

**Critical Thinking** → analyzing the validity of arguments presented in a text

- Identify Claims (author's major conclusions)
- Describe & evaluate supporting evidence
- Uncover assumptions & values
- Determine soundness of causal logic
- Deconstruct use of persuasive language

**Claim:** Major conclusion of a piece of writing that the author is trying to persuade you to accept

- Explicitly or Implicitly stated (can be re-examined years later)
- Cue words: *Therefore, thus, in summary, I believe that, clearly, in short (...)*

### 1) Contestable claims

- Not commonly accepted knowledge
- Often introduce new ideas that awaken curiosity
- Sometimes presented as if it were a fact
- Cannot stand on their own

### 2) Unproblematic Claims:

- Consistent with our own experiences and observations
- Facts independent of interpretation
- Agreement among experts or strongly supported general claims that are common sense
- Technical or mathematical claims

### Identifying Claims:

#### Writing your own claims effectively

- Present main ideas with clarity and emphasis
- Claim near the beginning or end
- Cue words
- Make your titles work for you
- Make claim memorable for your readers

#### Presenting other's claims

- Intelligible and fair summary
- Concept lists & concept maps

**Evidence:** Any statement that is a response to the question 'Why this is true?'

**Finding the Evidence:** (Claim+ evidence = argument)

Cue words: *Because, As a result, In the first place, For example, In addition*

Can consist of:

- Statistics
- Details of past events
- Anecdotes
- Written account

#### Criteria to test the quality of the evidence:

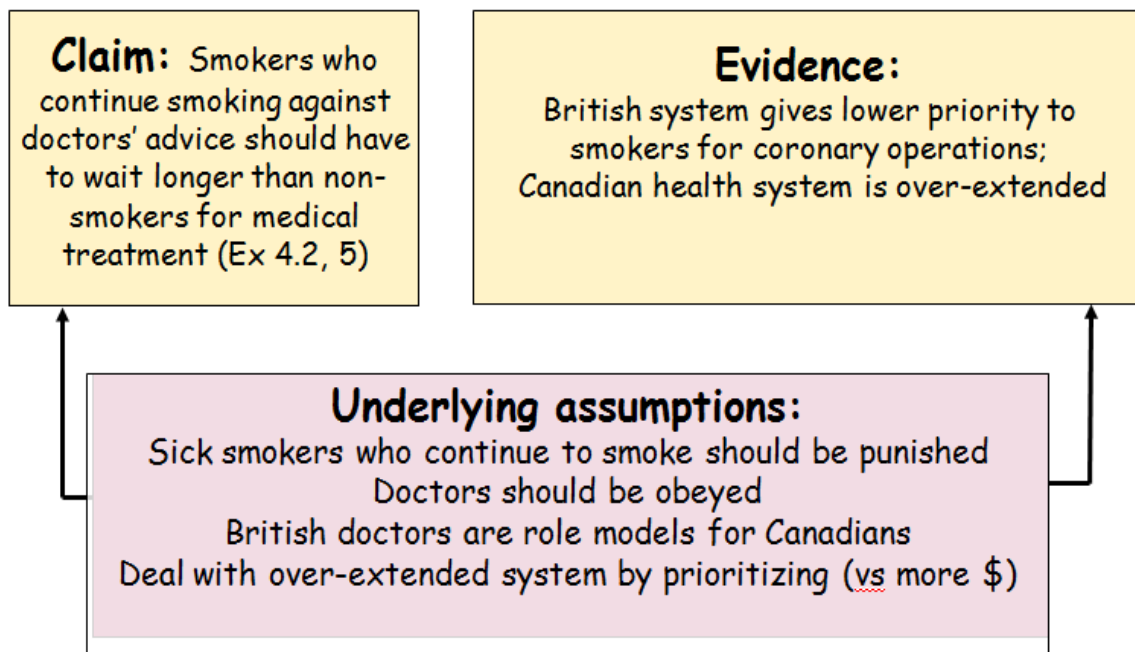
- Accuracy (correct - "I am tall" = accurate but not precise)
- Precision (no ambiguous words, numbers & direct quotes)
- Sufficiency (how much evidence? enough... avoid fallacy of generalization)
- Representativeness (variety/more sources = better represents pop.)
- Authority (people with training, credentials, experience ...fallacy of appeal to authority, [current > old])
- Clarity of expression (quantitative data should be interpreted, leave nothing unexplained)

### Underlying Assumptions

- Which of these are value assumptions:
  - 1 I love chocolate.
  - 2 Everybody loves pizza.
  - 3 Most people value money.
  - 4 All of the above.
  - 5 **None of the above.**

**Value Assumption:** This cannot be proven, it's our ideals or standards of what's right or wrong. (Lying is bad, people *ought* to be friendly). They are unstated. Author takes it for granted that reader will fill in the gap but people have different assumptions...

**Reality Assumption:** Our beliefs about what events have taken place, what exists. You do assume or you don't. To challenge this we must present info, showing that the authors notions of reality are debatable or just plain wrong. It's not deep seated.



**Underlying assumptions** = logical link that fills the gap between the evidence and the claim

- Implicit or explicit principles that form the bases of our beliefs & reasoning
- Tell us whether evidence provided for a claim is relevant

**Reality assumptions:** our beliefs about reality; about the way things are

**Value assumptions:** our ideals, our standards of right and wrong, the way things ought to be

**Challenging underlying assumptions**

### Critiquing Causal claims

- **Causal explanation** = Author's interpretation of cause & effect relationships
- **Rival causes:** The same evidence can be consistent with different interpretations
- **Examine critically causal explanations of**
  - Differences between groups
  - Association of characteristics: *Reverse causation? Effect of 3rd variable?*
  - Claims of post hoc, ergo propter hoc

**Ex:**

#### **Fast food and obesity**

Lawyers have begun filing cases against fast food chains like McDonald's and Wendy's, arguing that the rise in obesity and such diseases as diabetes is directly linked to fast food consumption. Studies show that the increase in body mass of North Americans coincides with a proliferation of fast food restaurants.

*What is the implicit causal assumption?*

*Can you think of an alternative explanation?*

*What type of rival cause is your alternative?*

*What is the causal explanation?*

*Can you think of alternative causal explanations?*

« Gore's patient, private ownership has allowed it to sustain innovation over the years. »

*What is the causal claim? Can you think of an alternative explanation? What type of rival cause is it?*

## Techniques of Persuasion

- **Use high quality evidence:**  
Accurate, precise, sufficient, representative, authoritative, clearly expressed
- **Anticipate objections based on**
  - negative evidence
  - alternative causes
  - conflicting assumptions
- **Counter-argue objections**
- **Limit claims you cannot rebut**
  - Acknowledging limitations makes your writing MORE persuasive
    - *Limits to generalizations*
    - *Level of probability less than 100%*
    - *Re-defining terms*
- **Rhetoric – use of language to convince**
  - Detail (evidence and assumptions)
  - Tone (scholarly vs. narrative)
  - Vividness (being concrete draws attention)

Which **classic article** did you find most convincing so far? Why or why not?  
Analyze why it is (or is not) persuasive for you

## Writing a Persuasive essay

- Outline your (contestable) claim and sub-claims
  - Ask yourself: “Why do I think this claim is true?” List reasons
  - Logic of your argument must be crystal clear
- Arrange your evidence
  - 2-3 pieces of evidence for each sub-claim (sufficient; accurate)
    - *Views of experts; Quotes from interviews (authoritative; precise)*
    - *Statistics (precise)*
    - *Examples from your own experience, diverse variety of others (representative)*
    - *Detailed descriptions / background information (precise)*
  - Give each section of your essay a meaningful subtitle (clear)
  - Any negative evidence? Do you anticipate readers' objections? Do you need more evidence?

## Greiner - Evolution & Revolution

**Major Claim:** Organizational growth is characterized as a series of developmental phases. (Phases of evolution) The end phase is a crisis stage (Phase of revolution) where the company's **organizational structure** and a specific **management style** changes but management practices that work well in one phase will bring on a crisis in the next so adapting a new style to move forward is necessary.

### Primary concepts

- Age of the organization (Growth)
- Size of the organization
- Stages of Evolution & Revolution
- Growth rate of industry
- Management style
- Organizational structure

**Second Claims:** Organizations should not try to skip phases (Example: Child growing up). Top managers whose style is no longer appropriate should remove themselves (As growing and developing, managers should give up positions to someone more suitable). Growth is not unavoidable but a company can remain small.

### The Five Phases of Growth

(1) **Creativity:** Birth of organization, create product/service & market, owners are research oriented, communication is very informal (casual information sharing), no high salaries & customize to make a sale.

*Crisis of Leadership* – As company grows, more people are needed (Ex: Managers, accountants, etc.) which creates inefficiency and informal communication is failing. Not all employees are motivated but are willing to accept low salaries. Founders are not usually suited for managerial roles but often refuse to let someone make decisions.

(2) **Direction:** Create organization/divisions, hire managers to lead us, create control systems (work standards, budgets, etc.), incentives are introduced (motivation to work for something), communication becomes formal.

*Crisis of Autonomy* (One who gives oneself their own law) – Low level employees feel restricted by hierarchy but want to show initiative. Top managers have difficulty accepting this.

(3) **Decentralization:** Delegate successfully (Acts on behalf of an organization), organization creates headquarters, low level managers have more responsibility & bonuses are used for motivation.

*Crisis of Control* – Headquarters feel lack of control in field operations and low level managers make decisions without co-ordinating the rest of the organization.

(4) **Coordination:** Branches are given more freedom but are still running in direction which satisfies headquarters. Head office institutes formal coordination systems. Stock options & profit sharing introduced.

*Red Tape Crisis* – The organization has become too large to be ruled by formal programs. Tension rises between branches and head office. Each department follows their own agenda and don't help other departments. Top managers are dangerously ill-informed about what's happening in the field. Quantitative measurements are favoured over qualitative ones. Employees and customers are treated more as numbers.

(5) **Collaboration:** The organization must change their organizational structure and management style in order to continue. Team structures are established & clan control replaces formal control. Many meetings are set up to focus on major problems.

Greiner says that the growth rate of the industry is separate from the growth rate of the company. The growth rate of the industry will only tell us how fast it will go through the different phases, not how fast the company will grow. Solutions for each stage will become the problem for the next for the next stage.

Chandler says you must grow, Greiner says you don't have to grow but Chandler has evidence.

## Chandler – Enduring Logic of Industrial Success

**Major Claim:** Successful firms are the ones that first “set the stage” and capitalize on economies of scale (huge volume of production) and economies of scope (efficient cross use of resources), are “first movers”, create management structures and teams, invest in research and development, and diversify in related businesses. Business ownership patterns have diminished the likelihood of many firms’ long term success.

**Secrets to Success:** Operate to full capacity, always try to find “better” sources of supply (quality & quantity), have a different product than competition, move out of declining markets and into growing ones or new ones, guarantee long-term growth, diversify into related product markets and/or expand globally, create global marketing and distribution networks, don’t diversify out of your field of expertise, recruit teams of lower & middle managers to coordinate the flow of products, recruit top managers to coordinate & monitor current operations, allocate resources for the future, never allow the company to stagnate.

### Major Concepts:

**Economies of Scale:** The bigger you get, the less it cost you to produce. Volume results in per unit cost savings.

**Economies of Scope:** Being able to make other things based on the knowledge and materials you have which diversifies your market. If you can use the same assets and input to produce a greater variety of products, you will be able to beat a competitor who only produces a few products.

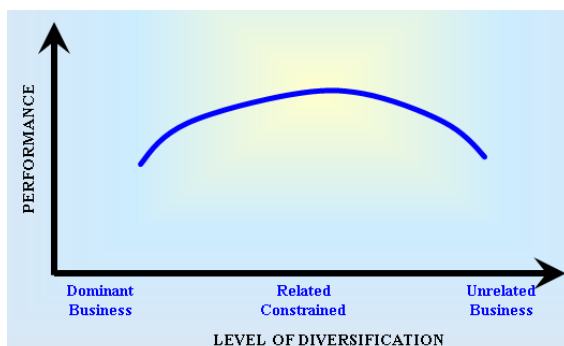
**First Movers:** First to create product, hire managers, grow, move, etc. If you get it right, your brand becomes synonymous with the product. Once a firm loses the opportunity to be a first mover, it is more difficult to regain competitive advantage. It is important to constantly improve, aggressively compete, manage logically and systematically & “*Maintain and nourish their competitive capabilities*”.

**Managerial Enterprises:** Build large and efficient product capacity, compete aggressively, expand marketing and distribution, lower price & cost and improve quality.

**Diversification:** When companies buy from wide variety of other businesses, Chandler thinks it is important to understand the business and if you are going to diversify, then do it in related businesses. Unrelated diversification leads to focus on financial statements, which causes businesses to focus on short-term goals and leading to problems in the long run. Unrelated diversification also leads to separation between top and middle managers & stock market pressures (when companies focus on making investors happy).

Ex: IBM (Computer Hardware Company) moved out of declining markets and into growing markets while staying into related product markets.

Relationship between diversification and performance:



**Chandler and Greiner contradict each other but Chandler gives evidence...**

## Barney – Looking Inside of Competitive Advantage

**Claim:** An organization can be more successful than the competition at taking advantage of opportunities in the environment if it has a true Competitive Advantage. It has two components: (1) Internal (resources and capabilities) & (2) External Environment (business/societal trends, industry conditions & competitive envi.)

**Major Claims:** The most careful and complete analysis of firms' competitive environments cannot, by itself, explain their success. Strategists must analyze competitive implications of firms' internal strengths and weakness.

### Tangible resources:

<b>Financial</b>	<ul style="list-style-type: none"> <li>• Firm's cash and cash equivalents</li> <li>• Firm's capacity to raise equity</li> <li>• Firm's borrowing capacity</li> </ul>	<b>Human</b>	<ul style="list-style-type: none"> <li>• Experience and capabilities of employees</li> <li>• Trust</li> <li>• Managerial skills</li> <li>• Firm-specific practices and procedures</li> </ul>
<b>Physical</b>	<ul style="list-style-type: none"> <li>• Modern plant and facilities</li> <li>• Favorable manufacturing locations</li> <li>• State-of-the-art machinery and equipment</li> </ul>	<b>Innovation and Creativity</b>	<ul style="list-style-type: none"> <li>• Technical and scientific skills</li> <li>• Innovation capacities</li> </ul>
<b>Technological</b>	<ul style="list-style-type: none"> <li>• Trade secrets</li> <li>• Innovative production processes</li> <li>• Patents, copyrights, trademarks</li> </ul>	<b>Reputation</b>	<ul style="list-style-type: none"> <li>• Brand name</li> <li>• Reputation with customers for quality and reliability</li> <li>• Reputation with suppliers for fairness, non-zero-sum relationships</li> </ul>
<b>Organizational</b>	<ul style="list-style-type: none"> <li>• Effective strategic planning process</li> <li>• Excellent evaluation and control systems</li> </ul>		

**Capabilities:** Firm competences or skills the firm employs to transfer inputs to output. Capacity to combine tangible + intangible resources, using firm processes to attain desired end. Examples: Outstanding customer service, Excellent product development, Innovative products & services & Ability to hire.

### 4 Questions about a firm's resources and capabilities vs exploit opportunities and/or neutralize threats?

**Value:** A firm's resources are valuable only when they exploit opportunities and/or neutralize strengths. If a resource is valuable in the past, it may not be in the future because customer taste might change.

**Rareness:** If a valued resource or capability is controlled by numerous competing firms, then that resource is unlikely to be a source of competitive advantage for any one of the firms but it doesn't mean they are useless.

**Imitability:** Can occur in at least two ways: (1) Duplication: when a firm builds the same kind of resources, (2) Substitution: A different resource with the same strategic implications with equal cost to develop.

**Organization:** (1) Formal reporting structure, (2) Explicit management control systems & (3) Compensation policies. These components have limited ability to generate competitive advantage in isolation

### Applying VRIO framework:

Value & Rarity, Integrating notion of Imitability	
If a firms resources are...	The firm can expect...
Valuable, rare, but <i>not</i> costly to imitate	Temporary competitive advantage
Valuable, rare, <i>and</i> costly to imitate	Sustained competitive advantage (if organized properly)

Summary of VRIO Competitive & Economic Implications					
Valuable?	Rare?	Costly-to-imitate?	Organized?	Competitive Implications	Economic Implications
No	No	No	No	Disadvantage	Below
Yes	No	No	No	Parity	-
Yes	Yes	No	No	Temporary Advantage	Above (for some time)
Yes	Yes	Yes	Yes	Sustained Adv.	Above

## Collins & Porras – Building Your Company’s Vision

**Vision:** Provides guidance about what core to preserve and what future to stimulate progress towards. Consists of Core Ideology and Envisioned future.

**Core Ideology:** Enduring character, glue that holds the organization together. Collins and Porras say that it is more important to know who you are then where you are going, for where you are going will change as the world around you changes.

Core ideology is a description of what actually exists, not what we wish exists. It is important to get people to share the core ideology. Hire people who already have

Core ideology = guidance and inspiration.

**Core Values:** Beliefs about what is important. “A company should not change its core values in response to market changes; rather it should change markets, if necessary, to remain true to its core values”.

- *Confidence in forming opinions and presenting well-supported arguments about business*
- *Enjoy ideas about business and learning about business practices*

**Value:** It’s what makes you. What is not core is up for change.

**Core Purpose:** The ideals that underline the work of the company. It is the organization’s reason for being, not a goal or a business strategy.

- *Provide a “toolkit” of foundational management theories, industry analysis, critical thinking skills*
- *Prepare you for advanced courses and beyond*

**Purpose:** reason why we are here, company’s reality for being it

**Ex: Sony’s Core Values:** Elevation of Japanese culture and national status, being a pioneer – not following others, doing the impossible, encouraging individual ability and creativity.

**Sony’s Core Purpose:** to experience the joy of advancing and applying technology for the benefit of the public

### **Envisioned Future: BHAGs (Big Harry Audacious Goals)**

**B:** motivating, **H:** risky, unpredictable, **A:** daring and bold, **G:** Goal

**Bold 10-30 year missions (BHAGs):** Company must be fully committed to the challenge (not just lip service). They must have team spirit (entire organization) and a clear finish line. The executive team has to be visionary rather than strategic or tactical where bold missions must be replaced once they are achieved.

**Ex: Sony’s Bold Missions (Early 1950s):** Become the company most known for changing the worldwide poor-quality image of Japanese products.

**A Clear Picture of Future:** What will the company be like once it achieves its bold mission? It must be vibrant, engaging, specific, creative and cannot be ideological. It translates the bold mission into pictures

**Stability coexists with change: (Ying Yang):** Preserve the core (Core Ideology; Values and Purpose) vs. Stimulate Progress (BHAGs; envisioned future)

## Herzberg – One More Time, How do you Motivate Employees?

<http://www.youtube.com/watch?v=o87s-2YtG4Y> or <http://www.youtube.com/watch?v=gtYi4102OvU&feature=related>

**Claim:** Motivation and Movement seem, at first glance to be similar BUT they are quite different and are impacted by very different factors.

**Negative KITA:** *Physical:* Kick or hit someone. *Psychological/ emotional:* Hurtful inside, feelings are hurt.

**Positive KITA:** Rewards and bonuses are given.

These two KITAs get people to do things (move) but does not motivate them!

**Failed attempts to motivate:** reduce time spent at work (motivated employees want to work), wage increase, fringe benefits (they stop working for money and for benefits instead), human relations training, sensitivity training (temporary gain from KITA), one way communication (not listening to employees frustrates them more), two way communication (employees want to actualize themselves), employee counseling & job participation.

Different things make people feel either good or bad about their job.

1) **Dissatisfies/Hygiene Factors:** Are not motivating! Factors linked to the context of the job. These are things that people expect to be there and when they're not there people will not be happy. *Ex:* "Pay". Things that potentially make people dissatisfied with the job.

### To avoid job dissatisfaction

- Company Policy and administration
- Supervision
- Interpersonal Relationships
- Working Conditions
- Salary
- Status
- Security

2) **Satisfiers/Motivators:** Makes people feel better about themselves, like a sense of achievement, or pride, of learning and growing. Factors linked to the content of the job. Their absence will not lead to dissatisfaction.

### To increase job satisfaction:

- Achievement
- Recognition
- Work itself
- Responsibility
- Advancement
- Growth

**Satisfaction & Dissatisfaction are Independent:** Opposite of satisfaction is no satisfaction and opposite of dissatisfaction is no dissatisfaction. Different factors affect satisfaction continuum from the factors that affect the dissatisfaction continuum. Good motivators have the potential to promote genuine work satisfaction rather than prevent dissatisfaction. Poor context factors have the potential to make employees unhappy but perfect hygiene factors lack the potential to satisfy them.

Immediate behavioral results from movement (due to hygiene factors) and motivation (due to satisfiers) appear alike, but their dynamics are very different.

**Movement:** Requires constant reinforcement, stresses short-term results, to get a reaction, management must constantly enhance the extrinsic (beyond the individual) rewards.

**Motivation:** Is based on growth needs, is an internal engine (employee self-motivate) and benefits show up over a long period of time.

**Horizontal job loading:** Getting different jobs but very similar. Dull jobs. Example: Going from filling spice bottles to putting labels on the spice bottles.

**Job enlargement:** (like horizontal job loading). Getting a larger job but it is still dull and boring.

**Vertical job loading:** Gives people the opportunity to decision making jobs. Gives upper level jobs, gives some responsibility.

**Job enrichment:** (like vertical job loading). Must make jobs BETTER, not just bigger.

### PRINCIPLES OF VERTICAL JL

- Remove some controls while retaining accountability
- Increase accountability of individuals for own work
- Give person a complete natural unit of work
- Grant additional authority; job freedom
- Make periodic reports directly available to workers themselves rather than supervisors
- Introduce new, more difficult tasks
- Assign workers to specialized tasks, enabling them to become experts

### STEPS FOR JOB ENRICHMENT

1. Select jobs, approaching them with the conviction that they can be changed
2. Brainstorm possible changes
3. Screen to remove hygiene suggestions & horizontal loading
4. Avoid direct participation by the employees whose jobs are to be enriched
5. Be prepared for an initial drop in performance
6. Expect 1st-line supervisors to experience some anxiety

## Kaplan & Norton – The Balanced Scorecard

**Claim:** Balanced scorecard allows top executives to get a snapshot of their business and how it balances the needs of shareholders and customers. The *financial results* are not enough. What you measure is what you get.

**Balanced Scorecard:** A set of measures financial and operational (customer satisfaction, internal processes and innovation) measures that give top managers a fast but comprehensive view of their business.

**Four Perspectives:** Key measures that allow you to track how well you're doing...

### 1) **Customer perspective: How do customers see us?**

- Focuses on getting feedback from customers (customer's perspective)
- A typical mission statement. Ex: To be number one in delivering value to customers
- What matters most to consumers? Time, quality, performance, service, cost.
- Scorecard: Companies should articulate goals for each customer concern and translate them into measures.

### 2) **Internal business perspective: What must we excel at?**

- Customer satisfaction is derived from processes, decisions and actions in the organization that management must focus on and that will effect time, quality, employee skills and productivity.
- Companies must identify and measure their core competencies: the critical technologies to ensure continued market leadership
- Information systems play an invaluable role in helping managers disaggregate top level measures.

### 3) **Innovation & learning perspective: Can we continue to improve and create value?**

- A company's ability to innovate, improves, and learn ties directly to the company's value. This allows companies to grow and thereby increase shareholder value.
- How can we make continual improvements? Global competition requires companies to continually launch new products, create more value for customers, and improve operating efficiencies. (Chandler – R&D)

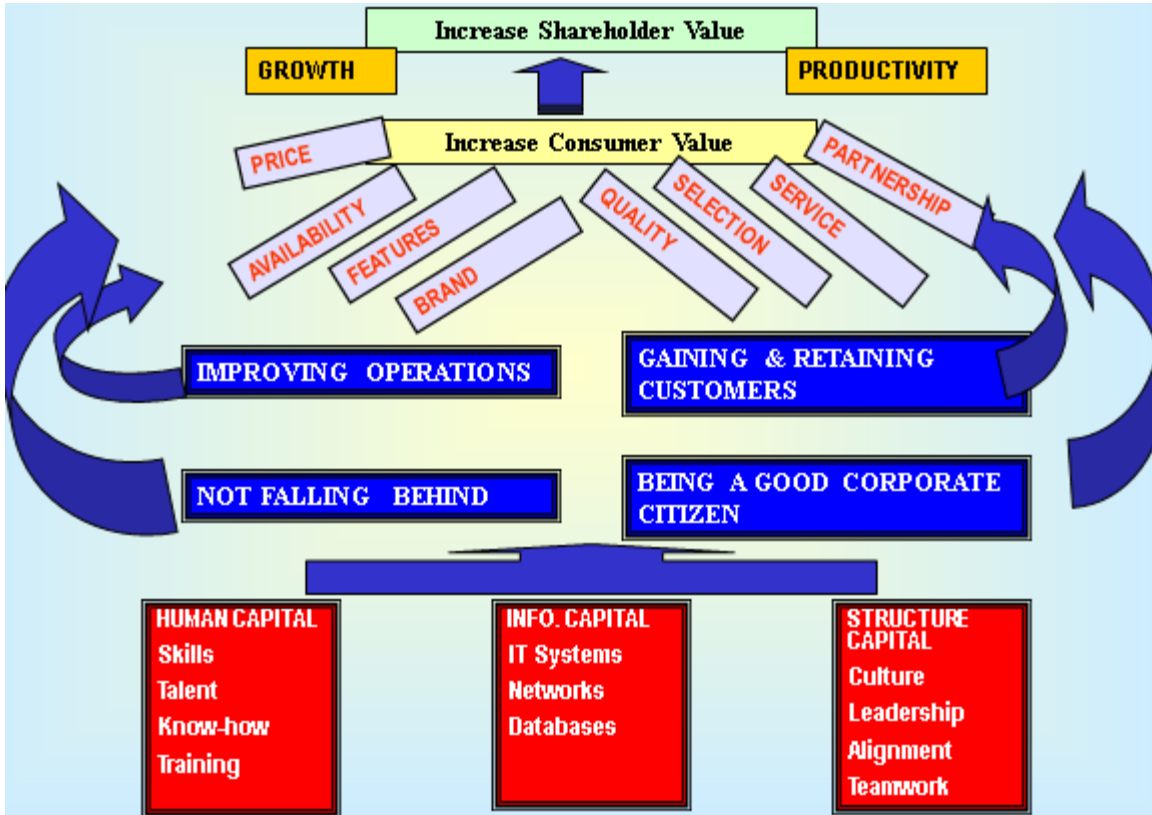
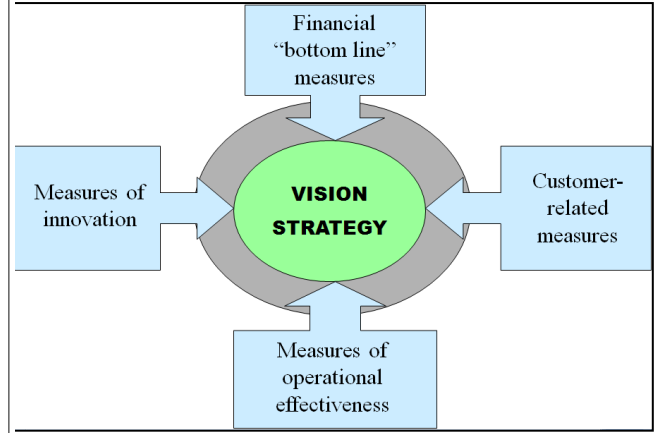
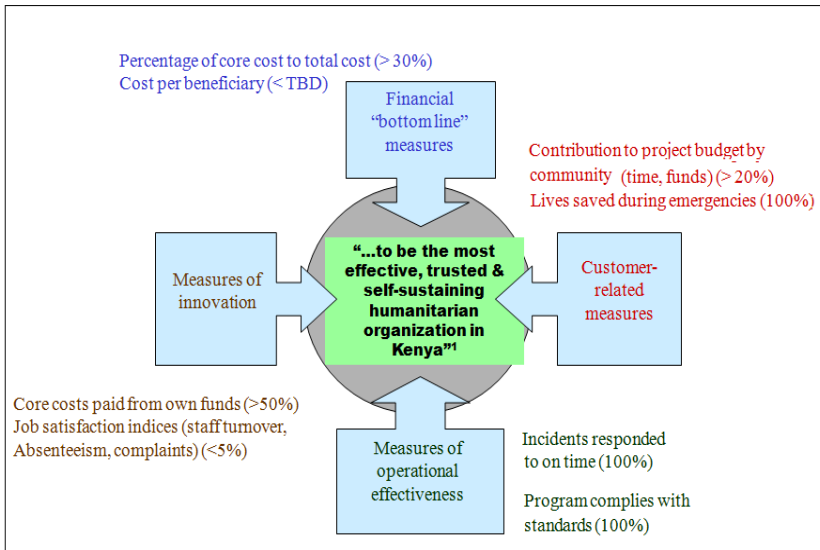
### 4) **Financial perspective “the bottom line”: How do we look at shareholders?**

- Measures that indicate whether the company's strategy, implementation, and execution are contributing to bottom-line improvement.
- Typical financial goals have to do with profitability, growth, and shareholder value. (Increase sales, market share, asset turnover or reduce expenses)
- They must link operations and finance.
- How can we ensure profitability for shareholders? Creating value is more important the money.

It is possible to get BAD RESULTS **even if all measures on the balanced scorecard are doing well**. This means that the strategy needs some re-thinking (there's something wrong with the strategy).

“The balanced scorecard puts strategy and vision, not control, at the center. It establishes goals but assumes that people will adopt whatever behaviors and take whatever actions are necessary to arrive at those goals. The measures are designed to pull people toward the overall vision”.

Good measures are specific, measurable, relevant & timely,



## Handy – The Sigmoid Curve

The Paradox of Success: Things got you where you are, are seldom the same things that keep you there.

Essence of Sigmoid Curve: If you don't change you'll fail. (Every cycle has a decline)

Sigmoid is the key to effective growth in organizations, but Samsung & Gore is an exception because they always use the same strategy; however they do keep starting a new curve because they live by innovation.

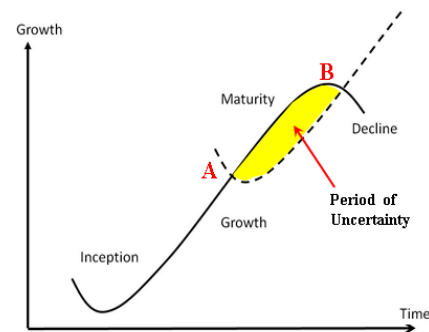
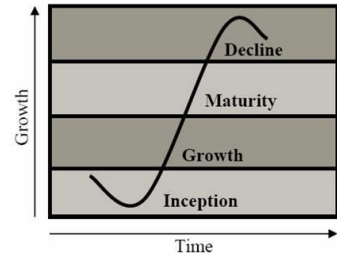
Point A: Start thinking about the future at this point; make changes before things get bad (before time, energy & resources disappear). You must begin building a new sigmoid curve even though things are currently good & you have indications of continued success.

Point B: Where you realize you're not doing well, but you've waited too long. Example: Mistreating your health your entire life, and now you're too sick and it's too late to help you.

Shaded Area: Period of problems, confusion, learning & adjusting.

Question: Why are we changing, if we were doing well?"

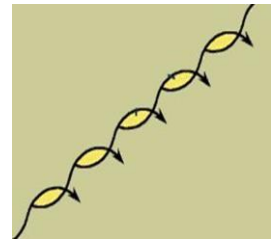
Answer: Whatever you're doing right now is not going to last forever.



Examples of the 2<sup>nd</sup> curve for businesses are a new product, operating methodology, strategy or culture. A new curve requires new people (or team) who are different, but the old people must remain in place to carry on the old curve.

You should always assume that you are near the peak of the first curve & that current strategies need to be replaced within 2-3 years. If you're wrong, then all that you've lost is the exploratory phase of the 2<sup>nd</sup> curve. Moving towards the 2<sup>nd</sup> curves forces a company to challenge the assumption underlying the first curve & to develop alternatives.

4 stages of 2<sup>nd</sup> Curve: (1) Ask questions, (2) develop ideas, possibilities & hypotheses (First 2 stages have no costs, until it over takes the first curve), (3) test & experiment better ideas, (4) review test results & advance (let go of the past, but don't abandon too early because money can be made). Allow co-existence of both curves in present time, where the first curve will fund the 2<sup>nd</sup>. These cycles will never end.



### Comparing Other Authors to Handy

**Levitt:** Must always be working on something new! Must make your own product obsolete! Always think of the future.

**Porter (Handy and Porter may not be in agreement):** Strategic continuity, hang onto your strategy for as long as possible. Handy would say this may be too late! If you try to hang onto it for too long you it may get to be too late! Porter would say to Handy that these changing curves all the time is straddling.

**Collins & Porras:** Have to keep core values and core purpose along with change. Envisioned futures get people excited about the goals! They also say that you must avoid the arrived syndrome, meaning keep thinking about the future, never stop.

**Greiner:** Each stage would be a new curve. This is very similar to Handy, however, must remember that Handy says to start thinking about change, and start changing before it's too late!

## French & Raven – The Bases of Social Power

**Claim:** An individual can derive his/her power from 5 distinct sources.

Power is a relationship, not an attribute. Five relationship between people:

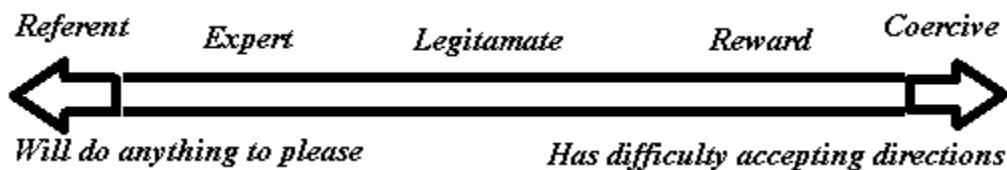
**Reward Power:** The ability to reward someone gives power over them and get them to do what you want. The perception to decide how a person will be compensated. (Positive KITA)

**Coercive Power:** The ability to punish or threaten someone gives power over them get them to do what you want. (Negative KITA)

**Legitimate Power:** (Authority) An organization has given an individual the right to direct actions of subordinate (people who accept this fact). Example: Judge, Policeman. (Mintzberg refers to this)

**Referent Power:** (Inspiration) referring to someone or a group and wanting to be like them. Someone that has certain qualities which grant power over others, without even being aware of it. Based on building loyalty.

**Expert Power:** Knowledge or expertise can exert power on others.



**Conditions of Compliance:** Understand what is being asked, Capable of performing what is asked, What is being asked does not conflict with personal values.

## Mintzberg – The Manager’s Job: Folklore or Fact?

### What do managers really do?

**Claim:** Managers perform a series of very specific roles

**Do they sit down & draw up formal plans?** They do a variety of activities at an unrelenting pace (spend little time on each activity) in which activities have little in common. They really dislike thinking.

**Do they follow a pre-determined route?** They perform duties: ritual & ceremonial, negotiable, process tons of information & attempt to coordinate what’s going in the firm with the external environment they face.

**Do they base their decisions on summarized data?** They prefer being briefed verbally by someone, spend a lot of time on the telephone and they gather a lot of info at meetings.

**Do they consider what they do as a science?** No one understands what procedures managers use and there is no way to build a specific model so that other managers can learn.

**Do they feel that they can act professionally?** They are overburdened, overworked, forced to do many tasks, cannot delegate (represent) and must respond to numerous stakeholders.

**What were the MYTHS about how managers work? Plan, organize, coordinate and control.** Really describes objectives, not activities. Managers sit between the organization and a network of contacts. They demonstrate a strong preference for verbal media (*telephone as opposed to mail*). They appear to be able to control their own affairs. In other words, managers deal primarily with *people*, not *things*?

### Managers specific & real roles they fill:

#### **(1) Interpersonal:** Formal authority (legitimate power)

**Figurehead:** “Face of the company” Does not make decisions, but once a decision is made he is the one to sign the contract and perform ceremonial duties. Ex: Greet representatives of other firms, take customers to lunch etc.

**Leader:** Responsible for hiring staff and motivating subordinates.

**Liaison:** He makes the contacts outside his department and knows what other people in the company are doing.

#### **(2) Informational Roles:** Communication is their work

**Monitor:** Managers filter informal information from the environment, gossip in the office, & subordinates.

**Disseminator:** Gives privileged information directly to subordinates.

**Spokesperson:** Spreads info to external peoples (Ex: directors, shareholders, government officials etc.)

#### **(3) Decisional Roles:** Formal authority and information to commit the unit to new actions

**Entrepreneur:** Seeks constant improvement by adapting changes

**Disturbance handler:** Responds to the internal & external pressures. (Ex: Strikes, Customer that can’t pay up)

**Resource Allocator:** Divides and sets deadlines for time, money and resources.

**Negotiator:** Makes deals for agreements in order to satisfy both parties and finds solutions for a happy median.

**How do manager juggle these roles:** They muddle through it -> they take too much inseparable work, encourage interruption, respond quickly, make incremental decisions, seek what they can handle & avoid what they can’t.

“My description of managerial work suggests a number of important managerial skills – developing peer relationships, carrying out negotiations, motivating subordinates, resolving conflicts, establishing informational networks and subsequently disseminating information, making decisions in conditions of extreme ambiguity, and allocating resources.” (Mintzberg, 1990, p15)

## **Liker and Choi – Building Deep Supplier Relationships**

**Claim:** Companies need to build long lasting mutually beneficial relationships with suppliers.

**This can be accomplished:** through collaboration, by having respect and by insisting on co-prosperity.

**The underlying values necessary for this to happen are:** trust, improvement, empathy and discipline.

### **The Supplier Partnering Hierarchy:**

- Conduct joint improvement activities
- Share information intensively but selectively
- Understand how your suppliers work
- Develop your supplier's technical capabilities in-house (might lower their price for you)
- Supervise and monitor your supplier's performance
- Turn rivalry among your suppliers into an opportunity

**Japanese Ideology (KAIZEN):** Many companies in Japan belong to Sumi Tomo, massive companies that are a parent of 100 of other small companies, cross ownership between. This has been working since the 1960's. American companies looked into the constructing of Japanese firms especially on Toyota. Liker and Choi believe that the American firms should imitate the Japanese ideologies.

**Urban Locavore - Halifax local source movement:** Social entrepreneur Sean Gallagher explains that he is "dealing with a value chain where the suppliers themselves are moving". This relationship is like Toyota's.

**Japan's Tsunami Supply Chain Comeback:** Not the first time that big companies come together to renew an industry. Japan's recovery is taking place because of Japanese co-operative capitalism & partnerships.

**Other Authors:** Chandler would agree that Toyota help suppliers take advantage of economies of scale to help them grow. Liker and Choi would disagree with Barney theory on rarity and imitability