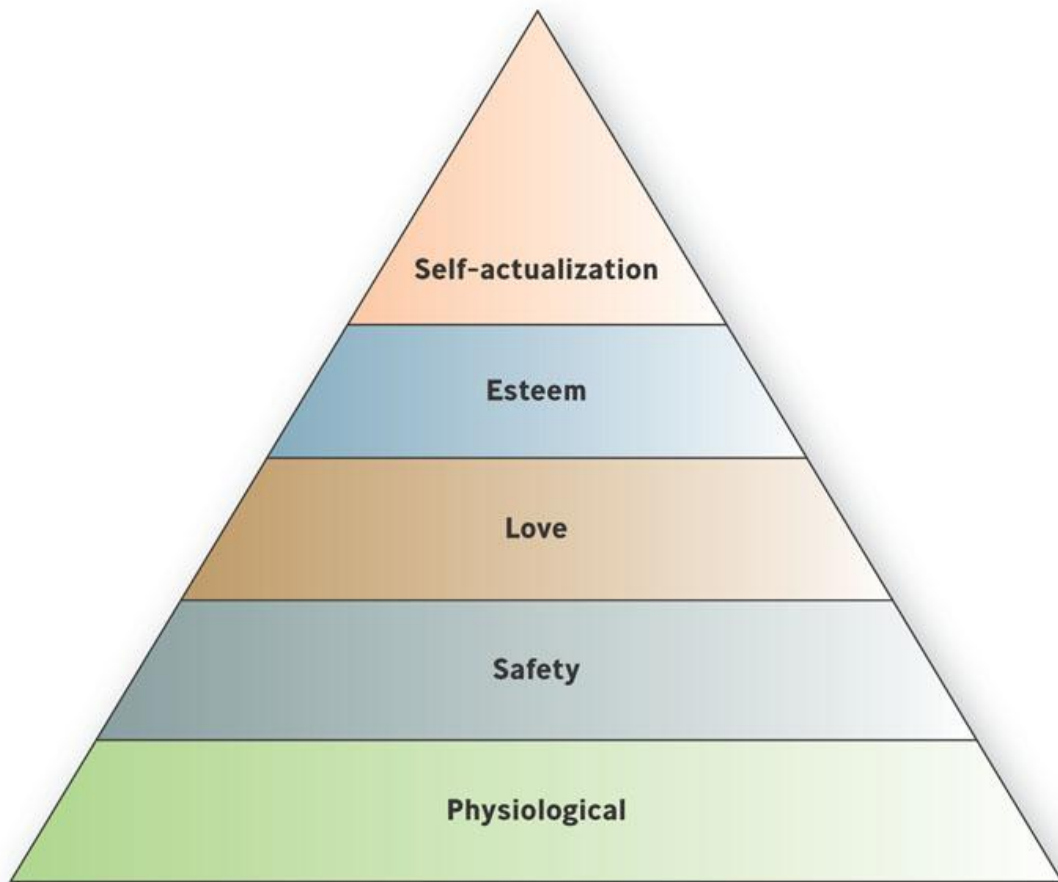
Alderfer's ERG Three Needs Theory

1. **Existence needs**
desire for physiological and material well-being
2. **Relatedness needs**
desire to have meaningful relationships with people who are significant to us
3. **Growth needs**
desire to grow as human beings and to use our abilities to their fullest potential

McClelland's Acquired Three Needs Theory

1. **Need for achievement**
desire to achieve excellence in challenging tasks
2. **Need for affiliation**
desire for friendly and warm relations with other people
3. **Need for power**
desire to be responsible for or control other people
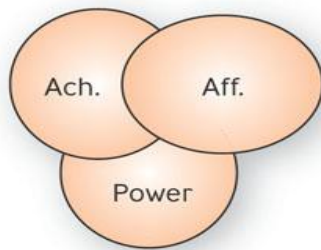
A "well-balanced" individual: achievement, affiliation, and power are of equal size.
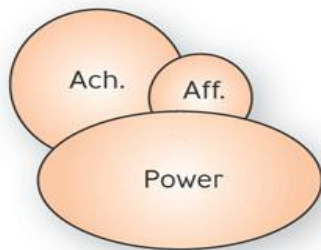
A "control freak" individual: achievement is normal, but affiliation is small and power is large.

Herzberg's Two-Factor Theory

✦ **Two-Factor Theory**

proposed that work satisfaction and dissatisfaction arise from two different factors - work satisfaction from so-called motivating factors and work dissatisfaction from so-called hygiene factors

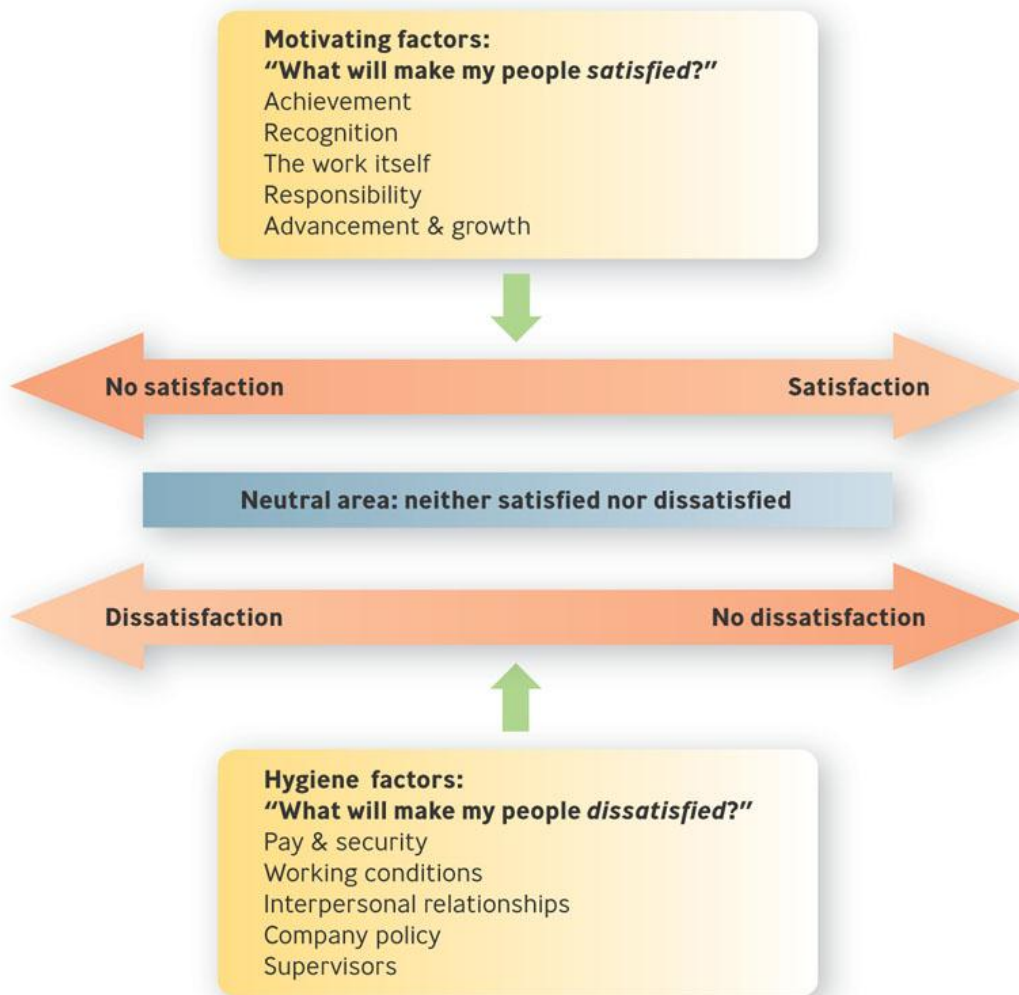1. **Hygiene factors**

factors associated with job dissatisfaction which affect the job context in which people work

2. **Motivating factors**

factors associated with job satisfaction which affects the job content or the rewards of work performance

Motivating factors:
"What will make my people *satisfied*?"
Achievement
Recognition
The work itself
Responsibility
Advancement & growth

No satisfaction   Satisfaction

Neutral area: neither satisfied nor dissatisfied

Dissatisfaction   No dissatisfaction

Hygiene factors:
"What will make my people *dissatisfied*?"
Pay & security
Working conditions
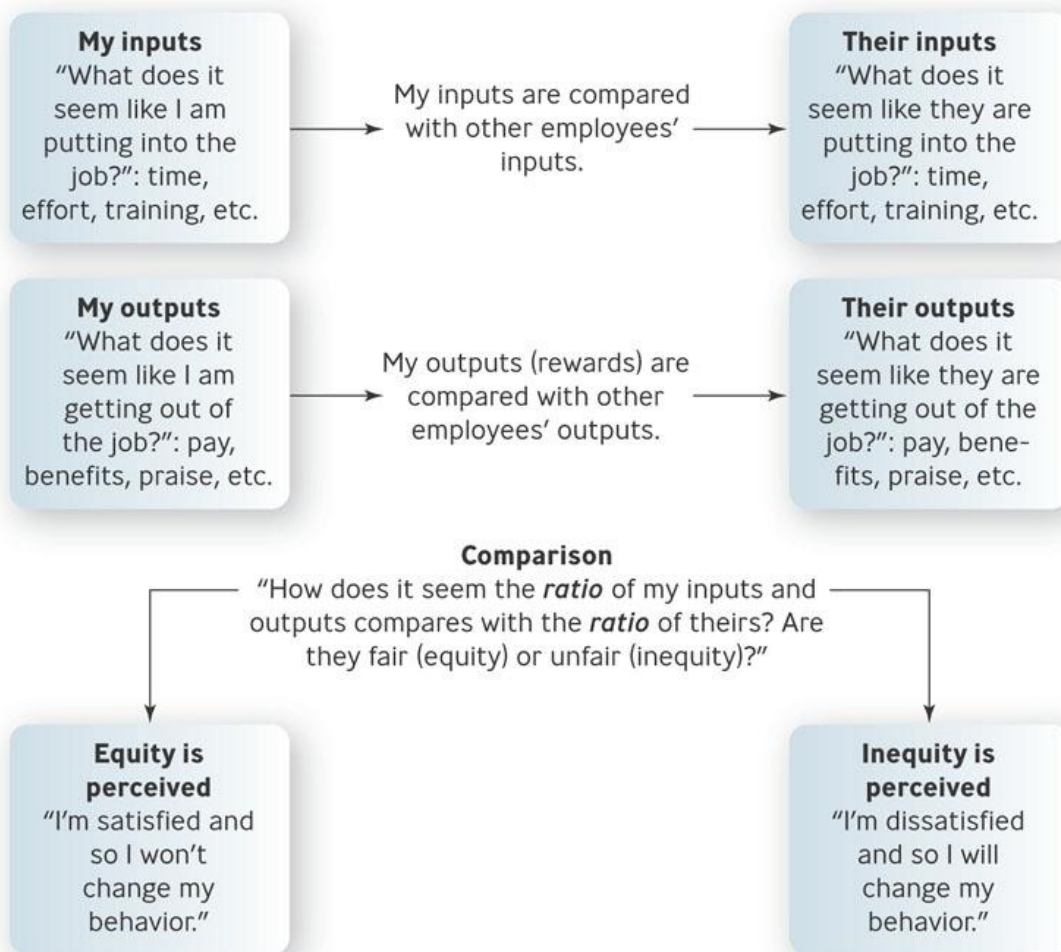Interpersonal relationships
Company policy
Supervisors

Equity Theory

✦ **Equity theory**

↳ focuses on employee perceptions as to how fairly they think they are being treated compared to others

↳ Inputs, outputs, comparison

Equity Theory

<table>
<tr>
<td>My inputs
"What does it seem like I am putting into the job?": time, effort, training, etc.</td>
<td>My inputs are compared with other employees' inputs. →</td>
<td>Their inputs
"What does it seem like they are putting into the job?": time, effort, training, etc.</td>
</tr>
<tr>
<td>My outputs
"What does it seem like I am getting out of the job?": pay, benefits, praise, etc.</td>
<td>My outputs (rewards) are compared with other employees' outputs. →</td>
<td>Their outputs
"What does it seem like they are getting out of the job?": pay, benefits, praise, etc.</td>
</tr>
</table>

Comparison
"How does it seem the *ratio* of my inputs and outputs compares with the *ratio* of theirs? Are they fair (equity) or unfair (inequity)?"

Equity is perceived
"I'm satisfied and so I won't change my behavior."

Inequity is perceived
"I'm dissatisfied and so I will change my behavior."

Practical Lessons from Equity Theory
1. Employee perceptions are what count
2. Employee participation helps
3. Having an appeal process helps

Expectancy Theory
✦ **Expectancy Theory**
suggests that people are motivated by two things:
(1) how much they want something and
(2) how likely they think they are to get it
✦ **Expectancy**
belief that a particular level of effort will lead to a particular level of performance
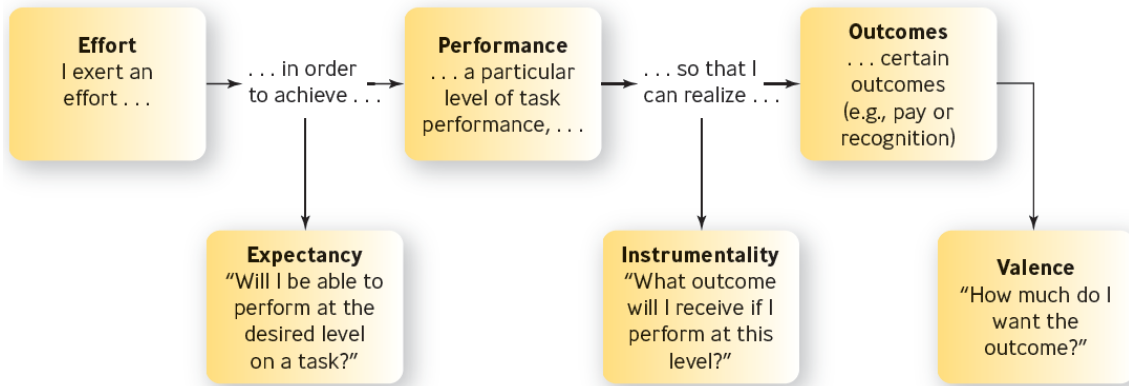✦ **Instrumentality**
expectation that successful performance of the task will lead to the desired outcome
✦ **Valence**
the value a worker assigns to an outcome

Expectancy Theory: The Major Elements

Goal-Setting Theory
1. Goals should be specific
2. Goals should be challenging but achievable
3. Goals should be linked to action plans
4. Goals need not be jointly set to be effective
5. Feedback enhances goal attainment

Job Design Perspectives
✦ **Job design**
↳ division of an organization's work among its employees and the application of motivational theories to jobs to increase satisfaction and performance
↳ Job simplification, job enlargement, job enrichment

Job Characteristics Model
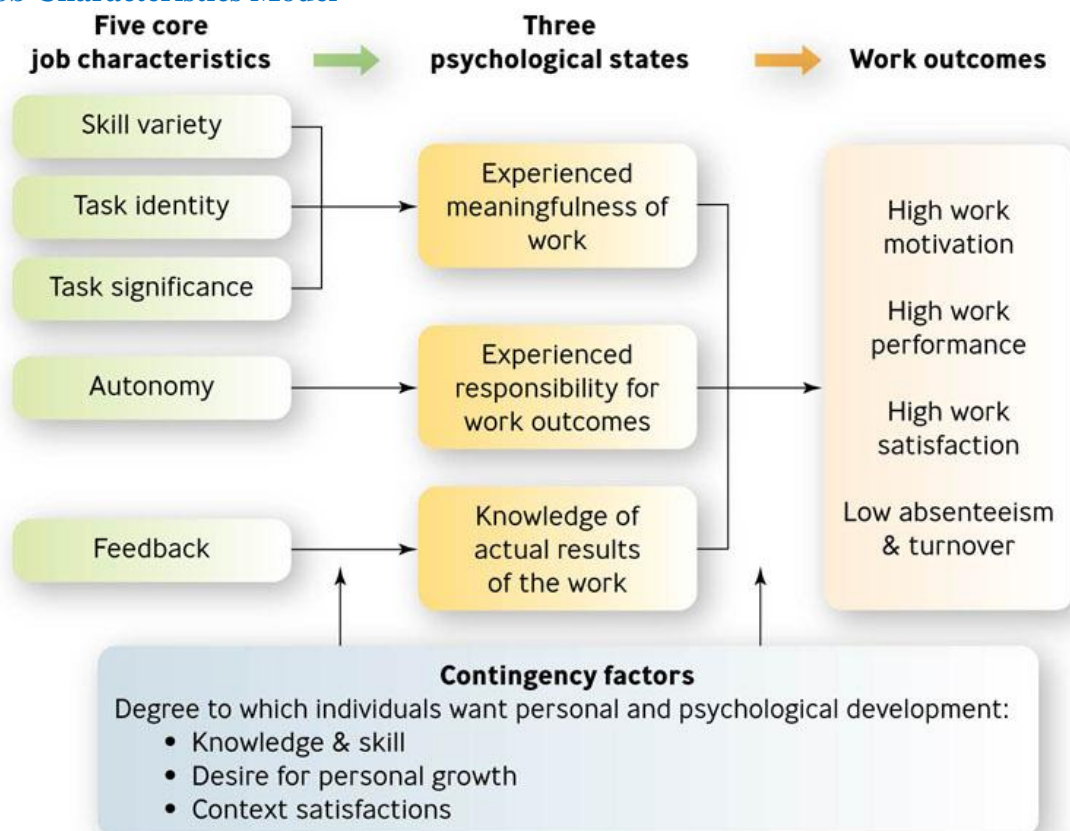
Reinforcement Perspectives on Motivation
- **Reinforcement theory**
  attempts to explain behavior change by suggesting that behavior with positive consequences tends to be repeated, whereas behavior with negative consequences tends not to be repeated

Types of Reinforcement
- **Positive reinforcement**
  use of positive consequences to encourage desirable behavior
- **Negative reinforcement**
  process of strengthening a behavior by withdrawing something negative
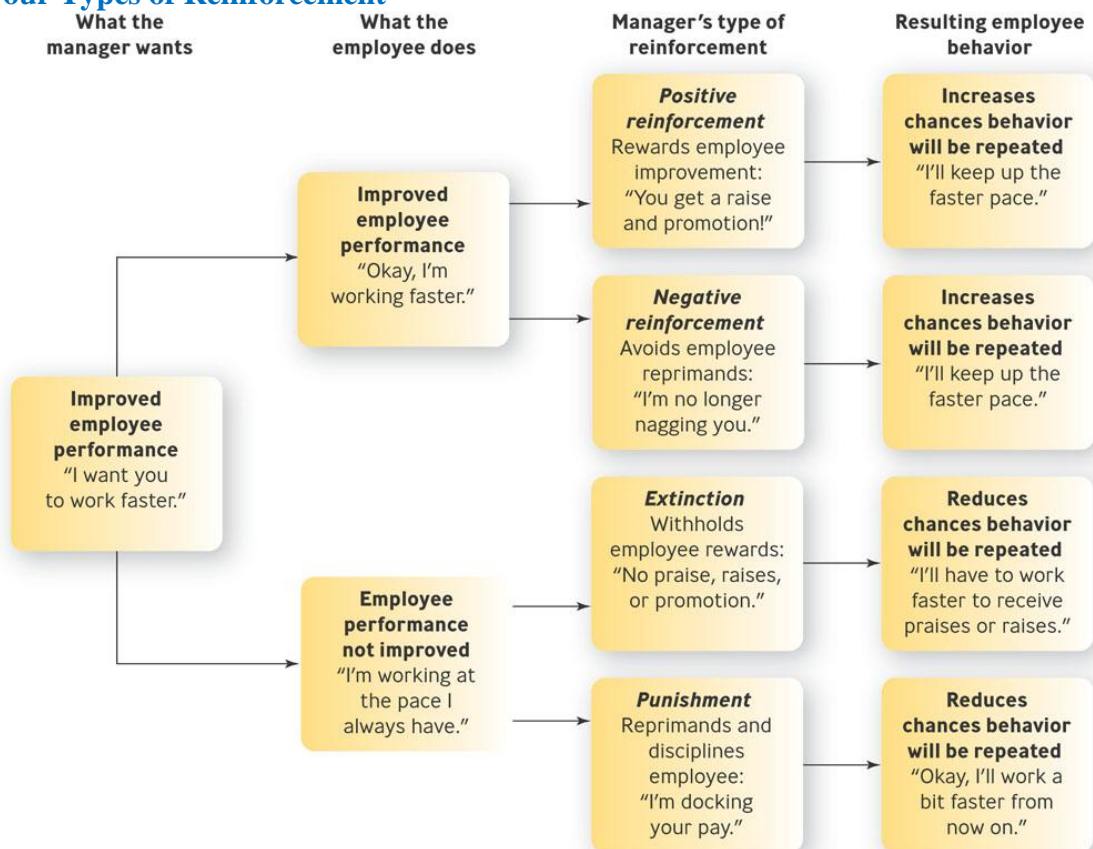- **Extinction**
  weakening of behavior by ignoring it or making sure it is not reinforced.
- **Punishment**
  process of weakening behavior by presenting something negative or withdrawing something positive

Four Types of Reinforcement

What the manager wants	What the employee does	Manager's type of reinforcement	Resulting employee behavior
Improved employee performance "I want you to work faster."	**Improved employee performance** "Okay, I'm working faster."	**Positive reinforcement** Rewards employee improvement: "You get a raise and promotion!"	**Increases chances behavior will be repeated** "I'll keep up the faster pace."
		Negative reinforcement Avoids employee reprimands: "I'm no longer nagging you."	**Increases chances behavior will be repeated** "I'll keep up the faster pace."
	Employee performance not improved "I'm working at the pace I always have."	**Extinction** Withholds employee rewards: "No praise, raises, or promotion."	**Reduces chances behavior will be repeated** "I'll have to work faster to receive praises or raises."
		Punishment Reprimands and disciplines employee: "I'm docking your pay."	**Reduces chances behavior will be repeated** "Okay, I'll work a bit faster from now on."

Using Reinforcement to Motivate Employees
Positive reinforcement
- Reward only desirable behavior
- Give rewards as soon as possible
- Be clear about what behavior is desired
- Have different rewards and recognize individual differences

Popular Incentive Compensation Plans
- Piece rate
- Sales commission
- Bonuses
- Profit-sharing
- Gainsharing
- Stock options
- Pay for knowledge

Nonmonetary Ways of Motivating Employees
- Flexible workplace
- Thoughtfulness
- Work-life benefits
- Surroundings
- Skill-building & educational opportunities
- Sabbaticals

The flexible workplaceCompanies need to offer employees

Groups & Teams:
Increasing Cooperating, Reducing Conflict

The Challenge of Managing Virtual Teams
- ✦ Take baby steps and manage by results
- ✦ State expectations
- ✦ Write it down
- ✦ Communicate, but be considerate
- ✦ Be aware of cultural differences
- ✦ Meet regularly

Why Teamwork is Important

The Improvements	Example
Increased productivity	At one GE factory, teamwork resulted in a workforce that was 20% more productive than comparable GE workforces elsewhere.
Increased speed	Guidant Corp., maker of lifesaving medical devices, halved the time it took to get products to market.
Reduced costs	Boeing used teamwork to develop the 777 at costs far less than normal.
Improved quality	Westinghouse used teamwork to improve quality performance in its truck and trailer division and within its electronic components division.
Reduced destructive internal competition	Men's Wearhouse fired a salesman who wasn't sharing walk-in customer traffic, and total clothing sales volume among all salespeople increased significantly.
Improved workplace cohesiveness	Cisco Systems told executives they would gain or lose 30% of their bonuses based on how well they worked with peers and in three years had record profits.

Groups & Teams
- ✦ **Group**

  two or more freely acting individuals who share collective norms, collective goals, and have a common identity

- ✦ **Team**

  small group of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable

Various Types of Teams

Continuous improvement team	Volunteers of workers and supervisors who meet intermittently to discuss workplace and quality-related problems; formerly called quality circle
Cross-functional team	Members composed of people from different departments, such as sales and production, pursuing a common objective
Problem-solving team	Knowledgeable workers who meet as a temporary team to solve a specific problem and then disband
Self-managed team	Workers are trained to do all or most of the jobs in a work unit, have no direct supervisor, and do their own day-to-day supervision
Top-management team	Members consist of the CEO, president, and top department heads and work to help the organization achieve its mission and goals
Virtual team	Members interact by computer network to collaborate on projects
Work team	Members engage in collective work requiring coordinated effort; purpose of team is advice, production, project, or action *(see text discussion)*

Formal versus Informal Groups
✦ **Formal group**
↳ established to do something productive for the organization
↳ headed by a leader
✦ **Informal group**
↳ formed by people seeking friendship
↳ has no officially appointed leader, although a leader may emerge

Example: Informal Groups & Informal Learning
✦ Siemens employees gathered often in the lunchroom
✦ More work than chit-chat
✦ Siemens managers placed overhead projectors and notepads in the lunchroom to facilitate the exchange of information

Work Teams for Four Purposes
✦ **Advice teams**
↳ created to broaden the information base for managerial decisions
↳ Committees, review panels
✦ **Production teams**
↳ responsible for performing day-to-day operations
↳ Assembly teams, maintenance crews

Work Teams for Four Purposes
✦ **Project teams**
↳ work to do creative problem solving, often by applying the specialized knowledge of members of a cross-functional team
↳ Task forces, research groups
✦ **Action teams**
↳ work to accomplish tasks that require people with specialized training and a high degree of coordination
↳ Hospital surgery teams, airline cockpit crews, police SWAT teams

Self-Managed Teams
✦ **Self-Managed teams**
groups of workers who are given administrative oversight for their task domains

Ways to Empower Self-Managed Teams

1. Managers should make team members accountable for their work, allow them to set their own team goals, and let them solve their own work-related problems.

2. The team should work with a whole product or service (not just a part), assign jobs and tasks to its members, develop its own quality standards and measurement techniques, and handle its own problems with internal and external customers.

3. Team members are cross-trained on jobs within their (and other) teams; do their own hiring, training, and firing; do their own evaluations of each other; and are paid (at least in part) as a team.

4. The team has access to important information and resources inside and outside the organization, is allowed to communicate with and draw support from other teams and departments, and sets its own rules and policies.

Five Stages of Group and Team Development

| **Forming** Getting oriented & getting acquainted | → | **Storming** Individual personalities & roles emerge | → | **Norming** Conflicts resolved, relationships develop, unity emerges | → | **Performing** Solving problems & completing the assigned task | → | **Adjourning** Preparing for disbandment |

Stage I: Forming
✦ **Forming**
process of getting oriented and getting acquainted
✦ Leaders should allow time for people to become acquainted and socialize

Stage 2: Storming
✦ **Storming**
characterized by the emergence of individual personalities and roles and conflicts within the group
✦ Leaders should encourage members to suggest ideas, voice disagreements, and work through their conflicts about tasks and goals

Stage 3: Norming
✦ **Norming**
conflicts are resolved, close relationships develop, and unity and harmony emerge
Group cohesiveness
✦ Leaders should emphasize unity and help identify team goals and values`

Stage 4: Performing
✦ **Performing**
members concentrate on solving problems and completing the assigned tasks
✦ Leaders should allow members the empowerment they need to work on tasks

Stage 5: Adjourning

✦ **Adjourning**

members prepare for disbandment

Leaders can help ease the transition by rituals celebrating "the end" and "new beginnings

Building Effective Teams

Cooperation	Trust	Cohesiveness.
Performance goals and feedback	Motivation through mutual accountability	Size
Roles	Norms	Awareness of groupthink

✦ **Cooperating**

efforts are systematically integrated to achieve a collective objective.

✦ **Trust**

reciprocal faith in others' intentions and behaviors

✦ **Cohesiveness**

tendency of a group or team to stick together

How to Enhance Cohesiveness in Teams

1. Keep the team small.

2. Encourage members' interaction and cooperation.

3. Emphasize members' common characteristics.

4. Strive for a favorable public image to enhance the team's prestige.

5. Give each member a stake in the team's success—a "piece of the action."

6. Point out threats from competitors to enhance team togetherness.

7. Ensure performance standards are clear, and regularly update members on team goals.

8. Frequently remind members they need each other to get the job done.

9. Direct each member's special talents toward the common goals.

10. Recognize each member's contributions.

Size: Small Teams or Large Teams?
- ✦ **Small teams: 2-9 members**
- ↳ better interaction
- ↳ better morale
  - ✦ Disadvantages
- ↳ Fewer resources
- ↳ Possibly less innovation
- ↳ Unfair work distribution
  - ✦ **Large Teams: 10-16 members**
- ↳ More resources
- ↳ Division of labor
  - ✦ Disadvantages
- ↳ Less interaction
- ↳ Lower morale
- ↳ Social loafing

Example: Team Size
- ✦ At Amazon.com, there is a "two pizza" rule – if a team can't be fed by two pizzas it's too large
- ✦ Harvard professor thinks there should be no more than six
- ✦ Many companies have their own ideal sizes

Roles & Norms
- ✦ **Roles**
- ↳ a socially determined expectation of how an individual should behave in a specific position
- ↳ Task roles, maintenance roles
  - ✦ **Norms**
- ↳ general guidelines that most group or team members follow

Why Norms are Enforced

✦ To help the group survive
✦ To clarify role expectations
✦ To help individuals avoid embarrassing situations
✦ To emphasize the group's important values and identity

Cohesiveness & Groupthink

✦ **Groupthink**
a cohesive group's blind unwillingness to consider alternatives

Symptoms of Groupthink

✦ Invulnerability, inherent morality, and stereotyping of opposition
✦ Rationalization and self-censorship
✦ Illusion of unanimity, peer pressure, and mindguards
✦ Groupthink versus "the wisdom of the crowds"

Results of Groupthink

✦ Reduction in alternative ideas
✦ Limiting of other information

Preventing Groupthink

✦ Allow criticism
✦ Allow other perspectives

The Nature of Conflict

✦ **Conflict**
process in which one party perceives that its interests are being opposed or negatively affected by another party
✦ **Dysfunctional conflict**
conflict that hinders the organization's performance or threatens its interest
✦ **Functional conflict**
conflict that benefits the main purposes of the organization and serves its interests

Relationship Between Level of Conflict and Level of Performance
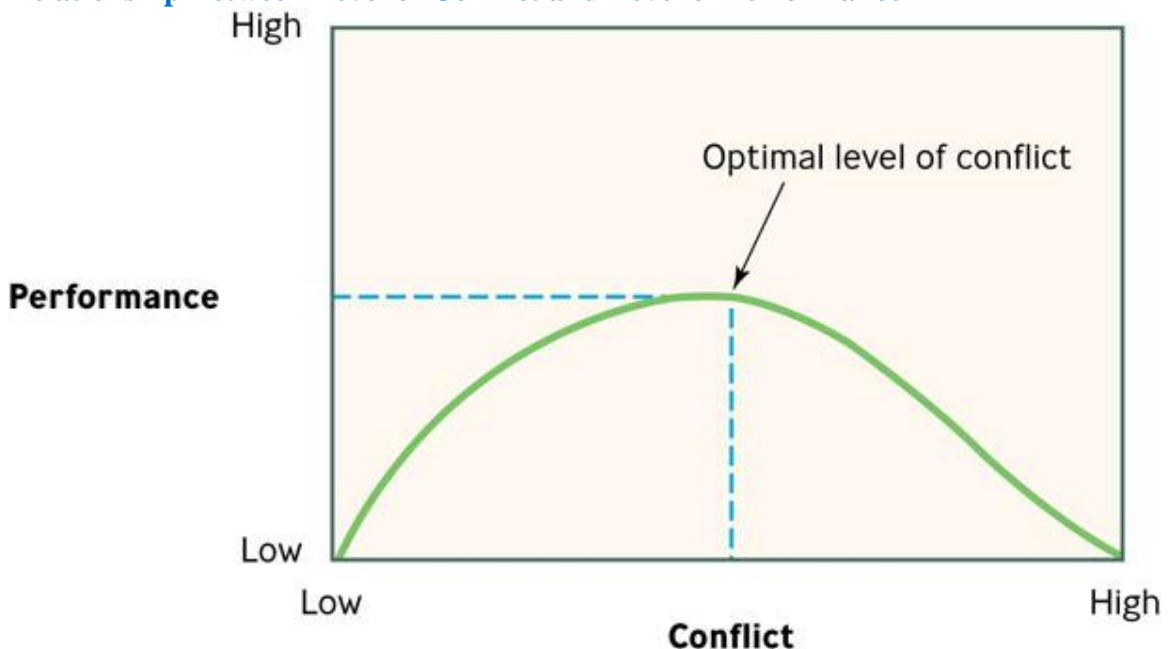
Three Kinds of Conflict
✦ **Personality conflict**
↳ interpersonal opposition based on personal dislike, disagreement, or differing styles
↳ Personality clashes, competition for scarce resources, time pressure, communication failures
✦ **Intergroup conflicts**
↳ Inconsistent goals or reward systems, ambiguous jurisdictions, status differences
✦ **Multicultural conflicts**

Five Conflict-Handling Styles
✦ **Avoiding** - "Maybe the problem will go away"
✦ **Accommodating** – "Let's do it your way"
✦ **Forcing** – "You have to do it my way"
✦ **Compromising** – "Let's split the difference"
✦ **Collaborating** – "Let's cooperate to reach a win-win solution that benefits both of us"

Devices to Stimulate Constructive Conflict
1. Spur competition among employees
2. Change the organization's culture & procedures
3. Bring in outsiders for new perspectives
4. Use programmed conflict

Programmed Conflict
✦ **Devil's advocacy**
process of assigning someone to play the role of critic to voice possible objections to a proposal and thereby generate critical thinking and reality testing
✦ **Dialectic method**
process of having two people or groups play opposing roles in a debate in order to better understand a proposal

The Nature of Leadership
✦ **Leadership**
the ability to influence employees to voluntarily pursue organizational gains

Characteristics of Being a Manager & a Leader

Being a Manager Means . . .	Being a Leader Means . . .
Planning, organizing, directing, controlling	Being visionary
Executing plans and delivering goods and services	Being inspiring, setting the tone, and articulating the vision
Managing resources	Managing people
Being conscientious	Being inspirational (charismatic)
Acting responsibly	Acting decisively
Putting customers first—responding to and acting for customers	Putting people first—responding to and acting for followers
Mistakes can happen when managers don't appreciate people are the key resource, underlead by treating people like other resources, or fail to be held accountable	Mistakes can happen when leaders choose the wrong goal, direction, or inspiration; overlead; or fail to implement the vision

Being a Manager:
Coping with Complexity
✦ Determining what needs to be done - planning and budgeting
✦ Creating arrangements of people to accomplish an agenda - organizing and staffing
✦ Ensuring people do their jobs - controlling and problem solving

Being a Leader:
Coping with Change
✦ Determining what needs to be done - setting a direction
✦ Creating arrangements of people to accomplish an agenda - aligning people
✦ Ensuring people do their jobs - motivating and inspiring

Five Sources of Power
✦ **Legitimate power**
results from managers' formal positions within the organization
✦ **Reward power**
results from managers' authority to reward their subordinates
✦ **Coercive power**
results from managers' authority to punish their subordinates
✦ **Expert power**
results from one's specialized information or expertise
✦ **Referent power**
derived from one's personal attraction

Tactics for Influencing Others

Rational persuasion	Inspirational appeals	Consultation
Ingratiating tactics	Personal appeals	Exchange tactics
Coalition tactics	Pressure tactics	Legitimating tactics

Five Approaches to Leadership

1. **Trait approaches**
   - *Kouzes & Posner's five traits*—honest, competent, forward-looking, inspiring, intelligent
   - *Gender studies*—motivating others, fostering communication, producing high-quality work, and so on
   - *Leadership lessons from the GLOBE project*—visionary and inspirational charismatic leaders who are good team builders are best worldwide

2. **Behavioral approaches**
   - *Michigan model*—two leadership styles: job-centered and employee-centered
   - *Ohio State model*—two dimensions: initiating-structure behavior and consideration behavior

3. **Contingency approaches**
   - *Fiedler's contingency model*—task-oriented style and relationship-oriented style—*and three dimensions of control:* leader-member, task structure, position power
   - *House's path–goal revised leadership model*—clarifying paths for subordinates' goals, and employee characteristics and environmental factors that affect leadership behaviors

4. **Full-range approach**
   - *Transactional leadership*—clarify employee roles and tasks, and provide rewards and punishments
   - *Transformational leadership*—transform employees to pursue organizational goals over self-interests, using inspirational motivation, idealized influence, individualized consideration, intellectual stimulation

5. **Three additional perspectives**
   - *Leader–member exchange (LMX) model*—leaders have different sorts of relationships with different subordinates
   - *Greenleaf's servant leadership model*—providing service to others, not oneself
   - *E-Leadership*—using information technology for one-to-one, one-to-many, and between group and collective interactions

Followers—we also describe the role of followers in the leadership process.

Do Leaders Have Distinctive Personality Characteristics?
✦ **Trait approaches to leadership**
attempt to identify distinctive characteristics that account for the effectiveness of leaders

Key Positive Leadership Traits

General Trait	Specific Characteristics
Task competence	Intelligence, knowledge, problem-solving skills
Interpersonal competence	Ability to communicate and ability to demonstrate caring and empathy
Intuition	
Traits of character	Conscientiousness, discipline, moral reasoning, integrity, honesty
Biophysical traits	Physical fitness, hardiness, energy level
Personal traits	Self-confidence, sociability, self-monitoring, extraversion, self-regulating, self-efficacy

Do Women Have Traits that Make Them Better Leaders?
✦ Studies show that women executives score higher than their male counterparts on a variety of measures - from producing high quality work to goal-setting to mentoring employees

Leadership Lessons from the GLOBE Project
✦ **Project GLOBE**
ongoing attempt to develop an empirically based theory to "describe, understand, and predict the impact of specific cultural variables on leadership and organizational processes and the effectiveness of these processes

Behavioral Approaches
✦ **Behavioral leadership**
approaches attempt to determine the distinctive styles used by effective leaders

Michigan Leadership Model
✦ **Job-centered behavior**
principal concerns were with achieving production efficiency, keeping costs down, and meeting schedules
✦ **Employee-centered behavior**
managers paid more attention to employee satisfaction and making work groups cohesive

Ohio State Leadership Model
✦ **Initiating structure**
behavior that organizes and defines what group members should be doing
✦ **Consideration**
expresses concern for employees by establishing a warm, friendly, supportive climate

Drucker's Tips for Improving Leadership Effectiveness

1. Determine what needs to be done.

2. Determine the right thing to do for the welfare of the entire enterprise or organization.

3. Develop action plans that specify desired results, probable restraints, future revisions, check-in points, and implications for how one should spend his or her time.

4. Take responsibility for decisions.

5. Take responsibility for communication action plans and give people the information they need to get the job done.

6. Focus on opportunities rather than problems. Do not sweep problems under the rug, and treat change as an opportunity rather than as a threat.

7. Run productive meetings. Different types of meetings require different forms of preparation and different results. Prepare accordingly.

8. Think and say "we" rather than "I." Consider the needs and opportunities of the organization before thinking of your own opportunities and needs.

9. Listen first, speak last.

Contingency Approaches
+ **Contingency leadership model**

determines if a leader's style is task oriented or relationship-oriented and if that style is effective for the situation at hand

Dimensions of Situational Control
+ **Leader-member relations**

reflects the extent to which the leader has the support, loyalty, and trust of the work group
+ **Task structure**

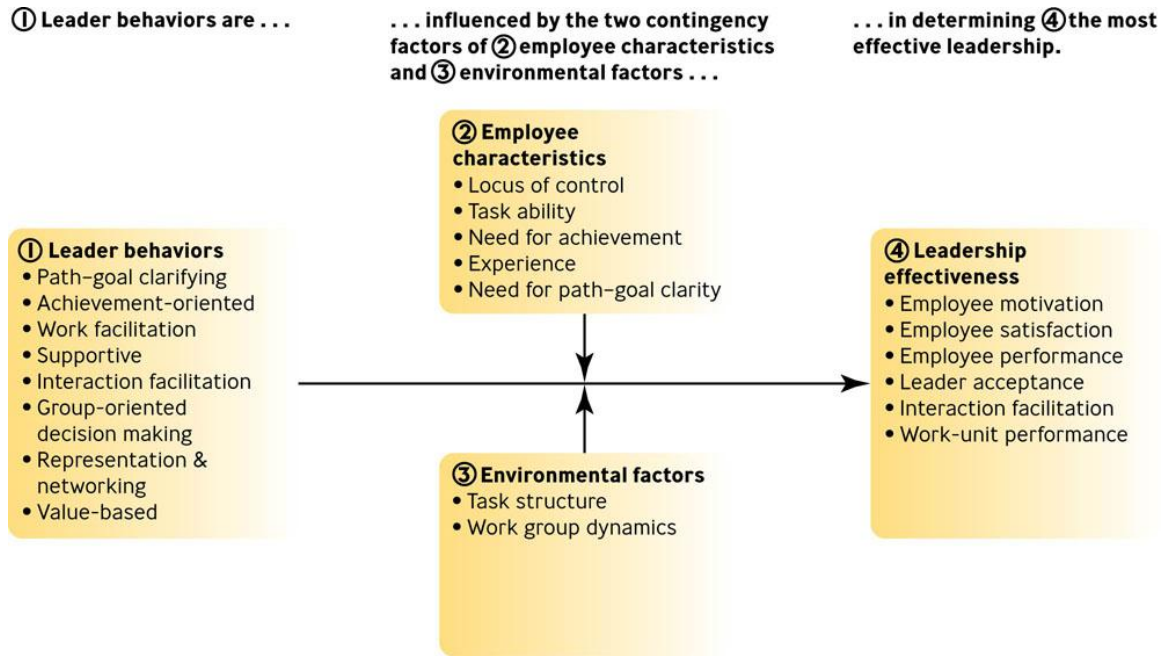extent to which tasks are routine and easily understood
+ **Position power**

refers to how much power a leader has to make work assignments and reward and punish

The Path-Goal Leadership Model
+ **Path-Goal Leadership Model**

holds that the effective leader makes available to followers desirable rewards in the workplace and increases their motivation by clarifying the paths, or behavior, that will help them achieve those goals and providing them with support

House's Revised Path-Goal Theory

① Leader behaviors are . . .

. . . influenced by the two contingency factors of ② employee characteristics and ③ environmental factors . . .

. . . in determining ④ the most effective leadership.

② Employee characteristics
- Locus of control
- Task ability
- Need for achievement
- Experience
- Need for path–goal clarity

① Leader behaviors
- Path–goal clarifying
- Achievement-oriented
- Work facilitation
- Supportive
- Interaction facilitation
- Group-oriented decision making
- Representation & networking
- Value-based

③ Environmental factors
- Task structure
- Work group dynamics

④ Leadership effectiveness
- Employee motivation
- Employee satisfaction
- Employee performance
- Leader acceptance
- Interaction facilitation
- Work-unit performance

Leadership Styles of the Revised Path-Goal Theory

Style of Leader Behaviors	Description of Behavior Toward Employees	
1. Path–goal clarifying ("Here's what's expected of you and here's how to do it.")	Clarify performance goals. Provide guidance on how employees can complete tasks. Clarify performance standards and expectations. Use positive and negative rewards contingent on performance.	
2. Achievement oriented ("I'm confident you can accomplish the following great things.")	Set challenging goals. Emphasize excellence. Demonstrate confidence in employee abilities.	
3. Work facilitation ("Here's the goal, and here's what I can do to help you achieve it.")	Plan, schedule, organize, and coordinate work. Provide mentoring, coaching, counseling, and feedback to assist employees in developing their skills. Eliminate roadblocks. Provide resources. Empower employees to take actions and make decisions.	
4. Supportive ("I want things to be pleasant, since everyone's about equal here.")	Treat as equals. Show concern for well-being and needs. Be friendly and approachable.	
5. Interaction facilitation ("Let's see how we can all work together to accomplish our goals.")	Emphasize collaboration and teamwork. Encourage close employee relationships and sharing of minority opinions. Facilitate communication, resolve disputes.	
6. Group-oriented decision making ("I want your suggestions in order to help me make decisions.")	Pose problems rather than solutions to work group. Encourage members to participate in decision making. Provide necessary information to the group for analysis. Involve knowledgeable employees in decision making.	
7. Representation & networking ("I've got a great bunch of people working for me whom you'll probably want to meet.")	Present work group in positive light to others. Maintain positive relationships with influential others. Participate in organization-wide social functions and ceremonies. Do unconditional favors for others.	

Does the Revised Path – Goal Theory Work?
- **Use more than one leadership style**
- **Help employees achieve their goals**
- **Modify leadership style to fit employee and task characteristics**

Applying Situational Theories:
Five Steps
- ✦ **Step 1:** Identify Important Outcomes: "What Goals Am I Trying to Achieve?"
- ✦ **Step 2:** Identify Relevant Employee Leadership Behaviors: "What Management Characteristics Are Best?"
- ✦ **Step 3:** Identify Situational Conditions: "What Particular Events Are Altering the Situation?
- ✦ **Step 4:** Match Leadership to the Conditions at Hand: "How Should I Manage When There Are Multiple Conditions?"
- ✦ **Step 5:** Determine How to Make the Match: "Change the Manager or Change the Manager 's Behavior?"

Full-Range Model
- ✦ **Transactional leadership**
↳ focuses on clarifying employees' roles and task requirements and providing rewards and punishments contingent on performance
- ✦ **Transformational leadership**
↳ transforms employees to pursue organizational goals over self-interests
↳ influenced by individual characteristics and organizational culture

Key Behaviors of Transformational Leaders
- • **Inspirational motivation**
- • **Idealized influence**
- • **Individualized consideration**
- • **Intellectual stimulation**

Implications of Transformational Leadership
- ✦ It can improve results for both individuals and groups
- ✦ It can be used to train employees at any level
- ✦ It requires ethical leaders

Three Additional Perspectives
- ✦ **Leader-Member Exchange (LMX)**
emphasizes that leaders have different sorts of relationships with different subordinates
- ✦ **Servant leaders**
focus on providing increased service to others - meeting the goals of both followers and the organization - rather than to themselves
- ✦ **E-leadership**
can involve one-to-one, one-to-many, and within-group and between-group and collective interaction via information technology

Characteristics of the Servant Leader

1. Focus on listening.

2. Ability to empathize with others' feelings.

3. Focus on healing suffering.

4. Self-awareness of strengths and weaknesses.

5. Use of persuasion rather than positional authority to influence others.

6. Broad-based conceptual thinking.

7. Ability to foresee future outcomes.

8. Belief they are stewards of their employees and resources.

9. Commitment to the growth of people.

10. Drive to build community within and outside the organization.

What Do Followers Want in Their Leaders?
- **Significance**
- **Community**
- **Excitement**

<p align="center">Chapter Fifteen
Interpersonal &
Organizational
Communication:
Mastering the Exchange of Information</p>

Communication Defined: The Transfer of Information & Understanding

✦ **Communication**
the transfer of information and understanding from one person to another
✦ 81% of a manager's time in a typical workday is spent communicating

How the Communication Process Works

✦ **Sender**
person wanting to share information-called a message
✦ **Receiver**
person for whom the message is intended
✦ **Encoding**
translating a message into understandable symbols or language
✦ **Decoding**
interpreting and trying to make sense of the message
✦ **Medium**
the pathway by which a message travels
✦ **Feedback**
the receiver expresses his reaction to the sender's message
✦ **Noise**
any disturbance that interferes with the transmission of a message

The Communication Process
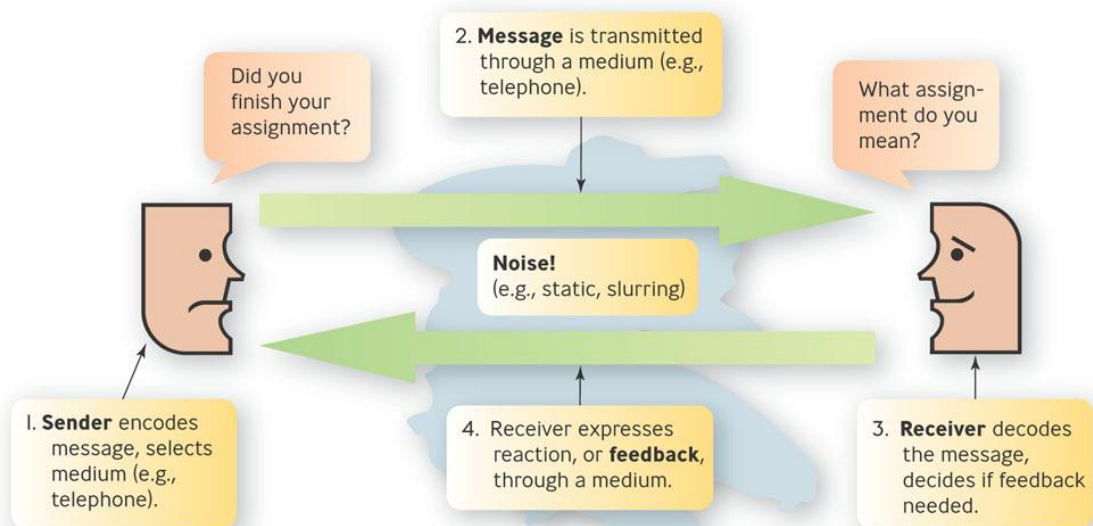
Selecting the Right Medium
✦ **Medium richness**
indicates how well a particular medium conveys information and promotes learning
✦ **Rich medium**
best for nonroutine situations and to avoid oversimplification
✦ **Lean medium**
best for routine situations and to avoid overloading

Barriers to Communication
1. Physical barriers: sound, time, space, & so on
2. Semantic barriers: when words matter
3. Personal barriers: individual attributes that hinder communication

Some Barriers the Happen Within the Communication Process

- **Sender barrier—no message gets sent.** Example: If a manager has an idea but is afraid to voice it because he or she fears criticism, then obviously no message gets sent.

- **Encoding barrier—the message is not expressed correctly.** Example: If your vocabulary is lacking or English is not your first language, you may have difficulty expressing to a supervisor, coworker, or subordinate what it is you mean to say.

- **Medium barrier—the communication channel is blocked.** Example: When someone's phone always has a busy signal or a computer network is down, these are instances of the communication medium being blocked.

- **Decoding barrier—the recipient doesn't understand the message.** Example: Perhaps you're afraid to show your ignorance when someone is throwing computer terms at you and says that your computer connection has "a bandwidth problem."

- **Receiver barrier—no message gets received.** Example: Because you were talking to a coworker, you weren't listening when your supervisor announced today's work assignments.

- **Feedback barrier—the recipient doesn't respond enough.** Example: You give some people street directions, but since they only nod their heads and don't repeat the directions back to you, you don't really know whether you were understood.

Semantic Barriers
✦ **Semantics**
study of the meaning of words
✦ **Jargon**
terminology specific to a particular profession or group

Personal Barriers
- ✦ Variable skills in communicating effectively
- ✦ Variations in how information is processed & interpreted
- ✦ Variations in trustworthiness & credibility
- ✦ Oversized egos
- ✦ Faulty listening skills
- ✦ Tendency to judge others' messages
- ✦ Inability to listen with understanding
- ✦ Stereotypes and prejudices

Nonverbal Communication
- ✦ **Nonverbal communication**

consists of messages sent outside of the written or spoken word
- ✦ Expressed through interpersonal space, eye contact, facial expressions, body movements & gestures, touch, setting and time

Toward Better Nonverbal Communication Skills

Do ...	Don't ...
Maintain eye contact	Look away from the speaker
Lean toward the speaker	Turn away from the speaker
Speak at a moderate rate	Speak too quickly or slowly
Speak in a quiet, reassuring tone	Speak in an unpleasant tone
Smile and show animation	Yawn excessively
Occasionally nod head in agreement	Close your eyes
Be aware of your facial expressions	Lick lips, bite nails, play with your hair

Communication Differences

Linguistic Characteristic	Men	Women
Taking credit	Greater use of "I" statements (e.g., "I did this" and "I did that"); more likely to boast about their achievements	Greater use of "We" statements (e.g., "We did this" and "We did that"); less likely to boast about their achievements
Displaying confidence	Less likely to indicate that they are uncertain about an issue	More likely to indicate a lack of certainty about an issue
Asking questions	Less likely to ask questions (e.g., asking for directions)	More likely to ask questions
Conversation rituals	Avoid making apologies because it puts them in a one-down position	More frequently say "I'm sorry"
Giving feedback	More direct and blunt	More tactful; tend to temper criticism with praise
Giving compliments	Stingy with praise	Pay more compliments than men do
Indirectness	Indirect when it comes to admitting fault or when they don't know something	Indirect when telling others what to do

Example: Women & Communication
✦ There is evidence that women are superior at multitasking and better at relationships, which is important in developing teams
✦ Women are also more willing to share information

Formal Communication Channels
✦ **Formal communication channels**
↳ follow the chain of command and are recognized as official
↳ vertical, horizontal, external

Informal Communication Channels
✦ **Informal communication channels**
develop outside the formal structure and do not follow the chain of command
✦ **Grapevine**
unofficial communication system of the informal organization
✦ **Management by wandering around**
term used to describe a manager's literally wandering around his organization and talking with people across all lines of authority

Communication in the Information Age
✦ **Multicommunicating**
represents the use of technology to participate in several interactions at the same time

Eight Norms of the Millennial or Internet Generation

1. **Freedom—the desire to experience new and different things.** This norm, which takes precedence over long-term commitments, is expressed in a desire for flexible work hours and locations, to have a say in how things are done, and for freedom of choice.

2. **Customization—the desire to have personalized products and choices.** Customization covers everything from ring tone choices to Facebook layouts to lifestyle choices.

3. **Scrutiny—not taking "facts" and authority figures at face value.** Knowing that there is both treasure and trash on the Internet, this generation has learned to be skeptical, to check things out, to ask probing questions. Candor and straight talk are favored.

4. **Integrity—trust in people, products, and employers is important.** This generation cares about honesty, transparency, and keeping commitments—although they are elastic when it comes to pirating music and plagiarism.

5. **Collaboration—relationships are of key importance.** Members of this generation value volunteering, know how to work and play with others, and are eager to offer opinions and suggestions.

6. **Entertainment—keep things moving and interesting.** A job should be both challenging and fun, not a life sentence. For this multitasking generation, the Internet is not only a productivity tool and information source but also a personal communication device and "fun tool of choice."

7. **Speed—instant feedback is expected.** Used to instant-feedback video games and nanosecond answers from Google, Millennials prefer rapid-fire texting, instant messaging, and Tweeting to the slower e-mail. This leads them to urge faster decision making and feedback on job performance.

8. **Innovation—impatience for new and different user experiences.** In the workplace, the traditional hierarchy is rejected in favor of work processes that encourage collaboration and creativity.

Digital Communication &the New Workplace
✦ **Videoconferencing**
uses video and audio links along with computers to enable people in different locations to see, hear, and talk with each other
✦ **Telepresence technology**
high-definition videoconference systems that simulate face-to-face meetings between users

Benefits of Telecommuting
1. Reduces capital costs
2. Increases flexibility and autonomy for workers
3. Provides a competitive advantage when recruiting
4. Increases job satisfaction
5. Increases productivity
6. Ability to tap into nontraditional workers

Downside of the Digital Age
✦ **Security**
a system of safeguards for protecting information technology against disasters, system failures, and unauthorized access that result in damage or loss
✦ **Identity theft**
thieves hijack your name and identity and use your good credit rating to get cash or buy things

Protecting Against Security and Privacy Breaches on the Internet

- **Pick strong passwords.** Use a mix of letters, symbols, and numbers, following the guidelines as www.microsoft.com/protect/yourself/password/create.mspx.

- **Use different passwords** for different web services. And never use your web passwords for PIN codes on credit, debit, or ATM cards.

- **Don't reveal sensitive information**—not even in "private" areas of services such as Facebook or Flickr that offer public access to most material.

- **Don't share files** on services that offer optional sharing, such as Google Docs, unless there is a real need.

- **Keep data** whose disclosure would create legal liability or embarrassment on your personal hard drives and storage devices.

- **Avoid file-sharing services** such as Lime Wire that distribute pirated files. Both the services and the downloads can open your computer to prying eyes.

- **Apply the latest security updates** to all your software, including operating systems, browsers, and antivirus programs.

Disadvantages of E-Mail

1. Has been a decrease in all other forms of communication among co-workers—including greetings and informal conversations
2. Emotions often are poorly communicated or miscommunicated via e-mail messages
3. The greater the use of e-mail, the less connected co-workers reportedly feel.

Tips for Better E-Mail Handling

- *Treat all e-mail as confidential.* Pretend every message is a postcard that can be read by anyone. (Supervisors may legally read employee e-mail.)

- *Be careful with jokes and informality.* Nonverbal language and other subtleties are lost, so jokes may be taken as insults or criticism.

- *Avoid sloppiness, but avoid criticizing others' sloppiness.* Avoid spelling and grammatical errors, but don't criticize errors in others' messages.

- *When replying, quote only the relevant portion.* Edit long e-mail messages you've received down to the relevant paragraph and put your response immediately following.

- *Not every topic belongs on e-mail.* Complicated topics may be better discussed on the phone or in person to avoid misunderstandings.

Smartphones: Use & Abuse

- ✦ Cell phones are now mostly smartphones
- ✦ As smartphones develop more features and make available more applications, their importance will only increase

Five Rules for Using Smartphones

1. Keep the volume of your voice down while on the phone; no need to SHOUT.

2. Don't force defenseless others on buses, in restaurants, and so on to have to listen to your phone conversations.

3. Shut off your ringer during meetings and public performances; set the phone on "vibrate," and return calls at a discreet distance.

4. Don't text during meetings or other conversations.

5. Don't dial/text while driving.

Social Media: Pros & Cons
+ **Social media**

Internet-based and mobile technologies used to generate interactive dialogue with members of a network

Some Business Benefits of Social Media
+ **Crowdsourcing**

the practice of obtaining needed services, ideas, or content by soliciting contributions from a large group of people and especially from the online community, such as Facebook and Twitter users

The Downside of Social Media
• **Distraction**
• **Leaving wrong impression**
• **Replacing real conversation**

Using Facebook in Your Personal Life

• Brand the product or organizational profile, but go light on sales messages. Follow the service standards of your organization.

• Use language relevant to your particular audience members and communicate with, not at, them. Show appreciation for them.

• Remember all wall posts are public. Don't write anything not intended for public consumption.

• All updates should be relevant.

• Take customer-sensitive issues off Facebook, into a private sphere, online or offline.

• Ask questions on the wall posts, but follow up and respond to any feedback received.

What 's Your Listening Style — or Styles?

✦ **Appreciative style**
listening to be amused
✦ **Empathic style**
tuning into the speaker ' s emotions
✦ **Comprehensive style**
focusing on the speaker ' s logic
✦ **Discerning style**
focusing on the main message
✦ **Evaluative style**
challenging the speaker

Six Keys to Effective Listening

1. **Don't rush to respond.** Don't think about what you're going to say until the other person has finished talking.

2. **Judge content, not delivery.** Don't tune out someone because of his or her accent, clothing, mannerisms, personality, or speaking style.

3. **Ask questions, summarize remarks.** Good listening is hard work. Ask questions to make sure you understand. Recap what the speaker said.

4. **Listen for ideas.** Don't get diverted by the details; try to concentrate on the main ideas.

5. **Resist distractions, show interest.** Don't get distracted by things other people are doing, paperwork on your desk, things happening outside the window, television or radio, and the like. Show the speaker you're listening, periodically restating in your own words what you've heard.

6. **Give a fair hearing.** Don't shut out unfavorable information just because you hear a term—"Republican," "Democrat," "union," "big business," "affirmative action," "corporate welfare"—that suggests ideas you're not comfortable with. Try to correct for your biases.

Being an Effective Reader

✦ Realize that speed reading doesn't work
✦ Learn to streamline reading
✦ Do top-down reading – SQ3R

Learn to Streamline Reading
✦ Be savvy about periodicals and books
✦ Transfer your reading load
✦ Make internal memos and e-mail more efficient

Five Steps to Better Reading

1. **Rate reasons to read.** Rate your reasons for reading ("Why should I read this? Will reading it contribute to my goals?").

2. **Question and predict answers.** Formulate specific questions you want the reading to answer. This will give you reasons for reading—to get answers to your questions.

3. **Survey the big picture.** Survey the material to be read so you can get a sense of the whole. Take a few minutes to get an overview so that you'll be better able to read with purpose.

4. **Skim for main ideas.** Skimming the material is similar to surveying, except it's on a smaller scale. You look for the essence of each subsection or paragraph.

5. **Summarize.** Summarize as you skim. Verbally restate or write notes of the main points, using your own words. Visualize or sketch the main points. Answer your initial questions as you skim the material.

Being an Effective Writer
+ Don't show your ignorance
+ Understand your strategy before you write
+ Start with your purpose
+ Write simply, concisely, and directly
+ Telegraph your writing with a powerful layout

Being an Effective Speaker
1. Tell them what you're going to say
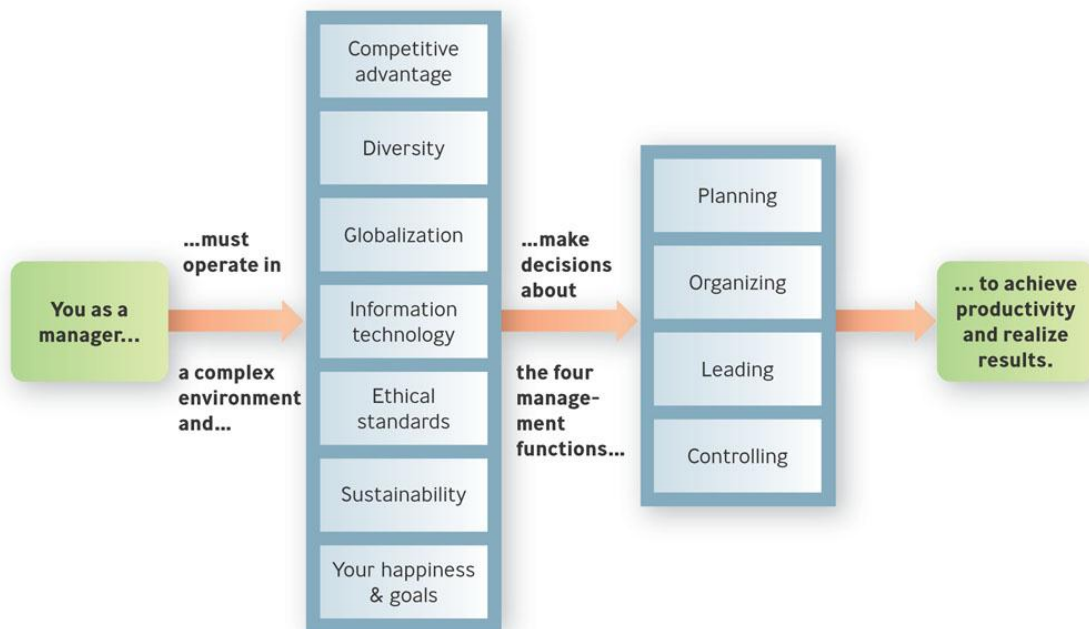2. Say it
3. Tell them what you said

Control & Quality Control Improvement:
Techniques for Enhancing Organizational
Effectiveness

Managing for Productivity
✦ **Productivity**

   outputs divided by inputs where: outputs are the goods and services produced, and inputs are labor, capital, materials,
and energy

Managing for Productivity and Results

The Role of Information Technology
✦ **Enterprise resource planning (ERP)**

   software systems, information systems for integrating virtually all aspects of a business, helping managers stay on top of the latest developments.

Control: When Managers Monitor Performance
✦ **Controlling**

   defined as monitoring performance, comparing it with goals, and taking corrective action as needed
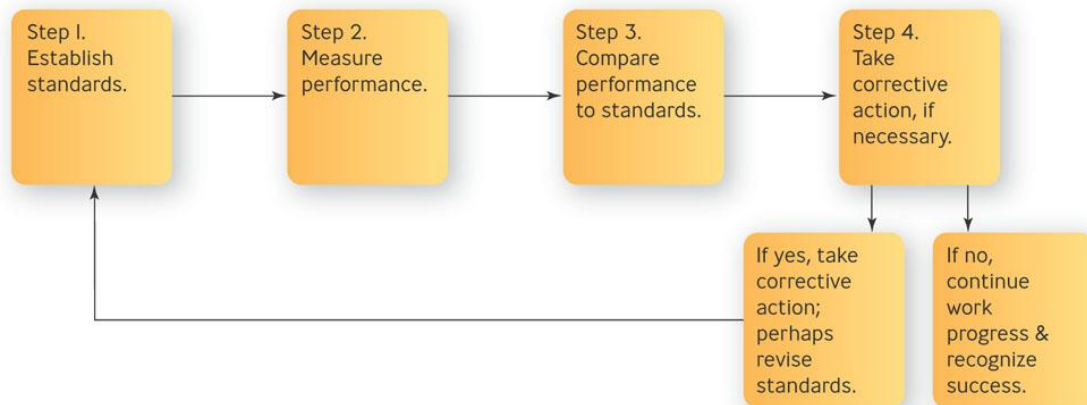
Why Is Control Needed?

1. To adapt to change & uncertainty
2. To discover irregularities & errors
3. To reduce costs, increase productivity, or add value
4. To detect opportunities
5. To deal with complexity
6. To decentralize decision making & facilitate teamwork

Steps in the Control Process

Step 1. Establish standards. → Step 2. Measure performance. → Step 3. Compare performance to standards. → Step 4. Take corrective action, if necessary.

If yes, take corrective action; perhaps revise standards.

If no, continue work progress & recognize success.

1. **Establish standards**
↳ performance standard is the desired performance level for a given goal
↳ best measured when they can be made quantifiable
2. **Measure performance**
↳ usually obtained from written reports, oral reports, and personal observations
3. **Compare performance to standards**
↳ Management by exception – control principle that says managers should be informed of a situation only if data show a significant deviation from standards
4. **Take corrective action if necessary**
↳ Make no changes
↳ Recognize and reinforce positive performance
↳ Take action to correct negative performance

Levels of Control

✦ **Strategic control**
monitoring performance to ensure that strategic plans are being implemented and taking corrective action as needed

✦ **Tactical control**
monitoring performance to ensure that tactical plans - those at the divisional or departmental level - are being implemented

✦ **Operational control**
monitoring performance to ensure that operational plans - day-to-day goals - are being implemented and taking corrective action as needed

Six Areas of Control
- **Physical**
- **Human resources**
- **Informational**
- **Financial**
- **Structural**
- **Cultural**

Structural Area
✦ **Bureaucratic control**

an approach to organizational control that is characterized by use of rules, regulations, and formal authority to guide performance

✦ **Decentralized control**

an approach to organizational control that is characterized by informal and organic structural arrangements

The Balanced Scoreboard
✦ **Balanced scoreboard**

gives top managers a fast but comprehensive view of the organization via four indicators:
(1) customer satisfaction, (2) internal processes, (3) innovation and improvement activities and,
(4) financial measures

The Balanced Scorecard: Four Perspectives
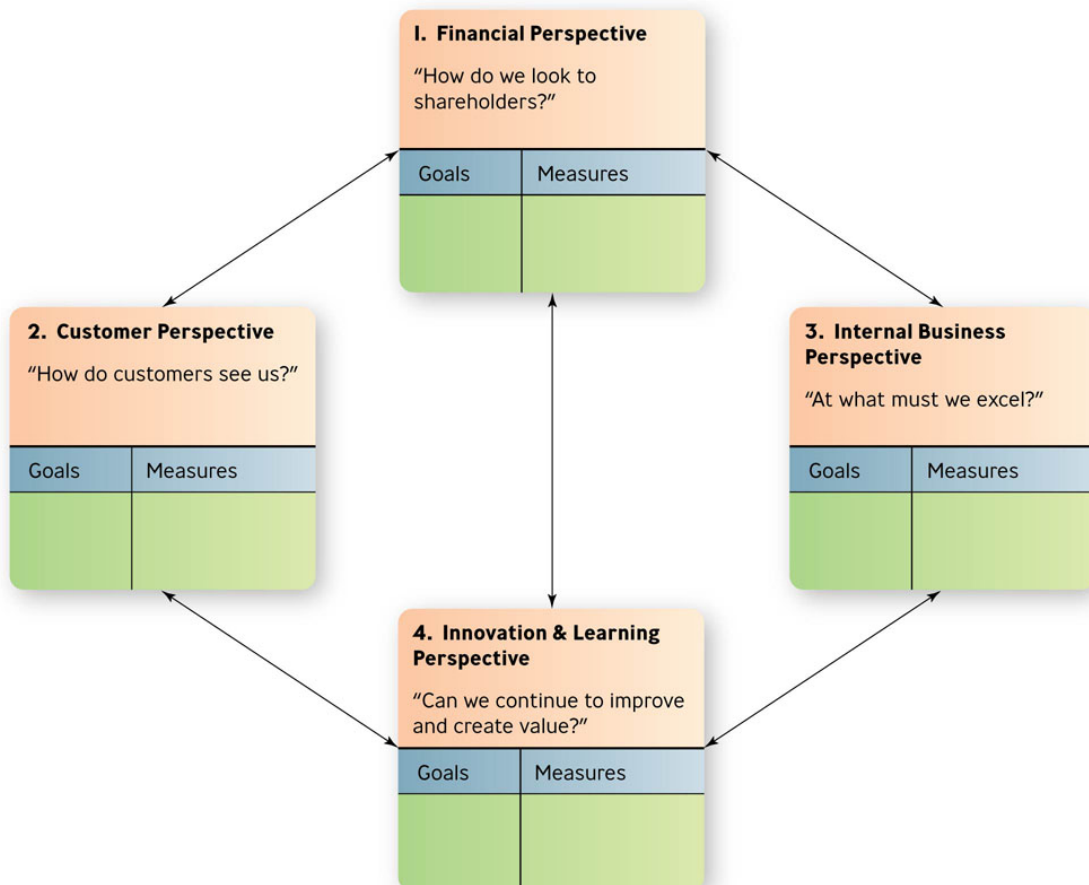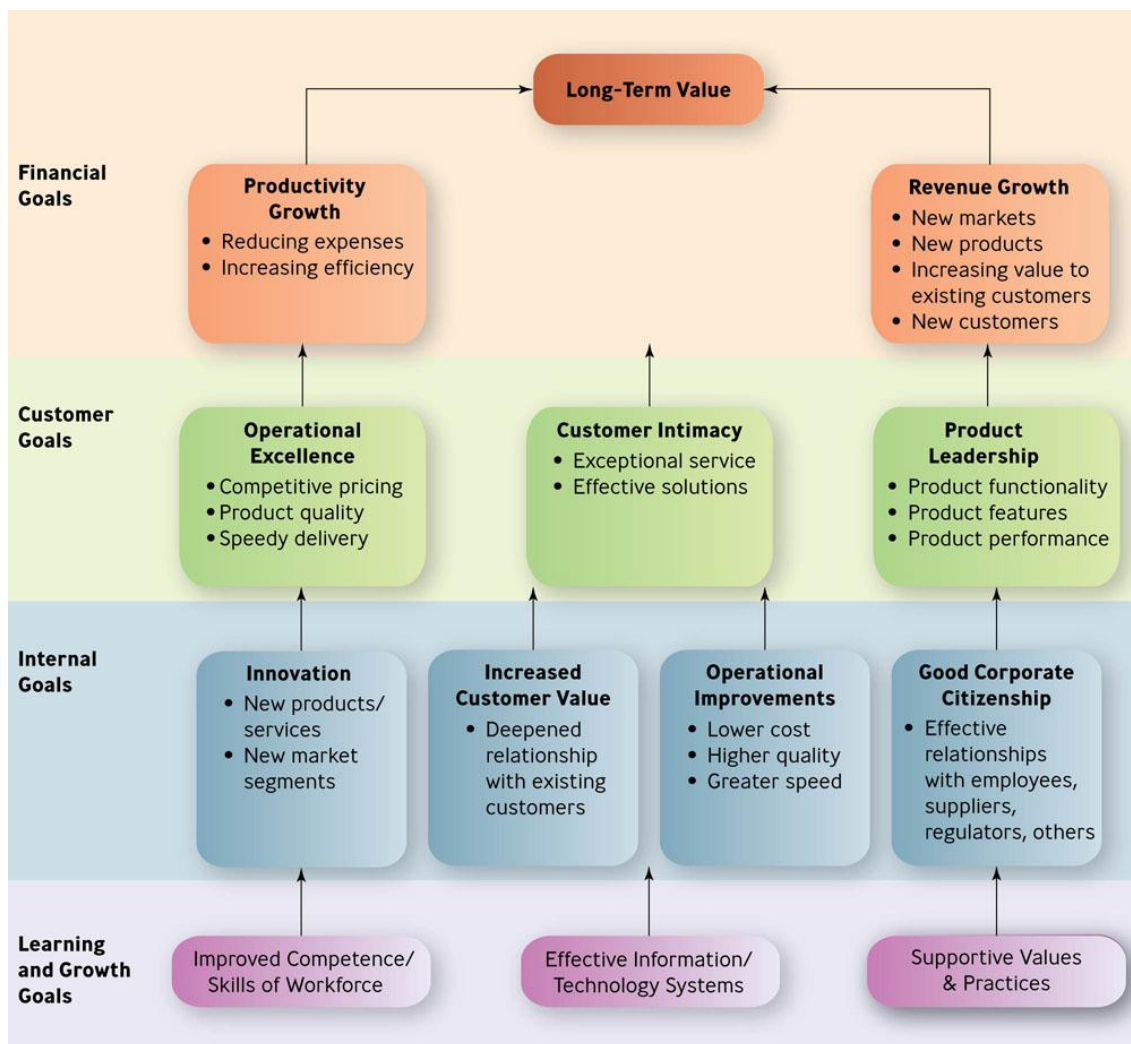
The Balanced Scorecard: Four Perspectives

✦ **Financial**

profitability, growth, shareholder values

✦ **Customer**

priority is taking care of the customer

✦ **Internal business**

quality, employee skills, and productivity

✦ **Innovation & learning**

learning and growth of employees

The Visual Representation
of a Balanced Scorecard

✦ **Strategy map**

visual representation of the four perspectives of the balanced scorecard that enables managers to communicate their goals so that everyone in the company can understand how their jobs are linked to the overall objectives of the organization

The Strategy Map

Long-Term Value

Financial Goals

Productivity Growth
- Reducing expenses
- Increasing efficiency

Revenue Growth
- New markets
- New products
- Increasing value to existing customers
- New customers

Customer Goals

Operational Excellence
- Competitive pricing
- Product quality
- Speedy delivery

Customer Intimacy
- Exceptional service
- Effective solutions

Product Leadership
- Product functionality
- Product features
- Product performance

Internal Goals

Innovation
- New products/ services
- New market segments

Increased Customer Value
- Deepened relationship with existing customers

Operational Improvements
- Lower cost
- Higher quality
- Greater speed

Good Corporate Citizenship
- Effective relationships with employees, suppliers, regulators, others

Learning and Growth Goals

Improved Competence/ Skills of Workforce

Effective Information/ Technology Systems

Supportive Values & Practices

Why Measure-Managed Firms Succeed
✦ Top executives agree on strategy
✦ Communication is clear
✦ There is better focus and alignment
✦ The organizational culture emphasizes teamwork and allows risk taking

Barriers to Effective Measurement
✦ Objectives are fuzzy-(objectives are often precise in the financial and operational areas but not in areas of customer satisfaction, employee performance, and rate of change
✦ Managers put too much trust in informal feedback systems - (overrate feedback mechanisms such as customers complaints or sales-force criticisms about products. But these mechanisms aren't necessarily accurate)
✦ Employees resist new measurement systems
✦ Companies focus too much on measuring activities instead of results

Financial Tools for Control
✦ **Budget**
↳ formal financial projection
✦ **Incremental budgeting**
↳ allocates increased or decreased funds to a department by using the last budget period as a reference point
↳ only incremental changes in the budget request are reviewed

Types of Budgets

Type of Budget	Description
Cash or cashflow budget	Forecasts all sources of cash income and cash expenditures for daily, weekly, or monthly period
Capital expenditures budget	Anticipates investments in major assets such as land, buildings, and major equipment
Sales or revenue budget	Projects future sales, often by month, sales area, or product
Expense budget	Projects expenses (costs) for given activity for given period
Financial budget	Projects organization's source of cash and how it plans to spend it in the forthcoming period
Operating budget	Projects what an organization will create in goods or services, what financial resources are needed, and what income is expected
Nonmonetary budget	Deals with units other than dollars, such as hours of labor or office square footage

Fixed versus Variable Budgets
✦ **Fixed budgets**
resources are allocated on a single estimate of costs
✦ **Variable budgets**
resources are varied in proportion with various levels of activity

Financial Statements
✦ **Balanced sheet**
summarizes an organization's overall financial worth – assets and liabilities - at a specific point in time

✦ **Income statement**
summarizes an organization's financial results – revenues and expenses - over specified period of time

Ratio Analysis

✦ **Liquidity ratios**
indicate how easily a firm's assets can be converted to cash
✦ **Debt management ratios**
degree to which a firm can meet it's long-term financial obligations
✦ **Return ratios**
how effective management is generating a return or profit

Audits
✦ **Audit**
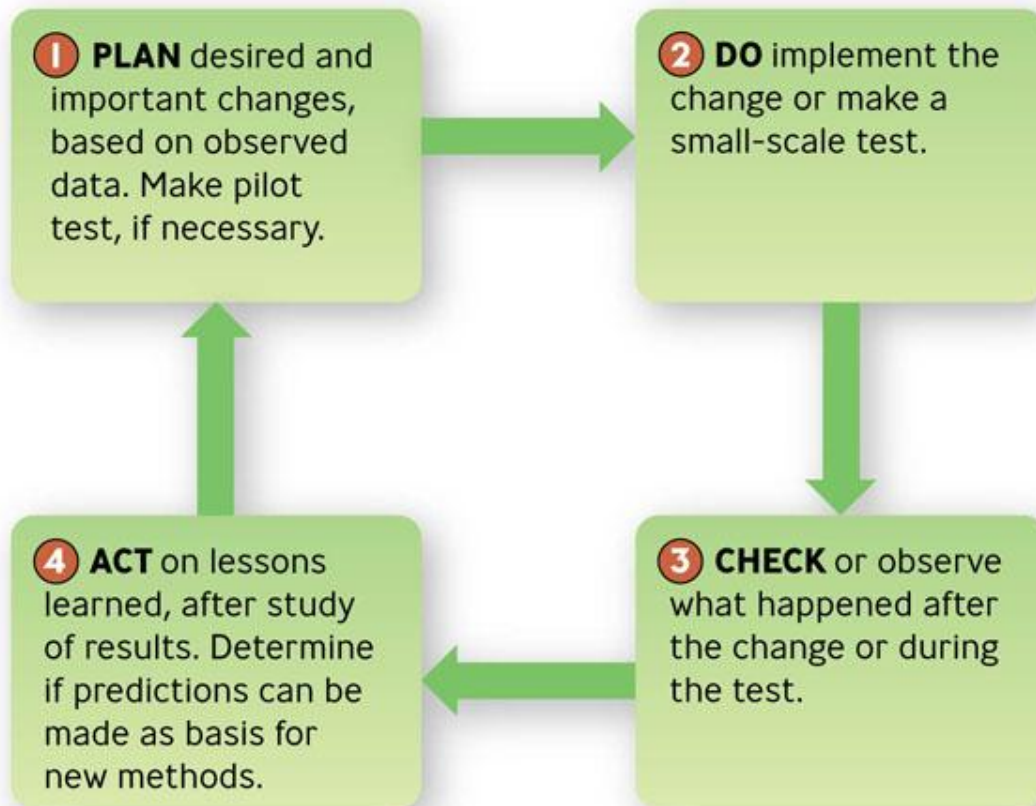formal verification of an organization's financial and operational systems
✦ **External** – performed by outside experts
✦ **Internal** – performed by organization's own professional staff

Deming Management
1. Quality should be aimed at the needs of the consumer
2. Companies should aim at improving the system, not blaming workers
3. Improved quality leads to increased market share, increased company prospects, & increased employment
4. Quality can be improved on the basis of hard data, using the PDCA cycle

The PDCA Cycle

① PLAN desired and important changes, based on observed data. Make pilot test, if necessary.

② DO implement the change or make a small-scale test.

④ ACT on lessons learned, after study of results. Determine if predictions can be made as basis for new methods.

③ CHECK or observe what happened after the change or during the test.

Total Quality Management
✦ **Total Quality Management (TQM)**

a comprehensive approach - led by top management and supported throughout the organization - dedicated to continuous quality improvement, training, and customer satisfaction

Example: Viking Range Corporation

✦ Fred Carl found restaurant-style commercial stoves impractical for his own home kitchen, so he designed his own
✦ Production is set up so that if there is a problem everyone on the line is instantly aware of it, and the problem is solved right on the plant floor—so that customers are continuously supplied with elegant yet dependable stoves

Two Core Principles of TQM
1. **People orientation**
everyone involved in the organization should focus on delivering value to customers
2. **Improvement orientation**
everyone should work on continuously improving work processes

People Orientation
✦ Delivering customer value is most important
✦ People will focus on quality if given empowerment
✦ TQM requires training, teamwork, and cross-functional efforts

Improvement Orientation
- ✦ It's less expensive to do it right the first time
- ✦ It's better to do small improvements all the time
- ✦ Accurate standards must be followed to eliminate small variations
- ✦ There must be strong commitment from top management

Applying TQM to Services: The Rater Scale
- ✦ *RATER* scale

enables customers to rate the quality of a service along dimensions – reliability, assurance, tangibles, empathy, and responsiveness

Some TQM Techniques
- ✦ Benchmarking
- ✦ Outsourcing
- ✦ Reduced cycle time
- ✦ ISO 9000 and 14000 Series
- ✦ Statistical process control
- ✦ Six Sigma & Lean Six Sigma

The Keys to Successful Control Systems
1. They are strategic & results oriented
2. They are timely, accurate, & objective
3. They are realistic, positive, & understandable & encourage self-control
4. They are flexible

Barriers to Control Success
1. Too much control
2. Too little employee participation
3. Overemphasis on means instead of ends
4. Overemphasis on paperwork
5. Overemphasis on one instead of multiple approaches

Keys to Your Managerial Success
- ✦ Find your passion and follow it.
- ✦ Encourage self-discovery, and be realistic.
- ✦ Every situation is different, so be flexible
- ✦ Fine-tune your people skills
- ✦ Learn how to develop leadership skills
- ✦ Treat people as if they matter, because they do
- ✦ Draw employees and peers into your management process
- ✦ Be flexible, keep your cool, and take yourself lightly