

## CHAPTER 1: INTRODUCTION TO ORGANIZATIONAL BEHAVIOUR

### WHAT IS ORGANIZATIONAL BEHAVIOUR

- **Organizational Behavior:** a field of study that seeks to understand, explain, predict, and change human behavior, both individual and collective in the organizational context
- Organizational behaviour is studied at three different levels, the individual level, the group level and the organization wide level. Today, inter-organizational levels are also being explored

### **Roots of Organizational Behaviour**

- The roots of organizational behaviour emerged as a distinct field in the mid-1940's and is a discipline that has grown out of contributions from numerous earlier fields of study
- The fields include;
  1. Psychology: influences; work teams, work motivation, training and development, power and leadership, human resource planning, and workshop wellness
  2. Sociology: influences; group and intergroup dynamics, roles, norms, and standards of behaviour, ethics, etc
  3. Engineering: influences; design of work, efficiency, performance standards, productivity, goal setting, and scientific management
  4. Anthropology: influences; organizational culture, patterns of behaviour
  5. Administrative Science: influences; design, implementation, and management of various administrative and organizational systems

### **Organizational Behavior and Management**

- **Organization:** groups of people who work independently toward some common purpose
- **Managers:** people in the organizations who perform jobs that involve the direct supervision of other people
  - Planning: involves defining goals that flow from the business strategy, setting performance objectives and creating action plans
  - Organizing: includes dividing up the tasks and establishing work roles or departments in order to carry out the plans
  - Leading: involves communicating, motivating and managing conflict
  - Controlling: monitoring financial and human performance
- Mintzberg discovered that managers are required to perform interpersonal, informational, and decisional functions that encompassed tasks related to the management of people as well as those related to the management of information, material and financial resources

## THE BENEFITS OF STUDYING ORGANIZATIONAL BEHAVIOUR

- Organizational behaviour is an applied behaviour science which means it is based on research that improves ones ability to understand, predict and influence others
1. Improved Managerial Effectiveness and Bottom Line
    - Effective management of OB connects to various aspects of a company's bottom line such as sustaining high performance over changing market conditions, improving individual and group productivity, and increasing organizational adaptability
    - Management of OB has become increasingly important partly because traditional sources of competitive advantage such as market share, proprietary technology, access to capital have become less powerful
  2. More Efficient Influence
    - Mastering the field of OB is essential for managers in order to influence others. It is important for non-managers as well to influence their bosses
  3. A Career in Human Resources
    - The first step towards learning about the field of OB

## AN OPEN SYSTEMS FRAMEWORK FOR EXPLAINING HOW ORGANIZATIONS FUNCTION

### **External Task Environment**

- The company's external environment includes those sectors with which the organization interacts directly and that have a direct impact on the organizations ability to achieve goals
- **Boundary-spanning role:** jobs that link and coordinate an organization with key elements in the task environment

### **Organizational Inputs**

- All the human, informational, material and financial resources taken from the external task environment and used by the organization

### **The GHOST Model for the Internal Organization**

- G (goals): the action strategies that leaders create and follow to accomplish the organizations purpose and vision
- H (human resources): employees and managers in the organization, including the nature of their relationships, their values, and the impact of the reward system on their behavior
- OS (organizational structure): is defined as the manner in which an organizations work is designed, as well as how departments, divisions, and the overall organization are designed. A key aspect of effective OB is ensuring that these complement each other rather than conflict

- T (technology): is the wide range of tools, knowledge, IT, work processes and techniques used to transform the inputs into outputs

### **Organizational Outputs**

- The products and services, as well as the more intangible outputs such as reputation, image and ideas

### **Feedback Processes**

- Any information that people or organizations receive about their behaviour or performance, its effect on others, or comparison to a standard or expectation

## **THE FORMAL/INFORMAL FRAMEWORK AND NEW PARADIGMS FOR UNDERSTANDING HOW ORGANIZATIONS WORK**

- Formal organization: the official, legitimate and most visible part of the system
- Informal organization: the unofficial and less visible part of the system. This includes the unofficial and less visible elements such as beliefs, assumptions, values and unspoken norms that emerge in the organizational culture
- Organizational culture: a pattern of basic assumptions that are considered valid and that are taught to new members as the way to perceive, think and feel in the organization

### **New Organizational Paradigms**

- These paradigms tend to stress and elaborate on the internal organizations dynamic capacity for self-organization, learning, and complex adaptation
- These are important for managers as they draw attention to the “softer” aspects of organizational life such as relationships, trust, and interconnections that while less visible and easy to control directly, can be highly influential

### **Chaos Theory and OB**

- Say that organizations are not made up of different parts that can be controlled, but rather, they are made up of fields that influence our interactions, directions and decisions. These fields are both visible and invisible
- Imposed organizational structures should not be permanent. Rather, they need to come and go so that a structure emerges that actually supports the relationships that are most necessary

### **Organizations as Complex Adaptive Systems**

- It is the informal organization that emerges and guides people’s actions as they self organize and form patterns of behavior. A complex adaptive system can be defined as; complex means that organizations are composed of multiple and diverse pieces in differing relationships. Adaptive means that the organization is constantly learning new and effective means to fit with its environment in ways that enable a healthy, harmonious existence

## CURRENT ORGANIZATIONAL BEHAVIOR CHALLENGES AND OPPORTUNITIES

### **Demands for Good Corporate Governance and Ethical Behavior**

- **Corporate governance:** is the system of control and performance monitoring of top management
- **Triple bottom line:** a company's ability to generate economic, environmental and social benefits
- **Corporate social responsibility:** the obligation of a firm to use its economic, legal, ethical, and philanthropic resources in ways to benefit the society at large and to improve the welfare of society at large, independent of direct gains of the company
- **Ethical behavior:** acting in ways consistent with ones personal values and the commonly held values of the organization and society. The three ethical theories that help organizational leaders govern as good corporate citizens are
  - Theories that help us explore consequences of our behavior
  - Theories that provide us with universal rules to guide our decisions
  - Theories that emphasize the character, personal virtues and integrity of the individual

### **Increasing Globalization and Competition: Challenges and Opportunities**

#### Competition

- Rapidly changing task environments are creating an increasing amount of competition
- Competition is leading to downsizing and restructuring, yet creating opportunities

#### Globalization

- **Transnational organization:** organization in which the global viewpoint supersedes national issues
- The world has become a global macro economic village

#### Customer Demand for Quality

- An increasing borderless and competitive marketplace has forced organizations to become more customer focused to meet customers expectations of high quality products and services
- Total quality management: the total dedication to continuous improvement and to customers, so that the customers needs are met and their expectations exceeded

### **Managing Workforce Diversity: Challenges and Opportunities**

- **Diversity:** all forms of individuals differences, including race, ethnicity, culture, gender, age, marital status, religion beliefs, educational background, stage in career, physical and mental ability, personality, social status, sexual orientation
- Cultural diversity
- Age diversity

- Gender diversity – glass ceiling: transparent barriers that keep women from rising above a certain level in the organization
- Mental and Physical diversity
- Racial and Ethnic diversity
- Sexual orientation

## **KNOWLEDGE MANAGEMENT: CHALLENGES AND OPPORTUNITIES**

- **Knowledge management** is defined as a conscious strategy of getting the right knowledge to the right people at the right time and helping people share and put information into action in ways that strive to improve organizational performance
- **Tacit knowledge**: knowledge that resides within an individual
- **Communities of practice**: groups of people informally bound together by shared expertise and passion for joint enterprise

## **CHAPTER 2**



## CREATING A POSITIVE WORK ENVIRONMENT: ATTITUDES, VALUES, ETHICS

### WHY IS IT IMPORTANT TO CREATE A POSITIVE WORK ENVIRONMENT

- Employees today desire a greater balance and harmony between work and personal life and are willing to give up 21% of their work hours and salary to achieve that
- **High performing organizations:** those that produce extraordinary results and sustain this performance over time and over changing market conditions. These organizations adapt industry best practices while preserving their unique processes. They view failure as opportunities for continuous learning.
- **Best practice methods:** The processes, practices, and systems that an organization does particularly well and that are widely recognized as improving the organizations performance and efficiency in specific areas.

### WHAT DOES A POSITIVE WORK ENVIRONMENT LOOK LIKE?

- A positive work environment can mean different things in different organizations and it can mean different thing to different people
- Three critical elements that all organizations must consider if they are serious about creating and sustaining a positive place to work; organizational environment, components of a job and understanding individual differences

#### Organizational Environment

- The culture is strong, adaptive and strategically appropriate; leaders influence, motivate and enable others
- Values are clear; leaders express the values in a consistent fashion, acting as role models to ensure alignment across the organization
- Communication is open and supports knowledge management, problem solving, and effective coordination of work

#### Components of a Job

- Jobs are designed to optimize employee motivation
- Clear roles, goal that match abilities and skills

#### Understanding Individual Differences

- Understand the differences that employees bring and leverage these differences

### EMPLOYEE ATTITUDES

- **Attitude:** a psychological tendency expressed by evaluating an entity with some degree of favor or disfavor. It is the basis of an evaluative response to a particular situation, event or issue.
- Attitudes are learned. Our responses to people and issues evolve over time. Two major influences on attitudes are direct experience and social learning.

#### Factors That Influence the Relationship between Attitudes and Behaviour

- Attitude relevance, timing of measurement, personality factors, social constraints
- Attitudes that address an issues in which we have some self-interest are more relevant for us and our subsequent behaviour is consistent with our expressed attitude
- The timing of measurement can also affect the relationship. The shorter the time between the attitude measurement and the observed behaviour, the stronger the relationship
- Personality factors also influence the attitude-behaviour link. Self-monitoring and agreeableness



- Social constraints: The social context provides information about acceptable attitudes and behaviors

### **Work Related Attitudes**

- Work related attitudes that are commonly used to describe an employee's level of positive feeling toward an organization are job satisfaction, organizational commitment, employee engagement

#### Job Satisfaction

- **Job Satisfaction:** a pleasurable or positive emotional state resulting from the appraisal of ones job or job experiences
- Dissatisfaction can occur if employee's expectation when hired is not met
- Employees develop a certain set of beliefs about the terms of the exchange agreement regarding what they will do and what the organization will provide, this is called a psychological contract.

#### Organizational Commitment

- This is the strength of an individual's identification with an organization
- There are three kinds of organizational commitment
  1. Affective commitment: based on an individuals desire to remain in an organization. It encompasses loyalty and employees show deep concern for the firms welfare
  2. Continuance commitment: based on the fact that an individual cannot afford to leave
  3. Normative commitment: based on an individuals perceived obligation to remain with an organization
- Certain organizational conditions such as participation in decision making, job security and certain job characteristics positively affect commitment
- When employees feel a sense of commitment to an organization they often exhibit **organizational citizenship behaviour:** behaviour that is above and beyond the call of duty
- Citizenship behaviour is especially important in team based organizations

#### Employee Engagement

- Is a state of emotional and intellectual involvement that employees have in their organization
- Engaged employees are those who stay with the organization, feel comfortable expressing their views, and strive to achieve their best
- Employees who are engaged exhibit an intensive desire to be a member of the organization

## **ATTITUDES, BEHAVIOUR AND OUTCOMES**

#### Influence on Organizational Performance

- Organizational performance is optimized when employees feel a sense of connection to their teams, organization and job, and that positive work attitudes lead to customer satisfaction

#### Influence on Individual Behaviour

- One view holds that satisfaction causes good performance and another holds that good performance causes satisfaction
- Rewards influence both satisfaction and good performance

## **VALUES**

- Enduring beliefs that a specific mode of conduct or end state of existence is personally or socially preferable to an opposite or converse mode of conduct or end state of existence
- Values guide behaviour by providing criteria that an individual can use to evaluate and define actions and events in the work surrounding him or her

- An individual, personal set of values determines which type of action and events are desirable or undesirable

#### Instrumental and Terminal Values

- Instrumental values: represent the acceptable behaviors to be used in achieving some end state. These include; ambition, honesty, self-sufficiency, responsibility, independence and courage
- Terminal values: represent the goals to be achieved or the end states of existence. These include; happiness, love, pleasure, self-respect, social respect, equality, and freedom

#### Factors that Influence Values

- Age, Gender, Career Stage and Cultural Differences

#### Cultural Difference in Values

- There are 9 critical cultural dimensions that will help us to understand cultural difference and similarities; assertiveness, future orientation, gender equalitarianism, uncertainty avoidance, power distance, institutional emphasis on collectivism vs individualism, in-group collectivism, performance orientation and humane orientation

1. Power Distance: refers to the differences expressed in a society with respect to status, authority and wealth. It refers to the degree of inequality among people that the population considers normal, from relatively equal to extremely unequal
2. Individualism v. Collectivism: refers to the degree to which individuals are expected to be part of a group in their organization or in their society. This dimension focuses on whether society's institutions favor autonomy or collective behaviour
3. In-Group collectivism: refers to the extent that members in a society consider membership within their immediate social group to be important.
4. Assertiveness: refers to the extent to which a society encourages people to be confrontational and assertive with respect to their views
5. Gender Differentiation: refers to how a society views gender role differences
6. Humane Orientation: refers to the degree to which a society encourages and rewards individuals for being altruistic, caring and generous
7. Performance Orientation: refers to how much a society values initiative, continuous improvement and exceptional performance
8. Uncertainty Avoidance: refers to how much a society relies on its social norms to explain unpredictable future events
9. Future orientation: the extent to which a society supports and rewards future related behaviors

#### What Managers Can Do to Manage Diversity in the Workplace

1. Learn more about and recognize the values of other people.
2. Avoid prejudging the business customs of others as immoral or corrupt. Assume they are legitimate unless proved otherwise
3. Find legitimate ways to operate within others ethical points of views – do not demand that they operate within your value system
4. Avoid rationalizing “borderline” actions with excuses
5. Refuse to do business when stakeholder actions violate or compromise laws or fundamental organizational values
6. Conduct relationships as openly and as aboveboard as possible

## **Influences on Organizational Behavior**

### **Individual Influences**

- Ethical decision making requires 3 qualities of individuals
  1. The competence to identify ethical issues and evaluate the consequences of alternative courses of action
  2. The self confidence to seek out different opinions about the issue and decide what is right in terms of a particular situation
  3. Tough mindedness
  
- 4 Major individual differences that affect ethical behaviour
  1. Locus of Control: an individuals generalized belief about internal control (self control) vs external control (control by the situation or by others)
  2. Machiavellianism: a personality characteristic indicating ones willingness to do whatever it takes to get ones own way
  3. Cognitive moral development: the process of moving through stages of maturity in terms of making ethical decisions
  4. Value Systems: these are systems of beliefs that affect what the individual defines as right, good and fair.

**CHAPTER 3**  
**PERCEPTION AN PERSONALITY**

**INTRODUCTION TO SOCIAL PERCEPTION**

- Social perception: is the process of interpreting information about another person
- Virtually all management activities rely on perception
- Perception is also culturally determined

**Factors That Influence Our Perception of Others**

Characteristics of the Perceiver

- These characteristics include; mood, attitude, familiarity with the target, self-concept, and cognitive structure

Characteristics of the Target

- These characteristics include; physical appearance, verbal communication, nonverbal cues and intentions

Characteristics of the Situation

- These characteristics include; social context of the interaction, strength of situational cues
- Discounting principle: the assumption that an individual's behaviour is accounted for by the situation

**Barriers to Social Perception**

Selective Perception

- This is the process of selecting information that supports our individual viewpoints while discounting information that threatens our viewpoints

Stereotyping

- Is a generalization about a group of people. Stereotypes can be accurate, but most of the time they are not

First Impression Error

- The tendency to form lasting opinions about an individual based on initial perceptions

Projection

- Overestimating the number of people who share our own beliefs, values and behaviors

Self-Fulfilling Prophecies

- The situation in which our expectations about people affect our interaction with them in such a way that our expectations are fulfilled.

Attribution in Organizations

- Attribution theory: explains how individuals pinpoint the causes of their own behaviour and that of others
- Attribution Biases
  - Fundamental attribution error: the tendency to make attributions to internal causes when focusing on someone else's behavior

- Self-serving bias: the tendency to attribute ones own success to internal causes ones failures to external causes
- Implications of attribution theory in the workplace
  - Helps determine cause of job performance
  - Can affect individuals behavior and motivation

### **The Importance of Managing Perception**

- The process by which individuals try to control the impressions others have of them
- Some impression management techniques are self-enhancing and others are other-enhancing

## **INTRODUCTION TO PERSONALITY**

- **Personality:** a relatively stable set of characteristics that influence an individuals behavior
- Although debatable, heredity and environment are cited as having a significant influence on personality

### **Personality Theories \_**

#### Trait Theory

- The personality theory that states that in order to understand individuals, we must break down behavior patterns into a series of observable traits
- The big five traits are
  1. Extraversion: the person is gregarious, assertive and sociable
  2. Agreeableness: the person is cooperative, warm, generous and agreeable
  3. Conscientiousness: the person is hardworking, organized, decisive, dependable
  4. Emotional Stability: the person is calm, self confident, cool
  5. Openness to Experience: the person is creative, curious, perceptive, cultured

#### Psychodynamic Theory

- Emphasizes the unconscious determinants of behaviour (3 elements: id, ego and superego)
- The id is the most primitive element which is the source of drives and impulses, the superego is similar to what we know as conscience which contains values and the should and should not's

#### Humanistic Theory

- The personality theory that emphasizes individual growth and improvement
- Contributes an understanding of the self to personality theory and contends that the self concept is the most important part of an individuals personality

#### Integrative Approach

- The broad theory that describes personality as a composite of an individuals psychological processes

### **Personality Characteristics in Organizations**

#### Locus of Control

- An individuals generalized belief about internal (self) versus external (situation or others) control is called locus of control
- People who believe they control what happens to them are said to have an internal locus of control and those who believe that circumstances or other people control their fate have an external locus of control

### Self Efficacy

- An individual's beliefs that expectations about his or her ability to accomplish a specific task effectively
- Employees with high self efficacy have more confidence in their job related abilities
- Previous success or performance is one of the most important determinants of self efficacy

### Self Esteem

- This is an individual's general feeling of self worth
- Individuals with high self esteem have positive feelings about themselves, perform better on the job and are more satisfied with their jobs
- Evaluations from other people affect our self esteem

### Self Monitoring

- The extent to which people base their behaviour on cues from other people and situations
- High self monitors pay attention to what is appropriate in particular situations and to behaviour of others, and they behave accordingly
- High self monitors, because their behaviour varies with the situation, appear to be more unpredictable and less consistent

### Positive/Negative Affect

- Positive affect: an individual's tendency to accentuate the positive aspects of himself or herself, other people, and the world in general
- Negative affect: an individual's tendency to accentuate the negative aspects of himself or herself, other people and the world in general

### Measuring Personality

- **Projective Test:** a personality test that elicits an individual's response to abstract stimuli. The rationale behind this test is that each individual responds to the stimulus in a way that reflects his or her unique personality
- **Behavioral Measures:** involves observing an individual's behaviour in a controlled situation
- **Self-report Questionnaire:** individuals respond to a series of questions, usually in an agree/disagree or true/false format

### A Popular Application of Personality Theory in Organizations: The Myers Briggs Type Indicator

- **Myers-Briggs Type Indicator:** An instrument developed to measure Carl Jung's theory of individual differences
- Proposed that the population was made up of two basic types; extraverted and introverted. He went on to identify two types of perception (sensing and intuiting), and two types of judgment (thinking and feeling). Perception (how we gather info) and judgment (how we make decisions) represent the basic mental functions that everyone uses

### The Preferences

- The combination of the following preferences make up an individual's psychological type; extraversion vs introversion, sensing vs intuiting, thinking vs feeling, judging vs perceiving

### Extraversion/Introversion

- Extraversion: a preference indicating that an individual is energized by interaction with other people
- Introversion: a preference indicating that an individual is energized by time alone

### Sensing/Intuiting

- Sensing: gathering information through the five sense
- Intuiting: gathering information through the sixth sense and focusing on what could be rather than what actually exists

### Thinking/Feeling

- Thinking: making decisions in a logical and objective fashion
- Feeling: making decisions in a personal and value oriented way

### Judging/Perceiving

- Judging: preferring closure and completion in making decisions
- Perceiving: preferring to explore many alternatives and flexibility

## CHAPTER 4 MOTIVATION AT WORK

### WHAT IS MOTIVATION AND WHY DOES IT MATTER

- **Motivation:** the set of forces, internal (individual needs and motives) and external (environmental forces) that initiate work-related behaviour and determine its form, direction, intensity and duration
- **Intrinsic Motivation:** a person's internal drive to do something because of such things as interest, challenge and personal satisfaction
- **Extrinsic Motivation:** is defined as motivation that comes from outside the person such as pay, tangible rewards or a promotion

### NEED THEORIES OF MOTIVATION

#### **Maslow's Hierarchy of Needs**

- **Need Hierarchy:** Maslow's theory that people are motivated by five sets of needs, and that as a lower need is gratified, the person becomes motivated by the next need in the hierarchy
- **Progression Hypothesis:** the lowest level of ungratified need motivates behavior
  - 0      5. Self-actualization needs: need to fulfill ones potential and be all that one can be
  - 1      4. Esteem needs: need for recognition and status
  - 2      3. Belongingness need: need for love, friendship and community
  - 3      2. Safety and Security needs: need for safety and predictability
  - 4      1. Physiological Needs: need for food and shelter

#### **Theory X and Theory Y**

- Theory X: a set of assumptions of how to manage individuals who are motivated by lower-order needs (physiological and safety needs)
- Theory Y: a set of assumptions of how to manage individuals who are motivated by higher-order needs (belongingness, esteem and self actualization)

#### **ERG Theory**

- A simplified version of Maslow's hierarchy from five to three need categories
- The existence need addressed Maslow's physiological and physical safety needs, relatedness addressed the needs for interpersonal safety, belongingness and interpersonal esteem, and growth referred to self esteem and self actualization
- **Frustration Regression Hypothesis:** theory that when people are frustrated in their ability to satisfy a higher-order need they regress to the next lower category of needs and intensify their desire to gratify these needs

#### **McClelland's Theory of Learned Needs**

- This theory suggests that secondary needs were operating as well. These secondary needs; (1) did not progress in a hierarchical manner, (2) were learned, (3) varied based on an individual's personality

#### **Need for Achievement**

- Is a learned need that concerns issues of excellence, competition, challenging goals, persistence and overcoming difficulties
- An individual with a high need for achievement seeks excellence in performance, enjoys difficult and challenging goals, and is persevering and competitive in work activities

- Individuals with a high need for achievement have three unique characteristics, (1) they set goals that are moderately difficult yet achievable, (2) they like to receive feedback on their progress toward these goals, (3) they do not like having external events or other people interfere with their progress toward the goals

#### Need for Power

- Is a learned need that is concerned with making an impact on others, the desire to influence others, the urge to change people or events, and the desire to make a difference in life. The need for power is interpersonal, because it involves influence attempts directed at other people
- Status is an important consideration for people with a high need for power

#### Need for Affiliation

- Is a learned need concerned with establishing and maintaining warm, close, intimate relationships with other people
- People with a high need for affiliation are motivated to express their emotions and feelings to others while expecting other people to do the same in return
- People who have moderate to low needs for affiliation are more likely to feel comfortable working alone for extended periods of time

### **Herzberg's Two-Factor Theory of Motivation**

- Herzberg defined motivators as intrinsic factors in the job that lead to satisfaction, such as achievement and the challenge of work itself, and hygiene factors as extrinsic factors surrounding the job that lead to dissatisfaction such as company policies and pay

#### Motivators

- Identified as responsibility, achievement, recognition, advancement, and the work itself.
- These are more important than hygiene factors as they directly affect a person's motivational drive to do a good job
- **Job enrichment:** designing or redesigning jobs by incorporating motivational factors into them

#### Hygiene Factors

- Job dissatisfaction occurs when the hygiene factors are either not present or not sufficient
- Hygiene factors consist of; policy and administration, technical supervision, salary, etc.
- Two conclusions can be drawn, (1) hygiene factors are of some importance up to a threshold level but beyond the threshold there is little value in improving the hygiene factors, (2) the presence of motivators is essential to enhancing employee motivation to excel at work
- Criticisms of this theory: (1) research results have not shown a clear dichotomization of incidents into hygiene and motivator factors, (2) absence of individual differences in the theory, (3) all supporting data come from Herzberg and his students

## **PROCESS THEORIES OF MOTIVATION**

### **Expectancy Theory of Motivation**

- The theory that people exert effort if they expect that their effort will result in good performance, and that this performance will be instrumental in getting valued outcomes
- **Expectancy:** the belief that effort leads to performance
- **Instrumentality:** the belief that performance is related to rewards/outcomes
- **Valence:** the importance, attractiveness, desirability, or anticipated satisfaction one places on a particular outcome
- From this perspective, it is the person's belief about the relationship between these constructs that is important, not the actual nature of the relationship

### Diagnosing Motivational Problems and Taking Corrective Action Using Expectancy Theory

- Within the expectancy theory framework, motivational problems stem from three possible causes. These are (1) a lack of belief that increased effort will lead to improved performance (low expectancy), (2) a lack of belief that improved performance will lead to a greater likelihood of achieving desired outcomes/rewards (low instrumentality), (3) a lack of desire for the outcome/rewards offered (valence)
- Corrective action using expectancy theory can be used in the following ways
  - If problem is due to a person belief that effort will not result in performance, the person can be shown how additional training or an alteration in the effort can lead to improved performance
  - If problem is due to the belief that performance will not result in rewards, one has to diagnose whether the belief is unfounded or not
  - If problem arises because the person does not believe the rewards have much value, then alter the rewards

### Equity Theory and Organizational Justice

#### Equity Theory

- People determine whether they have been treated fairly by first examining the ratio of their inputs relevant to their outcomes and then comparing this ratio to the input-to-outcome ratio of a comparison other
- Perceptions of equity and inequity depend heavily on the person or role one chooses to compare oneself to
- Possible responses to inequity include; change his or her outcomes, change his or her inputs, try to alter the comparison others outcomes or inputs, change who is used as a comparison other, rationalize the inequity or leave the situation
- Limitations of the equity theory include; selection of the comparison, heavy emphasis on pay as an outcome, long term comparisons are not considered as often as short term

#### Organizational Justice Theory

- Distributive justice: the term given to judgments regarding the fairness of outcomes or allocations as discussed in equity theory
- Procedural justice: the term given to judgments regarding the fairness of elements in organizational processes
- Interactional justice: the term given to judgments regarding the fairness of interpersonal interactions

### Goal Setting and Management by Objectives

- Need theories, expectancy theories, and equity and justice theories all contribute to our understanding and help us influence a persons motivation
- **Goal Setting theory:** the process of establishing desired results that guide and direct behavior
- (1) Setting specific high goals leads to higher performance than setting no goals or setting abstract goals such as doing ones best, (2) as long as the goals are perceived to be attainable, the higher the goal difficulty, the higher the performance, (3) feedback, participation and competition affect performance only to the extent that they lead to commitment to specific high goals, (4) the relationship between goal setting and performance is mediated by direction, effort, persistence and task strategies
- **Learning goals:** goals that provide clear markers of progress and reduce the risk of self-demoralization that can occur when current accomplishments are gauged against an outcome goal
- **Outcome goals:** provide clear direction as to a desired end or outcome in the long run



### **Characteristics of Effective Goal Setting**

1. SMART goals: Specific, measurable, attainable, relevant and have a time frame
2. Challenging goals: people exert more effort when goals are challenging
3. Goal commitment: goal-performance relationship is strongest when people are committed to their goals
4. Goal feedback: people need feedback that reveals progress in relation to their goals
5. Learning goals for complex or new tasks: for complex or new tasks, set specific and challenge learning goals as well as outcome goals
6. Participation: encourage participation in goal setting

### **Management by Objectives**

- A participative goal-setting process in which organizational objectives are cascaded down the organization and integrated with unit and individual goals and objectives

## CHAPTER 7: TEAM DYNAMICS

### WHAT IS A TEAM

- ◆ **Group:** is two or more people having common interest, objectives and continuing interaction
- ◆ **Team:** defined as two or more people with common objectives who are interdependent upon each other to achieve a particular task and who hold themselves accountable to each other
- ◆ All work teams are groups but not all groups are teams
- ◆ While groups do not necessarily work interdependently to achieve an organizational objective, teams do. Teams also emphasize goals and roles that are understood and agreed by all, open dialogue and team driven behavior.

### HOW TEAMS DIFFER

#### **Task Interdependence**

- ◆ The degree of task-driven interaction among work team members. The nature of this interdependence can be reciprocal, sequential or pooled

#### Pooled Interdependence

- ◆ Some teams work like baseball teams, with individual members having set responsibilities and the performance of the team resulting from the sum (pooling of) the performance of individual members
- ◆ When task interdependence is pooled, it means that team members work individually but either draw from a pool of common inputs or pool their outputs

#### Sequential Interdependence

- ◆ Other teams work like football teams through coordinated action or sequential interdependence. Such teams rely on each other for resources with the output of one member becoming the input of another

#### Reciprocal Interdependence

- ◆ These teams work like doubles tennis teams, with individuals having primary yet flexible responsibilities. In such teams, members have reciprocal interdependence, with work being exchanged back and forth among them.

### **Different Types of Work Teams**

#### Temporary or Permanent

- ◆ Temporary teams include task forces, ad hoc committees, project teams and commissions of inquiry
- ◆ Permanent teams remain together and have ongoing responsibilities for specific functions in the organization. E.g. **Self managed work teams:** are teams whose



members have autonomy to carry out interdependent tasks and make decisions that were once reserved for managers. Also called self directed or autonomous teams

Differentiated by Objectives

- ◆ Such work teams go by the name of problem solving teams, process improvement teams, quality circles
- ◆ Quality circles: a small group of employees who work voluntarily on company time, typically one hour per week, to address work-related problems such as quality control, cost reduction, production planning and techniques and even product design

### **HOW TEAMS DEVELOP**

1. Forming: the first stage of development characterized by politeness, superficiality and uncertainty. Symptoms of this stage are silence, self consciousness, and superficiality
2. Storming: the second stage is characterized by conflict, confusion, power struggles, and the emergence of cliques. Disagreements occur over goals and roles. To overcome these issues, teams must focus on goals, identify issues, use supportive communication
3. Norming: the third stage is characterized by cohesion, trust and clarification of group roles and norms. Teams have overcome interpersonal issues and have developed a stronger sense of team identity. This leads to consensus of team objectives, member roles and behavioral norms
4. Performing: the fourth stage is when the team has achieved synergy and is reaching its full potential. Not all teams reach this stage, and simply finishing a job doesn't mean the team has reached the performing stage in terms of its development. When the team does reach this stage, members focus their energy on task accomplishment and are characterized by shared purpose, high levels of trust, a blurring of formal distinctions and clarity around core competencies
5. Adjourning: is the final stage where attention is focused on wrapping up activities

The Punctuated Equilibrium Model of Team Development

- ◆ Team development in temporary teams is different. The proposed model states that teams rather than gradually developing over time, progress through an alternation of stasis and sudden change. These phases appear to be task-deadline driven, with evidence that a transition occurs around midpoint of the time assigned to the team. According to this model, temporary teams experience an initial phase of inertia, punctuated by a transition phase around the midpoint when team members realize that more work or better quality work needs to be accomplished. Midpoint transition can be compared to midlife crisis.

### **TEAM EFFECTIVENESS**

- ◆ Team effectiveness: is considered to have been achieved when the following three criteria have been met; the team survives, it meets its objectives and the needs of team members have been satisfied to the extent that they would be willing to work together again
- ◆ Team effectiveness depends on; organizational influence, team design influences, way team members manage important internal process and individual behaviour

## **Organizational Influences on Team Effectiveness**

### Organizational Sponsorship and Support

- ◆ The support must achieve a balance between setting limits (so that individuals and team doesn't stray away from the mission) and removing barriers (so that individuals can accomplish their work)

### Clear Team Mission

- ◆ A clear team mission (overall purpose), whether assigned by the organizational sponsor or self-determined is an indication that all members of the team agree to go in the same direction

### Resources and Access

- ◆ Teams must be given access to required resources such as budget, work space, key stakeholders and especially information. They need to be empowered to make their own decisions within the context of their mission

### Team Performance Measures and Rewards

- ◆ Work teams need to know what performance measures are being used to assess their effectiveness. The five evaluation criteria most commonly identified were; problem solving, quality of work, workload allocation, meeting of objective and team attitude

## **Team Design Influences on Team Effectiveness**

### Team Task

- ◆ The nature of the task must be considered when selecting members and when deciding upon the optimal size for the team

### Team Size

- ◆ The more the team members interact with each other, the more likely they will develop understanding and interpretations. Smaller teams tend to be more effective due to constant interaction.

### Composition of Teams

- ◆ Refers to the collection of the team members characteristics in terms of the skill mix, as well as the degree of homogeneity and heterogeneity or diversity
- ◆ For a team to be effective, a team must have the right skills in three areas; technical or functional skills, problem solving and decision making and interpersonal skills

## **Internal Process Influences on Team Effectiveness**

### Goal Clarity and Agreement

- ◆ Specific goals and priorities must be set before the project begins. This leads to all members pulling in the same direction. This model, also called the GRPI model, is useful as an approach to diagnosing team effectiveness and planning for improvement

### Fulfillment of Task and Maintenance-Oriented Roles

- ◆ Role: a set of behaviors that are expected of a person occupying a particular position in a social unit
- ◆ Task-oriented roles: activities directly related to the effective completion of a team's work. E.g. the initiator suggests ideas and defines problems, the information seeker asks for ideas and suggestions, the challenger plays the devil's advocate role
- ◆ Maintenance-Oriented roles: activities essential to effective, satisfying interpersonal relationships within a team. E.g. communication gatekeepers within a team ensure balanced contributions from all members

### Team Leadership Roles

- ◆ Often times when a formal leader is not assigned leadership roles (task and maintenance) are carried out by members of the team. Effective teams tend to share leadership.

### Norms, Team Cohesion and Productivity

- ◆ Norms of behavior: the standards that a work team uses to evaluate the behavior of its members. They may be written or unwritten, verbal or non verbal, implicit or explicit
- ◆ Team cohesion: the interpersonal attraction binding team members together. When a team has positive norms around performance and productivity, team cohesion can enhance job satisfaction for members and increase productivity

### Effective Team Decision-Making Procedures

- ◆ Teams are more effective when procedures have been agreed to about issues such as how decisions will be made, how info will be shared and what kinds of meetings the team will have

### **Individual Behaviors That Reduce Team Effectiveness**

- ◆ Social Loafing: the failure of a team member to contribute personal time, effort, thoughts or other resources to the team. Antecedents to social loafing include; failure to clearly identify individual contributions, lacking challenge or uniqueness, low intrinsic involvement
- ◆ Loss of Individuality: A social process in which individual team members lose self-awareness and its accompanying sense of accountability, inhibition, and responsibility for individual behavior
- ◆ Co-Dependency: When one person tries to control another and to be responsible for the consequences of the behavior of that other person
- ◆ Blocking Roles: roles that inhibit the team or its members from achieving what they could have achieved and destroy morale and cohesion

### **MANAGING DIVERSE AND MULTICULTURAL TEAMS**

#### **Cultural Diversity in Teams**

- ◆ Recognize that the effect of cultural diversity depends on how the team is structured and the nature of the task
- ◆ Evaluate teams in terms of team processes and individual outcomes as well as task accomplishments. Multicultural teams may take longer to achieve their potential. But may be considerably more effective than monocultural teams when they do
- ◆ Create a climate of support for teams and for diversity. Walk the talk; showing support is more important than just talking about it
- ◆ Design team level rewards to be consistent with cultural norms. Rewarding team success is important, but one-size fits all approaches may be risky.
- ◆ Provide ongoing training in cultural diversity and team skills as well as task related skills. Untrained teams will struggle. Recognizing and respecting cultural differences is the key, but it must be continually reinforced to be effective.

### **STRATEGIES FOR IMPROVING TEAM EFFECTIVENESS**

- ◆ Team building: a broad range of planned activities that help teams improve the way they accomplish tasks and help team members enhance their interpersonal and problem solving skills
- ◆ Team development: an educational process of continually reviewing and evaluating team functioning and identifying and establishing new and more effective ways of operating

## CHAPTER 8

### CREATIVITY AND DECISION MAKING

#### CREATIVITY

- ♦ **Creativity:** a process influenced by individual and organizational factors that results in the production of novel and useful ideas, products or both
- ♦ Creativity can be found and is required in all aspects of business and management

#### **The 4 Stages of the Creative Process**

- 1) Preparation: means seeking out new experiences and opportunities to learn, because creativity grows from a base of knowledge
- 2) Incubation: during this stage, the individual engages in other pursuits while the mind considers the problem and works on it. Incubation is a process of reflective thought and is often conducted subconsciously
- 3) Illumination: illumination occurs when the individual senses an insight for solving the problem. This stage is also called the “aha” experience.
- 4) Verification: is conducted to determine whether the solution or idea is valid. This is accomplished by thinking through the implications of the decision, presenting the idea to another person or trying out the decision

#### **Individual Influences in Creative Problem Solving**

##### Cognitive Processes, Personality Factors, and Mental Blocks

- ♦ Divergent Thinking: an individual's ability to generate several potential solutions to a problem
- ♦ Associational abilities and the use of imagery, unconscious processes and personality factors all play a role in creative thinking
- ♦ Good mood, tolerance of ambiguity, intrinsic motivation, risk taking and a desire for recognition are all related to creative thinking
- ♦ Mental blocks can diminish creativity

##### Right Brain versus Left Brain Preferences

- ♦ The right side is the center for creative functions and intuition while the left side is the center for logic, detail and planning
- ♦ There are advantages to both kinds of thinking, so the ideal situation is to be brain-lateralized

#### **Organizational Influences on Creativity**

##### Organizational Facilitators of Creativity

- 1) Leadership: leadership can encourage norms that are associated with increased group innovation, such as support for risk taking, tolerance of mistakes, teamwork and speed of action.
- 2) Organizational Structure: When the chain of command is minimized and the structure kept simple, employees are encouraged to create and innovate
- 3) Physical environment and communication: information flow and the physical environment are important so that ideas can surface and be heard
- 4) Recognition: monetary rewards may or may not improve creative performance
- 5) Culture: allowing employees to fail, making work more fun, and providing creativity training also facilitate creativity.

### Organizational Barriers to Creativity

- ◆ Creativity killers include focusing on how work is going to be evaluated, being watched while you are working, and competing with people in win-lose situations. These barriers include internal political problems, harsh criticism of ideas, destructive internal competition and avoidance of risk
- ◆ Research has indicated that creative performance is highest when there is a match or fit between the individual and organizational influences on creativity.

### INDIVIDUAL DECISION MAKING AT WORK

- ◆ **Decision Making:** a conscious process of making choices among one or more alternatives and developing a commitment to a course of action
- ◆ **Programmed Decision Making:** a simple, routine matter for which a manager has an established decision rule
- ◆ **Nonprogrammed Decision Making:** a new, complex decision that requires a creative solution
- ◆ **Effective Decision:** a timely decision that meets a desired objective and is accepted by the individual
- ◆ **Ethical Decision:** a decision that is made after exploring alternatives and their consequences so that actions are consistent with ones personal values and commonly held values of the organization and society

### Models of Decision Making

#### The Rational Model of Decision Making

- ◆ Rationality refers to a logical, step by step approach to decision making, with a thorough analysis of alternatives and their consequences.
- ◆ This model has the following important assumptions;
  - The outcome will be completely rational
  - The decision maker has a consistent system of preferences, which is used to choose the best alternative
  - The decision maker is aware of all the possible alternatives
  - The decision maker can calculate the probability of success for each alternative

- ◆ The rational model of decision making consists of eight steps
  - 1) Recognize the problem and the need for a decision
  - 2) Identify the objective of the decision
  - 3) Gather and evaluate data and diagnose the situation
  - 4) List and evaluate alternatives
  - 5) Select the best course of action
  - 6) Implement the decision
  - 7) Gather feedback
  - 8) Follow up

#### The Bounded Rationality Model of Decision Making

- ◆ **Bounded Rationality:** a theory that suggests that there are limits to how rational a decision maker can actually be
- ◆ **Satisfice:** this model assumes that managers satisfice. That is they select the first alternative that is good enough because costs of optimizing in terms of time and effort are too great
- ◆ **Heuristics:** shortcuts in decision making that save mental activity
- ◆ This mode has 4 assumptions
  - 1) Managers select the first alternative that is satisfactory
  - 2) Managers recognize that their conception of the world is simple
  - 3) Managers are comfortable making decisions without determining all alternatives
  - 4) Managers make decisions by the rule of thumb or heuristics

#### The Garbage Can Model of Decision Making

- ◆ A theory that contends that decisions in organizations are random and unsystematic
- ◆ Contends that decisions are influenced by four independent streams;
  - 1) Problems or concerns
  - 2) Solutions or methods
  - 3) Participants more or less ready to be active in the decision making matter
  - 4) Choice opportunities

#### The Intuitive Decision Making Model

- ◆ While intuition used to have a bad reputation as a method of decision making, recent research is suggesting that today's fast paced business environment makes intuition a viable approach
- ◆ Intuition: the internal reservoir of cumulative experience, from which one distills, at a level below consciousness, a direction or an urge to do or not to do something

#### Individual Influences on Decision Making

- ◆ **Risk Aversion:** the tendency to choose options that entail fewer risks and less uncertainty
- ◆ **Escalation of Commitment to a Losing Course of Action:** the tendency to continue to support a failing course of action. This is often a result of **self-efficacy:** which is an individual's beliefs and expectations about his or her ability to perform a specific task effectively

- ◆ **Cognitive Style:** an individual's preference for gathering information and evaluating alternatives

## **GROUP DECISION MAKING AT WORK**

What is Participative Decision Making

- ◆ Occurs when individuals who are affected by decisions influence those decisions. Often referred to as empowerment

What Level of Group Participation in Decision Making

- ◆ The Vroom-Yetton-Jago normative decision making model helps managers decide when and how to use participative decision making
- ◆ The theory suggests five different forms of managerial decision making on a continuum that ranges from the manager making a decision alone, all the way to the manager permitting a group to make a decision within prescribed limits
  - 1) Decide: the manager makes the decision alone and either announces it or sells it to the group
  - 2) Consult Individually: the manager presents the problem to the group members individually, gets their input and then makes the decision
  - 3) Consult Group: the manager presents the problem to the group members in a meeting, gets their input, and then makes the decision
  - 4) Facilitate: the manager presents the problem to the group in a meeting and acts as a facilitator, defining the problem and the boundaries that surround the decision. The manager's ideas don't have more weight than the members. The objective is to get congruence
  - 5) Delegate: The manager permits the group to make the decision within the prescribed limits, providing needed resources and encouragement

## **Advantages and Disadvantages of Group Decision Making**

### **Advantages**

- ◆ More knowledge and information through the pooling of group member resources
- ◆ Increased acceptance of and commitment to the decision because the members have a voice in it
- ◆ Greater understanding of the decision because members were involved in the various stages of the decision process
- ◆ Synergy: a positive force that occurs in groups when group members stimulate new or better solutions through the process of mutual influence and encouragement

### **Disadvantages**

- ◆ Groupthink: a deterioration of mental efficiency, reality testing, and moral judgment resulting from pressures within the group
- ◆ Domination of a forceful member
- ◆ Time required
- ◆ Group polarization: the tendency for group discussion to produce shifts toward more extreme attitudes among members

### **Techniques to Improve Group Decision Making**

- 1) Brainstorming: a technique used for generating as many ideas as possible on a given subject, while suspending evaluation until all the ideas have been generated
  
- 2) Nominal Group Technique: a structured approach to group decision making that focuses on generating alternatives and choosing one
  - ◆ The following steps apply to this approach
    - Individuals silently list their ideas
    - Ideas are written on a chart one at a time until all ideas are listed
    - Discussion is permitted, but only to clarify the ideas. No criticism is allowed.
    - A written vote is taken
  
- 3) Delphi Technique: a structure approach to decision making which gathers the judgment of experts
  
- 4) Devil's advocate: a technique for preventing groupthink in which a group or individual is given the role of critic during decision making

## CHAPTER 9

### POWER AND INFLUENCE

- ◆ **Power:** the ability of one party to change or control the behaviour, attitudes, opinions, objectives, needs or values of another party
- ◆ **Influence:** the process of affecting the thoughts, behaviors and feelings of others
- ◆ **Political behaviour:** influence attempts that are for personal gain and are not officially sanctioned by an organization
- ◆ **Powerlessness:** a lack of power

### INDIVIDUALS SOURCES OF POWER

1. **Legitimate power:** is power that is based on a person holding a formal position. Others comply because they accept the legitimacy of the position of the power holder
2. **Reward power:** is power based on a person's access to rewards. Others comply because they want the rewards the power holder can offer
3. **Coercive power:** is power that is based on a person's ability to punish. Others comply because they fear punishment or some negative consequences. This sort of power is sometimes necessary in the case of supervision. Research shows that coercive power and legitimate power tend to increase employee perceptions of stress
4. **Referent power:** is power that is based on a person's attractiveness to and friendship with others. Others comply because they respect and like the power holder.
5. **Expert power:** is power based on a person's expertise, competence, and information in a certain area. Others comply because they believe in the power holders knowledge and competence. Like referent power, expert power does not come with the position but has to be earned
6. **Information power:** is power that is based on a person's access to important information. Others comply because they want the information the power holder has.

### POWER IN THE BOSS-EMPLOYEE RELATIONSHIP

#### **Expanding Power through Empowerment**

- ◆ Empowerment is defined as “creating conditions for heightened motivation through the development of a strong sense of personal self-efficacy”.
- ◆ The driving idea of empowerment is that the individuals closest to the work and to the customers should make the decisions

- ◆ A number of dimensions comprise the essence of empowerment. Employees feel empowered when they feel their work has meaning, when they feel competent and when they feel they have the power of self-determination

### **Barriers to Empowerment**

- ◆ While empowerment is easy to advocate, it remains difficult to put into practice for a number of reasons
- ◆ Some barriers to empowerment are;
  - Trust
  - Executive would have to bargain and sell ideas to employees
  - Managers resist giving up control
  - Employees lack skills, information and authority
  - Self-efficacy may not be enough. People may be more motivated by money or social interaction or competition

### **Managing the Boss**

- ◆ Managing the boss is considered to be an influence tactic that involves three basic steps
  1. Making sure one understands one's boss and his or her context
  2. Assess yourself and your needs
  3. Develop and maintain a relationship

## **ORGANIZATIONAL CONDITIONS THAT ENABLE POWER & INFLUENCE**

### **Control of Critical Resources or Activities**

- ◆ When a subunit or individual controls an important resources which another person or subunit desires, that subunit or individual holds power
- ◆ Organizational power can also be obtained to the extent that an individual group controls activities or work processes that other groups depend on

### **Centrality**

- ◆ If a groups functioning is important to the organizations success, it has high centrality

### **Nonsubstitutability**

- ◆ The extent to which a group performs a function that is indispensable to an organization and or which there is no alternative power

### **Ability to Help Organization Cope with Uncertainty**

- ◆ If a subunit or individual has the ability to help deal with uncertainty, it has power

## **CONVERTING POWER TO INFLUENCE**

### **What Are the Influence Tactics**

- ◆ Influence tactics include; expertise, inspirational appeal, ingratiation, personal appeal, coalition tactics, pressure, exchange, legitimizing tactics, upward appeal

## **What are the Reactions to Use of Power and Influence**

### **Follower Compliance**

- ◆ When leaders use reward, coercive or legitimate power, followers tend to comply
- ◆ Reliance on these powers is dangerous, however, because it may require the manager to be physically present and watchful in order to apply rewards or power
- ◆ May result in employee dependency which may not be healthy

### **Follower Commitment**

- ◆ Expert (use of expertise), and referent power (inspirational and personal appeal) have strong relationships with satisfaction and follower commitment
- ◆ Employees internalize what they observe and learn from managers they perceive to be experts
- ◆ Overall, the most effective tactic in terms of achieving objectives is use of expertise

### **Influencing the Boss**

- ◆ Use of expertise power (rational persuasion) has been found to have a positive effect on supervisors assessments of promotability , while ingratiation may have a negative effect since supervisors see their employees ingratiation attempts as self-serving attempts to get ahead

## **CONVERTING POWER TO NONSANCTIONED INFLUENCE TACTICS**

- ◆ Not all influence attempts are directed towards organizational goals. Some are for personal gain and in fact are counterproductive for the organization
- ◆ **Sanctioned influence tactics:** those tactics that are approved of and that people consider acceptable because they are part of the organizations norms
- ◆ **Non sanctioned influence tactics:** those influence attempts that are for personal gain and are not officially sanctioned by an organization. They are also referred to as political tactics

## **FORCES FOR AN AGAINST POLITICAL BEHAVIOUR IN ORGANIZATIONS**

- ◆ Competitive pressures and flatter organizations cause political behaviour
- ◆ Downsizing and the trend towards flatter organizations create political behavior
- ◆ Unclear goals, autocratic decision making, ambiguous lines of authority, scarce resources and uncertainty cause political behaviour
- ◆ **Machiavellianism:** a personality characteristic indicating ones willingness to do whatever it takes to get ones own way

### **Strategies to Minimize Political Behaviour in Organizations**

- ◆ Transparent promotion and reward policies
- ◆ Open communications and supportive organizational climate

- ◆ Clarify the resource allocation process
- ◆ Punish organizational politicians

## CHAPTER 10 LEADERSHIP

Leadership: the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of organizations of which they are members

### **THE TRAIT PERSPECTIVE**

- ◆ Proposes that leaders are more likely to have certain personality, social, physical or intellectual traits than nonleaders
- ◆ In the second half of the 20<sup>th</sup> century, it was difficult to prove a universal sets of traits of a leader in every situation
- ◆ In the 90's, research began to focus on competencies displayed by leaders. Competencies are learned behaviors such as skills, abilities and values
- ◆ This theory may list certain traits that a leader may have but does not guarantee it

### **THE BEHAVIORAL PERSPECTIVE**

- ◆ **The Behavioral Perspective of Leadership:** a perspective that proposes that effective leaders behave in certain desirable ways
- ◆ **Task- Oriented Style:** a style of leadership in which the leader spells out duties and specific tasks, tells people what to do and how to do it, ensures employees follow rules, and encourages employees to reach peak performance. Also called production or autocratic style, referred to in early studies as initiating structure
- ◆ **Employee, People-Oriented or Democratic Style:** a style of leadership in which the leader shows trust and respect, engages in two way communication, listens, encourages, gives recognition and provides socio-emotional support, also referred to as consideration
- ◆ **Laissez-Faire Style:** an employee-centered leadership style in which the manager permits his or her employees to function within prescribed limits

### **THE LEADERSHIP (MANAGERIAL) GRID**

- ◆ A model that proposes that the best way to lead is to show high concern for results and high concern for people
  - Organization man manager (5,5) is a middle of the road leader who has a medium concern for people and production
  - Authority compliance manager (9,1) has great concern for production and little concern for people
  - Country club manager (1,9) has great concern for people and little concern for production
  - Team manager (9,9) is considered ideal and has great concern for production and people
  - Impoverished manager (1,1) has little concern for people and production

## THE CONTINGENCY PERSPECTIVE

- ♦ A perspective that proposes that effective leadership depends upon the degree of fit between the leader's style and various factors in the particular situation
- ♦ By nature, contingency theories are "if-then" theories; If the situation . . . ., Then . . . .

### Path-Goal Contingency Theory

- ♦ Proposes that leader effectiveness is based on expectancy theory of motivation
- ♦ Basic role of the leader is to clear the follower's path to the goal
- ♦ Suggests that leaders should change their styles to fit follower and workplace characteristics
- ♦ Leaders should use one of four behavior styles to help followers clarify the paths that lead them to work and personal goals. 4 behaviour styles are; directive, supportive, participative and achievement oriented

### Fiedler's Contingency Theory

- ♦ Suggests that high task and high people orientation is not best in all situations. Effective leadership depends on the match between the leaders style and the degree of control he or she has in the situation
- ♦ When control is high, situation is considered to be "favorable" and vice versa
- ♦ Favorableness depends on three key factors or contingencies
  - Position power: the authority associated with the leaders formal position in the organization
  - Leader-member relations: the quality of interpersonal relationships between a leader and the group members
  - Task structure: the degree of clarity, or ambiguity, in the work activities assigned to the group

### Leadership Substitutes Theory

- ♦ This theory suggests that in some situations leaders can reduce the amount of leadership they exercise because it becomes unnecessary due to existing substitutes or neutralizers
- ♦ Things that can substitute for leadership include; high skills of employees, team cohesiveness, formal controls

## THE TRANSFORMATIONAL PERSPECTIVE

- ♦ The theories mentioned so far have been, **transactional leadership** theories: a process of social exchange between followers and leaders that involves a number of reward based transactions. The transactional leader clarifies performance expectations, goals, and a path that will link achievement of the goals to rewards
- ♦ **Transformational leadership:** leadership that inspires followers to share a vision, empowers them to achieve the vision, and provides the resources necessary for

developing their personal potential. Transformational leaders serve as role models, support optimism, and mobilize commitment as well as focus on the followers needs for growth

**Characteristics and Behaviors of Transformational Leaders**

<b>Characteristics</b>	<b>Behaviors</b>
Charisma (idealized influence): followers have complete faith in him/her	Articulates vision, mission
Inspirational motivation; inspires loyalty in the organization	Models the vision
Individualized consideration; gives personal attention to all members	Builds commitment to mission
Intellectual stimulation: enables followers to think about old problems in new ways	Demonstrates personal integrity

**ADDITIONAL ISSUES IN LEADERSHIP RESEARCH**

(Read pg.315-318)

- ◆ Leader-Member Exchange
- ◆ E-Leadership
- ◆ Gender and Leadership
- ◆ Cultural Differences in Leadership
- ◆ Servant Leadership
- ◆ Ethics in Leadership

## CHAPTER 11

**Conflict** – “the perception, in an interdependent relationship, of incompatible wishes, goals, attitudes or behaviours.”

### Conflict and Emotion

- **Behavioural Component of Emotion** – “includes the verbal and nonverbal messages we express when we communicate” (e.g. facial expressions, voice and gestures)
  - o **Mismatch between verbal and nonverbal messages (incongruence) can be a conflict trigger.**
- **Physiological Component of Emotion** – “The bodily experience of emotion; it is the way emotion makes us feel and thus what makes emotional experience so compelling.”
- **Cognitive Component of Emotion** – “involves the way we experience a emotion...the way our mind appraises or interprets emotion.”

### Task, Relationship and Process Conflict

- **Relationship (Affective) Conflict** – “interpersonal incompatibilities and typically includes feelings of anger, tension and friction.”
- **Task (Cognitive) Conflict** – “Differences in viewpoints and opinions pertaining to group task.”
  - o Disagreement over different ideas, differences of opinions, and differences about the content of decisions
  - o Less of intense negative emotions associated with relationship conflicts
  - o Can promote group functioning and creativity
  - o Value conflicts are more intense and are often resolved with the help of a mediator
- **Process Conflict** - “controversies about aspects of **how** task accomplishment will proceed.”

### Forms of Conflict

- **Interorganizational Conflict** – “conflict that occurs between two or more organizations” (e.g. Competition, corporate takeovers, mergers and acquisitions, and new organizational arrangements such as strategic alliances)
- **Intergroup Conflict** – “Conflict that occurs between groups or teams within an organization”
  - o Tend to develop an “us against them” mentality
  - o Can lead to win-lose outcomes or functional outcomes
- **Intragroup (Team) Conflict** – “Conflict that occurs within a single group or team”
  - o Natural part of team’s development if confronted and management during the storming or transition stage



- **Interpersonal Conflict** – “Conflict that occurs between two or more individuals”

### **Sources of Conflict in Organizations**

- **Structural Sources of Conflict**
  - o *Specialization and Goal Differences*
  - o *Interdependence or Common Resources*
  - o *Status and Power Differences*
  - o *Jurisdictional Ambiguity* – “The presence of unclear lines of responsibility within an organization”
- **Personal Sources of Conflict**
  - o *Personality Differences*
  - o *Perceptions, Values and Ethics*
  - o *Ineffective Communication*
  - o *Cultural Differences*

### **Is Organizational Conflict Healthy or Unhealthy?**

- *Early approaches assumed conflict was detrimental to organizational performance.*
- *Interactionist Viewpoint* – “task conflict had a curvilinear relationship to organizational performance”
- *Observing consequences or outcomes*
  - o **Functional Conflict**
    - When conflict leads to positive outcomes
    - “A healthy, constructive disagreement between two or more people. Functional conflict can produce new ideas, learning, and growth among individuals.”
    - *Leads to New Ideas*
    - *Stimulates Creativity*
    - *Motivates Change*
    - *Promotes Organizational Vitality*
    - *Helps Individuals and Groups Establish Identities*
    - *Serves as a Safety Valve to Indicate Problems*
  - o **Dysfunctional Conflict**
    - When conflict leads to negative outcomes
    - “An unhealthy, destructive disagreement between two or more people. Its danger is that it takes the focus away from the work to be done and places the focus on the conflict itself and the parties involved.”
    - *Diverts energy from work*
    - *Threatens psychological well-being*
    - *Wastes resources*
    - *Creates a negative climate*

- *Breaks down group cohesion*
- *Can increase hostility and aggressive behaviours*

### **Preventing and Management Conflict**

- ***Conflict Management Strategy*** – “any action taken by a disputant or a third party to try to manage or resolve a conflict.”
- **Preventative Conflict Management Strategies**
  - ***Creating a Conflict-Positive Organization (Dean Tjosvold)***
    - *Value Diversity and Confront Differences*
    - *Seek Mutual Benefits, and Unite Behind Cooperative Goals*
    - *Empower Employees to Feel Confident and Skillful*
    - *Take Stock to Reward Success and Learn From Mistakes*
  - ***Build Conflict Management Roles into the Organizational Structure***
    - *“Integrator” roles – filled by those who act as a liaison between groups with very different interests*
    - *Using cross-functional teams*
  - ***Rotating Employees Through Different Jobs or Departments***
    - *Gives each executive insight into other functions – improving communication and understanding*
    - *Minimizes sources of dysfunctional conflict based upon diverse skills, abilities and specialization*

### **Interpersonal Conflict Management Styles**

- Depends in part on personality, past experiences with conflict and role models
- Varies depending on who is involved or whether the conflict is a task or relationship conflict
- **Main factor** distinguishing between **functional** and **dysfunctional conflict** – “*way the parties address the conflict*”
- ***Dual-concerns model:***
  - ***Degree of Assertiveness*** (*extent to which the person wants his or her goals met – “concern for self”*)
  - ***Degree of Cooperativeness*** (*extent to which the person wants to see the other party’s concerns met – “concern for others.*
- **Five Different Styles of Conflict Management Using the Dual-Concerns Model**
  - ***Avoiding***
    - *Indicates low concern for others and for self*
    - *Reflects indifferences to concerns of either party*
    - *Low on assertiveness and cooperativeness*
    - *Deliberate decision to take no action on a conflict or to stay out of a conflict situation*
    - *Associated with withdrawal, buck-passing, or side-stepping situations*
    - *Overuse results in negative evaluations from others in the workplace*

- **Accommodating Style (Obliging)**
  - *Indicates low concern for self and high concern for others*
  - *Giving in to other's wishes without attending to one's own*
  - *Associated with attempting to play down differences and emphasize commonalities to satisfy the other person*
  - *Cooperative but unassertive*
  - *Element of self-sacrifice that may take form of "selfless generosity, charity, or obedience to the other person's orders"*
  - *Over-reliance can result in others losing respect for managers.*
  - *Accommodating managers may become frustrated because their own needs are never met and they may lose self-esteem.*
- **Competing (Dominating, Forcing)**
  - *Indicates high concern for self and low concern for others*
  - *Individual pursues his or her wishes at the other's expense.*
  - *Very assertive and uncooperative.*
  - *Identified with a win-lose orientation and bullying.*
  - *Relies on use of position power, aggression, verbal dominance and perseverance.*
  - *Associated with bullying, confrontational remarks, accusations, personal criticism, threats, antagonistic jokes, or denial of responsibility at the expense of the other person.*
- **Collaborating (Integrating, Problem Solving)**
  - *Indicates high concern for self and high concern for others*
  - *Represents desire to fully satisfy the wishes of both parties*
  - *An ideal win-win style*
  - *High on assertiveness and cooperativeness*
  - *High degrees of collaboration involve openness, exchange of information, and examination of differences to reach an effective solution that is acceptable to both parties.*
  - *Conflicting parties tend to be more collaboration when an issue is complex and mutual commitment is indispensable or when it is clear that one party alone does not possess a solution to the problem.*
  - *More likely to be used when:*
    - *Adequate time is available*
    - *Conflict involves significant long term relationship*
  - *Leads to improved relationship and effective performance*
- **Compromising**
  - *Indicates intermediate concern for self and others*
  - *Seeking an outcome that is midway between the preferred outcomes of both parties*
  - *Intermediate in assertiveness and cooperativeness – each party must give up something to reach a solution to the conflict*
  - *Often made when time is of the essence.*



- *Can be effective backup style when efforts toward collaboration are not successful.*
- *Partially surrendering one's position for the sake of finding solutions*
- *Solutions reached may be only temporary.*
- *Compromises do not improve relationships between parties in conflict.*

**SEE EXHIBIT 11.6 (PG. 345)**

### **Methods for Managing Conflict**

- **XYZ Model for Initiating Complaint (Exhibit 11.8 – pg. 347)**
  - *Owning one's communication*
  - *Particularly useful for teams in storming stage*
  - *Components:*
    - *Description of troublesome behaviour (X)*
    - *Disclosure of feelings about behaviour (Y)*
    - *Statement about effect that the person's behaviour had on you (Z)*
- **Appeal to Disputants' Superordinate Goal** – *“an organizational goal that captures the imagination, and hence galvanizes people to take action that is more important to both parties in a conflict than their individual or group goals.”*
- **Alternate Dispute Resolution (ADR)** – *“Informal methods used to resolve disputes, such as simple negotiation and mediation, which are outside the format grievance and discipline process”*
- **Using a Third Party** – *“Any individual who is not part of the initial conflict, but becomes involved in order to help resolve it.” (e.g. Facilitation, Coaching, Mediation, Arbitration)*
  - **Facilitation** – *An informal process in which a neutral third party attempts to facilitate communication and development of a solution.*
  - **Coaching** – *Managers pass along advice and information or set standards to help subordinates improve their work skills.*
  - **Mediation** – *A formal process in which a neutral third party, with no decision-making power, helps the disputing parties voluntarily settle the dispute by establishing ground rules for negotiation, opening channels of communication, articulating the needs of each, identifying the issues, and, if requested, making recommendations on disputed issues.*
  - **Arbitration** – *A formal process in which a third party who has been chosen by the disputing parties, after hearing evidence and oral argument, renders a decision that is binding on all parties.*



- **Reducing Task Interdependence and/or Expanding Resources**
- **Changing or Moving Disputants**

### **Negotiation and Bargaining**

- *Any interaction between two or more parties aimed at reaching an agreement based on both common and dividing interests.*
- *Needed when:*
  - *Two or more parties must make a decision about interdependent goals and objectives and there is a conflict of interest between the parties such that what one party wants is not what the other party wants.*
  - *The parties are committed to peaceful means for resolving the dispute.*
  - *There is no clear or established method or procedure for making the decision.*
- **Distributive Bargaining** – *A win-lose negotiating strategy, such that one party gains at the expense of the other.*
  - *Task is to locate a compromise between their **target points** (most favorable outcome) and their **resistance points** (least favourable acceptable outcome)*
  - **Bargaining Zone** – *The area identified by the bargaining limits (resistance points) of each side, in which compromise is possible, as is the attainment of a settlement satisfactory to both parties.*
  - **BATNA – Best Alternative To the Negotiated Agreement – Resistance Point**
- **Integrative Bargaining** – *A negotiating strategy in which there is acknowledgment that achieving a win-win outcome will depend on mutual trust and problem solving*

## **CHAPTER 13 – Organizational Change and Development**

*Challenges leading to change are globalization, hyper-competition and demanding customers, the increasing diversity of the workforce, continuing technological innovation, and demands for higher levels of moral and ethical behaviour.*

**Planned Change** – *Change that is an intentional and goal-oriented activity*

### **Types of Organizational Change (Linda Ackerman)**

- **Developmental Change** – *“the improvement of a skill, method, or condition that for some reason does not measure up”*
  - *Fine-tuning of organization*
  - *Small improvements*
  - *Establishment of a ‘continuous motion’ strategy for keeping pace with the operating environment*
- **Transitional Change** – *“Change that is introduced to have an organization evolve slowly: current ways of doing things are replaced by something new.”*
  - *System-wide*
  - *Examples: Mergers, reorganizations, and the introduction of new services, processes, systems or technologies*
- **Transformational Change** – *“when an organization moves to a radically different, and sometimes unknown, future state”*
  - *Revolutionary*

### **Targets of Change**

- **Changing the Organizational Structure**
  - *When companies restructure, downsize, merge with another company, form strategic alliances, or outsource part of their operations*
    - **Downsizing** – *Intended reduction in the number of employees*
  - *Organization’s structure defined by how tasks are formally divided (**differentiation**) and coordinated (**integration**)*
- **Changing Technology**
  - *Competitive factors often require organizations to introduce new equipment, tools or automation*
- **Changing the Work Processes and Tasks**
  - *Techniques such as **total quality management (TQM), business process re-engineering, and flexible manufacturing***
- **Changing People’s Attitudes and the Organizational Culture**
  - *Organizational Culture – “a pattern of basic assumptions that are considered valid and that are taught to new members as the way to perceive, think and feel in the organization”*



## Challenges to Effective Change Management

### - Individual Reactions to Change

- People often react to change as a rational response that is based on self-interest.
- Many react based on “reactance” – a negative response that occurs when individuals feel that their personal freedom is threatened
- Some individuals are also more tolerant of ambiguity than others.
- Reactions vs. Resistance
- Types of Individual Reactions To Change
  - **Fear of the Unknown** – uncertainty, especially a problem when there has been little communication about the change
  - **Fear of Loss** - Employees may fear that they will lose something of value, either material or psychological – reaction referred to as “direct cost”
  - **Fear of Failure** – Employees may fear that changes will result in increased workloads or increased task difficulty, and they may question their own competencies for handling these. They may also fear that performance expectations will be elevated following the change, and that they may not measure up.
  - **Reluctance to Break Routines** – moving outside of our comfort zones and into ambiguous territory.
    - “Active Inertia” (Donald Sull) – tendency to respond to most disruptive changes by accelerating activities that succeeded in the past.
  - **Selective Perception** – When we receive information that does not fit with the mental model we have created we either filter it out or ignore it.
  - **Cynicism** – “a loss of faith in the leaders of change based on a history of change attempts that have not been entirely successful”
    - Change Fatigue
    - To overcome this type of resistance, managers have to acknowledge past mistakes, legitimize the causes of concern, and invest time and energy to rebuild trust and keep their promises.
- Organizational Resistance to Change
  - **Limited Focus of Change**
  - **Conflicting Team Norms**
  - **Conflicting Organizational Systems** – formal organizational systems and processes may inadvertently act as barriers to change



## **Managing Organizational Change and Development**

- **Lewin's Force Field Analysis Model**
  - *Based on the idea of force field analysis which contends that a person's behaviour is the product of two opposing forces; one force pushes toward preserving the status quo, and the other force pushes for change.*
  - *Behaviour change occurs when forces maintaining status quo are overcome by increasing the forces for change, by weakening the forces for the status quo, or by a combination of these actions.*
  - **Unfreezing** – *The first step in Lewin's change model, in which individuals are encouraged to discard old behaviours by shaking up the equilibrium state that maintains the status quo.*
  - **Moving** – *The second step in Lewin's change model, in which new attitudes, values, and behaviours are substituted for old ones.*
  - **Refreezing (Institutionalizing the Changes; Making the Changes Stick)** – *After a change is introduced, a great deal of work and listening needs to continue to ensure both that old habits do not begin to creep in again and that the changes fit the new and changing realities*
- **Managing Individual Reactions to Change (Kotter and Schlesinger)**
  - **Communication**
    - *During organizational change, communication is critical to success because resistance to change can be caused by fear of the unknown.*
    - *Important to communication both the details of the change and the rationale behind it.*
    - *Provide accurate and timely information about change*
  - **Training and Education**
    - *Helps people gain mastery and overcome a fear of failure*
  - **Employee Involvement**
    - *"Employees must be engaged and involved in order for change to work."*
    - *Participation helps employees become involved in the change and establish a feeling of ownership in the process.*
  - **Facilitation and Support**
    - *Active listening – excellent tool for identifying reasons for specific reactions and for uncovering fears*
    - *Setting up stress management workshops to encourage expression of concerns about the change*
    - *Emotional support and encouragement*
  - **Negotiation**
    - *Negotiating desired outcomes for employees who continue to react negatively to an important change*
  - **Coercion** *(included in Kotter and Schlesinger's original work) – not recommended unless absolutely necessary*

- **The Top-Down Approach to Large-Scale Change (John Kotter)**
  - *Increasing urgency and creating readiness for change*
  - *Building the guiding change team*
  - *Getting the vision right*
  - *Communicating for buy-in*
  - *Empowering action*
  - *Creating short-term wins*
  - *Don't let up*
  - *Making the change stick*
- **Organizational Development Approach to Change**
  - **Organization development (OD)** – “a system-wide application of behavioural science knowledge to the planned development and reinforcement of the strategies, structures, and processes that lead to organization effectiveness and adaptability.”
    - **Change Based on Diagnosis: Action Research**
      - **Action Research** – “an approach to change management in which initial research about an organization provides information to guide subsequent action.”
        - **Problem identification**
        - **Consultation with behavioural science expert**
        - **Data gathering and preliminary diagnosis**
        - **Feedback to client team(s)**
        - **Joint diagnosis of problem**
        - **Joint action planning**
        - **Action**
        - **Data gathering after action**
    - **OD is a Socio-Technical Approach to Change**
      - *Pays attention to the human aspects as well as to the technical aspects of any organizational change*
    - **OD Builds Improved Capacity for Self-Management**
      - *Learning Component*
      - **Change Agent** – “an individual who is assigned to guide and facilitate a change effort and who is able to influence organizational members while at the same time teaching them how to solve their own problems in the future.”
    - **OD Builds Change for the Long Term**
      - *Views organizational resistance as a nature outcome of opposing forces and that, therefore, change involves up-front modification of all relevant team, organizational, and HR systems as subsequent monitoring and reinforcement.*



- **Organization Development Interventions** – “any diagnostic or problem-solving activity that members of an organization participate in during and OD program that is designed to help them change.
  - **Survey Feedback** – A process of collecting data from an organization or department through the use of a questionnaire or survey and feeding the data back
  - **Team Development** – An educational process of continually reviewing and evaluating team functioning and identifying and establishing new and more effective ways of operating
  - **Process Consultation and Facilitation (Edgar Schein)** – An OD intervention that helps a group focus on its internal processes, such as norms, communication and group roles. It has a more specific focus than team building and involves a process facilitator/consultant.
    - **Large Group Interventions** – An OD intervention that brings all the key members of an organization together in one room for an extended period of time to diagnose and play organizational change.
  - **Appreciative Inquiry (David Cooperrider)** – A tool for connecting organizations to their positive change potential by opening every strength, innovation, achievement, imaginative story, hope, positive tradition, passion, and dream to systematic inquiry.
    - **Five “D” Cycle:** **D**efinition (Appreciate the best of what is), **D**iscovery (Envision what could be), **D**esign (Co-Construct what could be), and **D**estiny (sustain what will be)
  - **Open Space Technology (OST) – (Harrison Owen)** – A way to catalyze working conversations and problem solving in groups of up to 2000 people. Open space technology encourages individuals to self-organize and take responsibility for their own learning and actions.

