

Lecture 7 - Chapter 11

Defining Organizational Structure

- Organizing
 - Arranging and structuring work to accomplish an organization's goals
- Organizational structure
 - How job tasks are formally divided, grouped, and coordinated within an organization
- Organizational design
 - A process involving decisions about six key elements
 - Work specialization
 - The degree to which activities in an organization are subdivided into separate job tasks; also known as division of labour
 - Chain of command
 - The continuous line of authority that extends from the top of the organization to the lowest level and clarifies who reports to whom
 - 1. Authority
 - The rights inherent in a managerial position to tell people what to do and to expect them to do it
 - Forms of authority
 - Line authority
 - Authority that entitles a manager to direct the work of an employee (decision making)
 - Staff authority
 - Positions with some authority that have been created to support, assist, and advise those holding line authority
 - 2. Responsibility
 - The obligation or expectation to perform any assigned duties
 - 3. Unity of command
 - The management principle that each person should report to only one manager
 - Centralization
 - The degree to which decision making is concentrated at upper levels of the organization
 - Organizations in which top managers make all the decisions and lower-level employees simply carry out those orders
 - Decentralization - The degree to which lower-level employees provide input or actually make decisions
 - Trends towards decentralization
 - Employee empowerment - Giving employees more authority (power) to make decisions
 - Departmentalization

- The basis on which jobs are grouped together
 - Five common forms
- Span of control
 - The number of employees who can be effectively and efficiently supervised by a manager (5 or 6 to no specific number)
 - Width of span is affected by
 - Skills and abilities of the manager and the employees
 - Characteristics of the work being done
 - Similarity of tasks
 - Complexity of tasks
 - Proximity
 - Information systems
 - Standardization of tasks
 - Preferred style of the manager
- Formalization
 - The degree to which jobs within the organization are standardized and the extent to which employee behaviour is guided by rules and procedures
 - Highly formalized jobs offer little discretion over what is to be done
 - Low formalization means fewer constraints on how employees do their work
- Cross functional teams
 - Work teams made up of individuals who are experts in various functional specialties together
- Acceptance theory of authority (Chester Barnard)
 - The view that authority comes from the willingness of subordinates to accept it
 - Conditions
 - They understand the order
 - They feel the order is consistent with the organization's purpose
 - The order does not conflict with their personal belief
 - They are able to perform the task as directed

Purposes of Organizing

- Divides work to be done into specific jobs and departments
- Assigns tasks and responsibilities associated with individual jobs
- Coordinates diverse organizational tasks
- Clusters jobs into units
- Establishes formal line of authority
- Allocates and deploys organizational resources

****Add economies and diseconomies of work specialization diagram****

Five Common Forms of Departmentalization

- Functional

- Grouping jobs by function performed
- Product
 - Grouping jobs by a product line
- Geographical
 - Grouping jobs on the basis of territory and geography
- Process departmentalization
 - Grouping jobs on the basis of product or customer flow
- Customer departmentalization
 - Grouping jobs on the basis of common customers

Mechanistic and Organic Structures

- Mechanistic organization
 - An organizational design that is rigid and tightly controlled
 - High specialization
 - Rigid departmentalization
 - Narrow spans of control
- Organic organization
 - An organizational design that is highly adaptive and flexible
 - Non-standardized jobs
 - Fluid team-based structure
 - Little direct supervision
 - Minimal formal rules
 - Open communication network
 - Empowered employees

Exhibit 11-8

Mechanistic versus Organic Organization



Contingency Factors Affecting Structural Choice

- Structural decisions are influenced by
 - 1. Strategy and structure
 - Organizational structure follows strategy
 - 2. Size and structure

- Firms change from organic to mechanistic organizations as they grow in size
- 3. Technology and structure
 - Firms adapt their structure to the technology they use
- 4. Environmental uncertainty and structure
 - Dynamic environments require organic structure: mechanistic structures need stable environments
- Top managers typically put a great deal of thought into designing an appropriate structure; which is dependent upon
 - The organization's strategy
 - Size
 - Technology
 - Degree of environmental uncertainty
- Environmental uncertainty and structure
 - Some organizations face relatively stable and simple environments; others face dynamic and complex environments. Because uncertainty threatens an organization's effectiveness, managers will try to minimize it.

Woodward's findings on technology, structure, and effectiveness

	Unit Production	Mass Production	Process Production
Structural characteristics	<ul style="list-style-type: none"> • Low vertical differentiation • Low horizontal differentiation • Low formalization 	<ul style="list-style-type: none"> • Moderate vertical differentiation • High horizontal differentiation • High formalization 	<ul style="list-style-type: none"> • High vertical differentiation • Low horizontal differentiation • Low formalization
Most effective structure	<ul style="list-style-type: none"> • Organic 	<ul style="list-style-type: none"> • Mechanistic 	<ul style="list-style-type: none"> • Organic

Traditional Organizational Designs

- Simple structure
 - An organizational structure with low departmentalization, wide spans of control, authority centralized in a single person, and little formalization
 - Small business
- Functional structure
 - An organizational structure that groups similar or related occupational specialties together
 - Human resources, R&D, sales and marketing, production, etc.

Common Organizational Designs

- Divisional structure
 - An organizational structure that consists of separate business units or divisions
 - Example: Cosmetics, footwear, outerwear, etc.

Structure	Strengths	Weaknesses
Simple Structure	Fast; flexible; inexpensive to maintain; clear accountability.	Not appropriate as organization grows; reliance on one person is risky.
Functional Structure	Cost-saving advantages from specialization (economies of scale, minimal duplication of people and equipment); employees are grouped with others who have similar tasks.	Pursuit of functional goals can cause managers to lose sight of what's best for overall organization; functional specialists become insulated and have little understanding of what other units are doing.
Divisional Structure	Focuses on results—division managers are responsible for what happens to their products and services.	Duplication of activities and resources increases costs and reduces efficiency.

Contemporary Organizational Designs

1. Team structure
 - An organizational structure in which the entire organization is made up of work groups or teams
 - Advantages
 - Reduced barriers among functional areas
 - No clear chain of command
 - Disadvantages
 - Pressure on teams to perform
2. Matrix project
 - An organizational structure that assigns specialists from different functional departments to work on one or more projects
 - Advantages
 - Fluid and flexible design that can respond to environmental changes
 - Faster decision making
 - Disadvantages
 - Complexity of assigning people to projects
 - Task and personality conflicts
3. Project Structure
 - An organizational structure in which employees continuously work on projects
4. Boundaryless Structure
 - An organization whose design is not defined by, or limited to, the horizontal, vertical, or external boundaries imposed by a predefined structure
 - Advantages
 - Highly flexible and responsive
 - Utilizes talent wherever it's found
 - Disadvantages
 - Lack of control
 - Communication difficulties
 - Removes internal (horizontal) boundaries
 - Eliminates the chain of command
 - Has limitless spans of control

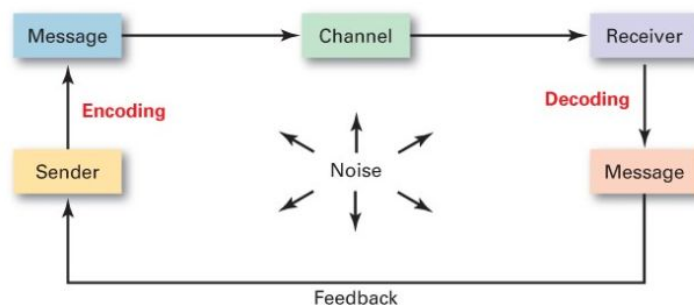
- Uses empowered teams rather than departments
 - Eliminates external boundaries
 - Uses virtual network and modular organizational structures to get closer to stakeholders
- 5. Learning Structure
 - An organization that has developed the capacity to continuously learn, adapt, and change
 - Advantages
 - Sharing knowledge throughout organization
 - Sustainable source of competitive advantage
 - Disadvantages
 - Reluctance on part of employees to share knowledge for fear of losing their power
 - Large numbers of experienced employees on the verge of retiring
- Types
 - Virtual organization
 - An organization that consists of a small core of full-time employees and outside specialists temporarily hired as needed to work on projects
 - Network organization
 - An organization that uses its own employees to do some work activities and networks of outside suppliers to provide other needed product components or work processes.
 - Concentrate on what they do best and contract out other activities to companies that can do those activities best

Lecture 8 - Chapter 12

Understanding Communication

- What is communication?
 - The transfer and understanding of meaning
- Interpersonal communication
 - Communication between two or more people

The Interpersonal Communication Process



- Organizational communication
 - All the patterns, network, and systems of communications within an organization
- Functions of communication
 - Control
 - Motivation
 - Emotional expression
 - information

Methods of Interpersonal Communication

- Channels for interpersonal communication techniques
 - A wide variety of communication channels: Face-to-face, telephone, bulletin boards, email, group meetings, formal presentation, memos, etc.
- 12 questions to help evaluate communication methods
 1. Feedback - How quickly can the receiver respond to the message?
 2. Complexity capacity - can the method effectively process complex messages
 3. Breadth potential - how many different messages can be transmitted using this method?
 4. Confidentiality - can communicators be reasonably sure their messages are received only by those for whom they're intended?
 5. Encoding ease - Can the sender easily and quickly use this channel
 6. Decoding ease - can the receiver easily and quickly decode messages?
 7. Time-space constraint - do senders and receivers need to communicate at the same time and in the same space?
 8. Cost - how much does it cost to use this method?
 9. Interpersonal warmth - How well does this method convey interpersonal warmth?
 10. Formality - does this method have the needed amount of formality?
 11. Scanability - does this method allow the message to be easily browsed or scanned for relevant information?
 12. Time of consumption - does the sender or receiver exercise the most control over when the message is dealt with?
- Nonverbal communication
 - Communication transmitted without words
 - Body language: gestures, facial expressions, and other body movements that convey meaning
 - Verbal intonation (paralinguistics): an emphasis given to words or phrases that conveys meaning

Comparison of Communication Methods

Comparison of Communication Methods

High Feedback Potential	Low Feedback Potential
<ul style="list-style-type: none"> ■ Face to face ■ Telephone ■ Computer conference 	<ul style="list-style-type: none"> ■ Publications
High Complexity Capacity	Low Complexity Capacity
<ul style="list-style-type: none"> ■ Face to face 	<ul style="list-style-type: none"> ■ Bulletin boards
High Breadth Potential	Low Breadth Potential
<ul style="list-style-type: none"> ■ Face to face ■ Bulletin boards ■ Email 	<ul style="list-style-type: none"> ■ Postal mail ■ Audio-videotapes
High Confidentiality	Low Confidentiality
<ul style="list-style-type: none"> ■ Face to face ■ Voice mail 	<ul style="list-style-type: none"> ■ Publications ■ Bulletin boards ■ Audio-videotapes ■ Teleconference
High Encoding Ease	Low Encoding Ease
<ul style="list-style-type: none"> ■ Face to face ■ Telephone 	<ul style="list-style-type: none"> ■ Publications
High Time-Decoding Ease	Low Time-Decoding Ease
<ul style="list-style-type: none"> ■ Face to face ■ Telephone ■ Hotlines ■ Voice mail 	<ul style="list-style-type: none"> ■ Memos ■ Postal mail ■ Fax ■ Publications
High Space Constraint	Low Space Constraint
<ul style="list-style-type: none"> ■ Face to face ■ Group meetings ■ Formal presentations 	<ul style="list-style-type: none"> ■ Memos ■ Postal mail ■ Fax ■ Publications ■ Voice mail
High Cost	Low Cost
<ul style="list-style-type: none"> ■ Group meetings ■ Formal presentations ■ Videoconference 	<ul style="list-style-type: none"> ■ Bulletin boards
High Personal Warmth	Low Personal Warmth
<ul style="list-style-type: none"> ■ Face to face 	<ul style="list-style-type: none"> ■ Memos ■ Bulletin boards
High Formality	Low Formality
<ul style="list-style-type: none"> ■ Postal mail ■ Publications 	<ul style="list-style-type: none"> ■ Face to face ■ Telephone ■ Voice mail
High Scanability	Low Scanability
<ul style="list-style-type: none"> ■ Memos ■ Postal mail ■ Fax ■ Publications ■ Bulletin boards 	<ul style="list-style-type: none"> ■ Formal presentations ■ Face to face ■ Telephone ■ Group meetings ■ Audio-videotapes ■ Hotlines ■ Email ■ Computer conference ■ Voice mail ■ Teleconference ■ Videoconference

Effective Interpersonal Communication

- How distortions can happen in interpersonal communication
 - Sender, message, channel, receiver, feedback loop
- Barriers
 - Filtering
 - The deliberate manipulation of information to make it appear more favourable to the receiver
 - Emotions
 - Disregarding rational and objective thinking processes and substituting emotional judgements when interpreting
 - Information overload
 - When the information we have to work with exceeds our processing capacity
 - Selective perception
 - Individuals interpret “reality” based on their own needs, motivations, experiences, background, and other personal characteristics
 - Defensiveness
 - When threatened, reacting in a way that reduces the ability to achieve mutual understanding
 - Language
 - The different meanings of and specialized ways (jargon) in which senders use words can cause receivers to misinterpret their messages
 - Jargon
 - Specialized terminology or technical language that members of a group use to communicate among themselves
- Overcoming barrier to communication
 - Use feedback
 - Simplify language
 - Listen actively
 - Constrain emotions
 - Watch nonverbal cues

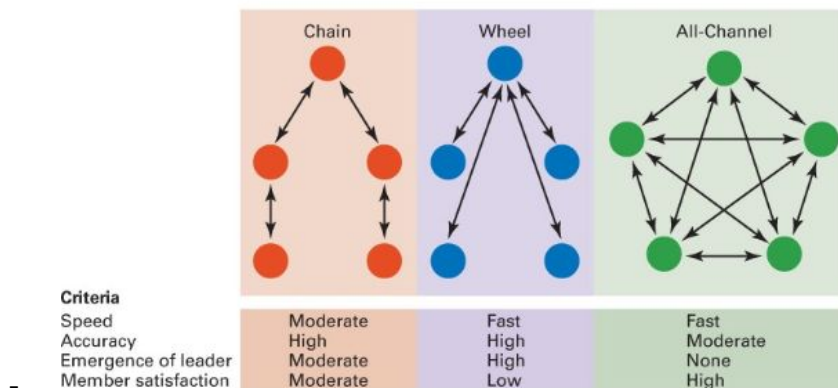
Active listening behaviours

- Active listeners
 - Don't interrupt
 - Show empathy
 - Show interest by making eye contact
 - Exhibit affirmative head nods and appropriate facial expressions
 - Paraphrase what's being said
 - Avoid distracting actions or gestures
 - Ask questions

Organizational Communication

- Formal communication
 - Communication that follows the official chain of command or is part of the communication required to do one's job
- Informal communication
 - Communication that is not defined by the organization's hierarchy
- Direction of communication flow
 - Downward
 - Communications that flow from managers to employees to inform, direct, coordinate, and evaluate employees
 - Upward
 - Communications that flow from employees up to managers to keep them aware of employee needs and how things can be improved to create a climate of trust and respect
- Lateral (horizontal) communication
 - Communication that takes place among employees on the same organizational level
- Diagonal communication
 - Communication that cuts across both work areas and organizational levels
- Communication networks
 - The variety of patterns of vertical and horizontal flow of organizational communication

Three Common Organizational Communication Networks
and How They Rate on Effectiveness Criteria



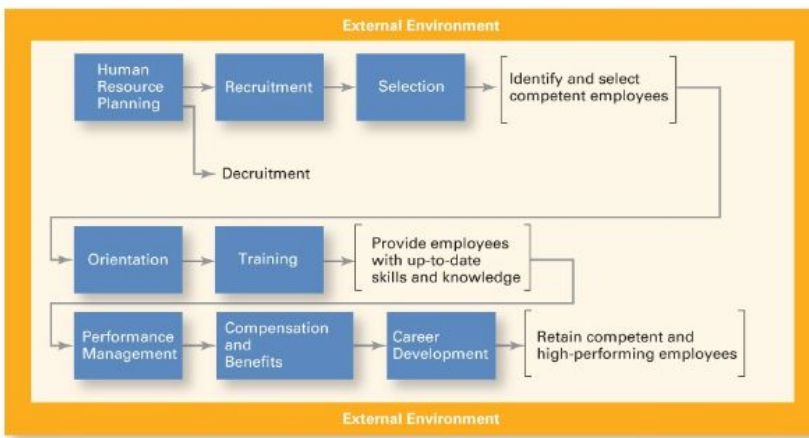
- The grapevine
 - The informal organizational communication network
- Workplace design and communication
 - Open workplaces
 - Workplaces with few physical barriers and enclosures

Organizational Issues in Today's Organizations

- Managing communication in an Internet world, new technology has created special communication challenges:
 1. Legal and security issues
 2. Personal interaction
- Ethical communication
 - Communication that includes all relevant information, is true in every sense, and is not deceptive in any way

Lecture 8 - Chapter 13

The Human Resources Management Process



- Why human resources management is important
 - It can be significant source of competitive advantage
 - An important part of organizational strategies
 - Adds value to the firm
- High performance work practices
 - Work practices that lead to both high individual and high organizational performance
 - Self-managed teams
 - Decentralized decision making
 - Training programs
 - Flexible job assignments
 - Open communication
- Human resources for Non-HR managers
 - Small vs large organizations
 - Large organizations have HR function
 - Smaller organizations may rely on managers to handle HR issues
- External factors that affect the HRM Process
 - The economy
 - Labour union
 - Collective bargaining agreement
 - Government legislation

- The Canadian Human Rights Act, Occupational Health and Safety Act, the Employment Equity Act

- Demographic Trends

Identifying and Selecting Competent Employees

- Human resources (HR) planning
 - Ensuring that the organization has the right number and kinds of capable people in the right places and at the right times
- Job analysis
 - An assessment that defines a job and the behaviours necessary to perform them
- Job description
 - A written statement of what the jobholder does, how it is done, and why it is done
- Job specification
 - A written statement of the minimum qualifications that a person must possess to perform a given job successfully
- Recruitment
 - The process of locating, identifying, and attracting capable applicants to an organization
- Decruitment
 - Techniques for reducing the organization's workforce
 - Options
 - Firing
 - Permanent involuntary termination
 - Layoffs
 - Temporary involuntary termination; may last only a few days or extend to years
 - Attrition
 - Not filling openings created by voluntary resignations or normal retirements
 - Transfers
 - Moving employees either laterally or downward; usually do not reduce costs but can reduce intraorganizational supply-demand imbalances
 - Reduced workweeks
 - Having employees work fewer hours per week, share jobs, or perform their jobs on a part-time basis
 - Early retirements
 - Providing incentives to older and more senior employees for retiring before their normal retirement dates
 - Job sharing
 - Having employees share on full-time positions
- Major sources of potential job candidates
 - Internet
 - Advantages

- Reaches large numbers of people
 - Can get immediate feedback
 - Disadvantages
 - Generates many unqualified candidates
- Employee referrals
 - Advantages
 - Knowledge about the organization provided by current employee
 - Can generate strong candidates because a good referral reflects on the recommender
 - Disadvantages
 - May not increase the diversity and mix of employees
- Company website
 - Advantages
 - Wide distribution
 - Can be targeted to specific groups
 - Disadvantages
 - Generates many unqualified candidates
- College/university recruiting
 - Advantages
 - Large centralized body of candidates
 - Disadvantages
 - Limited to entry-level positions
- Professional recruiting organizations
 - Advantages
 - Good knowledge of industry challenges and requirements
 - Disadvantages
 - Little commitment to specific organization
- Selection process
 - The process of screening job applicants to ensure that the most appropriate candidates are hired
- Selection
 - Predicting which applicants will be (or will not be) successful in performing well on the criteria the organization uses to evaluate performance
 - Selection errors
 - Reject errors for potentially successful applicants
 - Accept errors for ultimately poor performances
- Types of selection devices
 - Application forms
 - Written tests
 - Performance simulations
 - Interviews
 - Interviews in which candidates are evaluated on how well they handle role play in mock scenarios

- Background investigations
 - Verification of application data
 - Reference checks
 - Lack of validity because self-selection of references ensures only positive outcomes
- Physical examinations
 - Useful for physical requirements

Selection Device	Position			
	Senior Management	Middle and Lower Management	Complex Nonmanagerial	Routine Work
Application forms	2	2	2	2
Written tests	1	1	2	3
Work sampling	—	—	4	4
Assessment centres	5	5	—	—
Interviews	4	3	2	2
Verification of application data	3	3	3	3
Reference checks	1	1	1	1
Physical exams	1	1	1	2

Note: Validity is measured on a scale from 5 (highest) to 1 (lowest). A dash means "not applicable."

Providing Employees with Needed Skills and Knowledge

- Employee orientation
 - Orientation
 - Familiarizes new employee with work-unit goals
 - Clarifies how his or her job contributes to unit goals
 - Introduces employee to his or her co-workers
- Employee training
 - General
 - Communication skills, computer systems application and programming, customer services, sales, supervisory skills
 - Specific
 - Basic life/work skills, creativity, customer education, remedial writing, managing change, leadership, product knowledge, etc.

Employee Training Methods

- Traditional training method
 - On the job
 - Employees learn how to do tasks simply by performing them, usually after an initial introduction to the task
 - Job rotation
 - Employees work at different jobs in a particular area, getting exposure to a variety of tasks
 - Mentoring and coaching

- employees work with an experienced worker who provides information, support, and encouragement; also called apprenticeship in certain industries
- Experiential exercises
 - Employees participate in role playing, simulations, or other face-to-face types of training
- Workbooks/manuals
 - Employees refer to training workbooks and manuals for information
- Classroom lectures
 - Employees attend lectures designed to convey specific information
- Technology based training methods
 - CD-ROM/DVD/videotapes/audiotapes
 - Employees listen to or watch selected media that convey information or demonstrate certain techniques
 - Video conferencing/teleconferencing/satellite TV
 - Employees listen or participate as information is conveyed or techniques demonstrated
 - E-learning
 - Internet based learning where employees participate in multimedia simulations or other interactive modules

Retaining Competent and High Performance Employees

- Performance management system
 - A process of establishing performance standards and evaluating performance in order to arrive at objective HR decisions, as well as to provide documentation to support those decisions
 - Performance appraisal methods
 - Written essays, critical incidents, graphic rating scales, BARS, multiperson comparisons, MBO, 360-degree feedback
- What happens when performance falls short?
 - Discipline
 - Actions taken by a manager to enforce an organization's standards and regulations
 - Employee Job counselling
 - A process designed to help employees overcome performance-related problems
- Types of compensation
 - Base wage or salary
 - Wage and salary add-ons
 - Incentive payments
 - Skill-based pay
 - Factors that influence compensation and benefits
 - Employee's tenure and performance
 - Kind of job performed
 - Kind of business

- Unionization
- Labour or capital intensive
- Management philosophy
- Geographical location
- Company profitability
- Size of company
- Career defined
 - A sequence of positions held by a person during his or her lifetime
- Career development
 - Provides for information, assessment, and training
 - Helps attract and retain highly talented people
- Boundaryless career in which individuals, not organizations, define career progression, organizational loyalty, important skills, and marketplace value

Contemporary Issues in Managing Human Resources

- Workforce diversity
 - Recruitment for diversity
 - Managing downsizing
 - Managing sexual harassment
- Work-life balance
 - Employees have personal lives that they don't leave behind when they come to work
 - Organizations have become more attuned to their employee by offering family-friendly benefits
 - On-site child care
 - Summer day camps
 - Flextime
 - Job sharing
 - Leave for personal matters
 - Flexible job hours

Lecture 9 - Chapter 14

Who are leaders, and what is leadership?

- Leader
 - Someone who can influence others and who has managerial authority
- Leadership
 - The process of influencing individuals or groups toward the achievement of goals

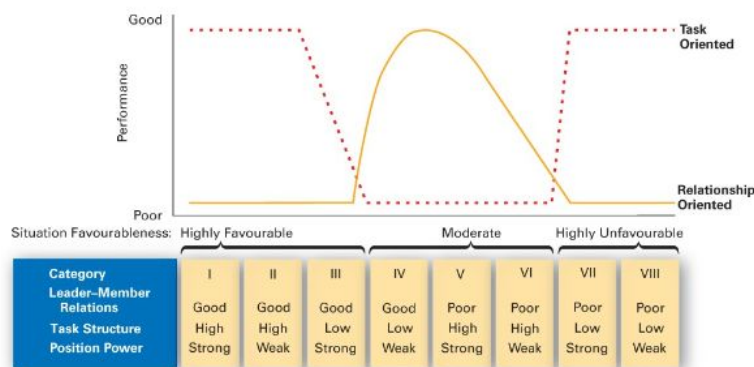
Theories of leadership

- Early leadership theories
 - Trait theories (1920s-30s)
 - Identify personal characteristics to differentiate leaders from non-leaders
 - Eight traits associated with successful leadership were identified
 - Drive
 - Desire to lead

- Honesty and integrity
- Self-confidence
- Intelligence
- Extraversion
- Proneness to guilt
- Behavioural theories
 - University of Iowa Studies (Kurt Lewin)
 - Identified three leadership styles
 - Autocratic style
 - Democratic style
 - Laissez-faire style
 - Mixed results between autocratic and democratic styles
 - Performance and employee satisfaction
 - Ohio State studies
 - Identified two dimensions of leader behaviour
 - Initiating structure: leader defines his or her role and the roles of group members in attaining goals, organizing work, etc.
 - Consideration: leader has work relationships characterized by mutual trust and respect for group members' ideas and feelings
 - High-high leader achieved high subordinate performance and satisfaction, but not in all situations
 - University of Michigan studies
 - Identified two dimensions of leader behaviour
 - Employee oriented: emphasizing relationships
 - Production oriented: emphasizing task accomplishment
 - Employee-oriented leaders were associated with high group productivity and high job satisfaction
 - Managerial grid
 - A two-dimensional grid of leadership behaviours - concern for people and concern for production - that results in five different leadership styles
 - Impoverished (low both)
 - Task (low people, high production)
 - Middle of the road (even)
 - Country club (high people, low production)
 - Team (high both)
 - Leaders performed best with this 9.9 style
- Contingency theories of leadership
 - The Fielder Model
 - Proper match between leader's style and degree to which situation allowed the leader to control and influence

- Created the Least-Preferred Co-worker questionnaire
 - A questionnaire that measured whether a leader was task or relationship oriented
- Situational factors in matching leader to the situation
 - Leader-member relations
 - degree of confidence, trust, and respect subordinates have in their leader
 - Task structure
 - Degree to which job assignment were formalized and structured
 - Position power
 - Degree of influence a leader had over power-based activities
 - Factors could be manipulated to create a proper match with the behaviour of the leader
 - Developed 8 situations that a leader could find themselves

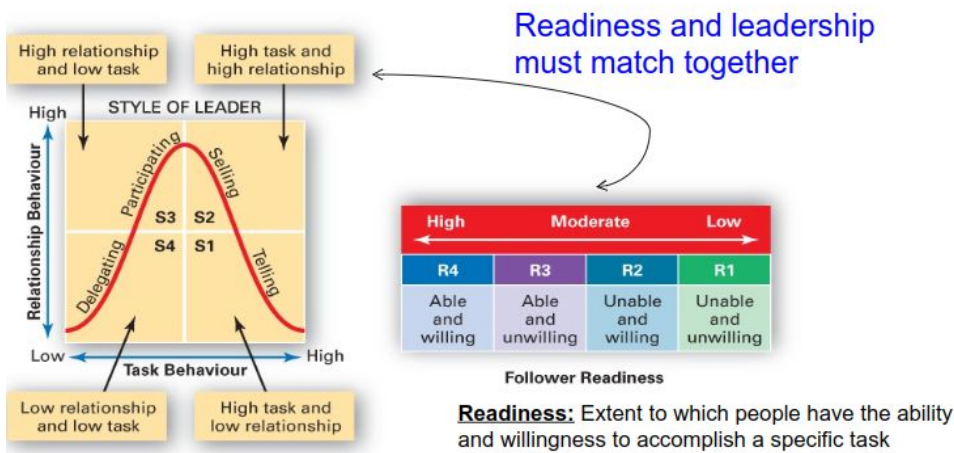
The Fiedler Model



- Fiedler proposed matching a leader's LPC with the 3 contingency variables to achieve maximum leadership effectiveness
- He concluded
 - Task oriented leaders perform better in situations that are either very favourable or unfavourable to them
 - Relationship oriented leaders perform better in moderately favourable situations
- Fiedler believed leadership styles are fixed and concluded leader effectiveness could be improved in two ways
 - Bring in a new leader whose style fits better to the situation
 - Change the situation to fit the leader
- Research has supported Fiedler's model, however, with some drawbacks
- Situational leadership theory
 - A leadership contingency theory that focuses on followers' readiness

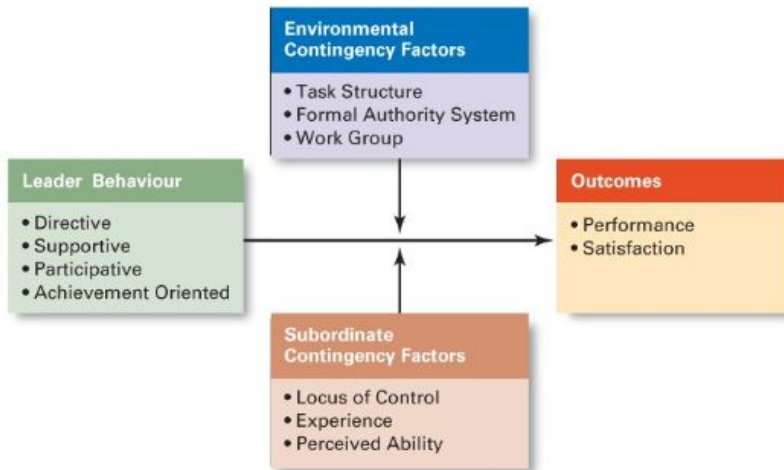
- Successful leadership is achieved by selecting a leadership style that matches the level of the followers' readiness
- Creates four specific leadership styles incorporating Fielder's two leadership dimensions
 - Telling
 - High task-low relationship leadership
 - Selling
 - High task-high relationship leadership
 - Participating
 - low task-high relationship leadership
 - Delegating
 - Low task-low relationship leadership

Hersey and Blanchard's Situational Leadership®



- Path-Goal Theory (Robert House)
 - A leader's job is to assist his or her followers in achieving organizational goals
 - Leader's style depends on the situation
 - Directive
 - Supportive
 - Participative
 - achievement-oriented

Path-Goal Model



-
- Contemporary views
 - Leader-member exchange theory
 - Leaders create in-groups and out-groups and those in the in-group will have higher performance ratings, less turnover, and greater satisfaction
 - Transactional versus Transformational leadership
 - Leaders who guide or motivate versus leaders who inspire followers to go beyond their own self-interests
 - How to be a transformational leader
 - Individualized consideration
 - Intellectual stimulation
 - Inspirational motivation
 - Idealized influence
 - Charismatic leadership
 - An enthusiastic, self-confident leader whose personality and actions influence people to behave in certain ways
 - Effects
 - Increased motivations
 - Greater satisfaction
 - More profitable companies
 - Visionary leadership
 - The ability to create and articulate a realistic, credible, and attractive vision of the future that improves on the present situation
 - Have the ability to
 - Explain the vision to others
 - Express the vision not just verbally but through behaviour
 - Extend or apply the vision to different contexts
- Team leadership characteristics

- Having patience to share information
- Being able to trust others and to give up authority
- Understanding when to intervene
- Team leader's job
 - Managing the team's external boundary
 - Facilitating the team process
 - Coaching, facilitating, handling disciplinary problems, reviewing team and individual performance, training, and communicating

Leadership issues in the twenty-first century

- Managing power
 1. Legitimate power
 - The power a leader has as a result of his or her position
 2. Coercive power
 - The power a leader has to punish or control
 3. Reward power
 - The power to give positive benefits or rewards
 4. Expert power
 - Power that's based on expertise, special skills, or knowledge
 5. Referent power
 - Power that arises because of a person's desirable resources or admired personal traits
- Empowering employees
 - Empowerment
 - Giving more authority to employees to make decisions
- GLOBE Study - Universal Elements of Effective Leadership
 - Vision
 - Foresight
 - Providing encouragement
 - Dynamism
 - Positiveness
 - Proactiveness

Lecture 9 - Chapter 16

Groups and Group Development

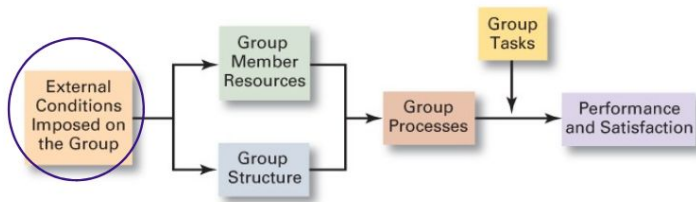
- Group
 - Two or more interacting and interdependent individuals who come together to achieve particular goals
- Types
 - Formal groups
 - Informal groups
- Five stages in group development
 - Forming
 - Storming

- Norming
- Performing
- Adjourning

Work group performance and satisfaction

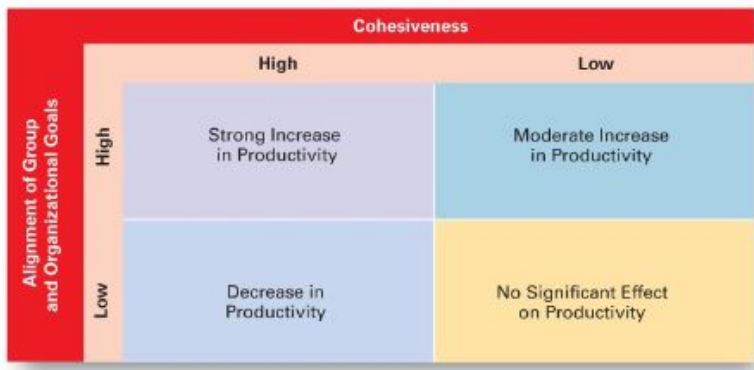
- Why are some groups more successful than others
 - The abilities of the group's members
 - The size of the group, the level of conflict
 - The internal pressures on members to conform to the group's norms

Group Performance Satisfaction Model



- External conditions imposed on the group
 - Organization's strategy
 - Authority relationships
 - Formal rules and regulations
 - the availability of resources
 - Employee selection criteria
 - Performance management system and culture
 - The general physical layout of the group's work space
- Group member resources
 - Knowledge, skills, abilities, and personality traits that individual bring to a group
 - Interpersonal skills
 - Personality traits: positive traits are considered best for groups
- Group Structure
 - A role
 - Behaviour patterns expected of someone occupying a given position in a social unit
 - Role conflicts
 - Adjustment of roles to each context. This may result in conflict, due to differences in expectations
 - Norms
 - Standards or expectations that are accepted and shared by a group's members
 - Conformity
 - Individuals want to be accepted by groups to which they belong, they're susceptible by pressures to conform
 - Groupthink

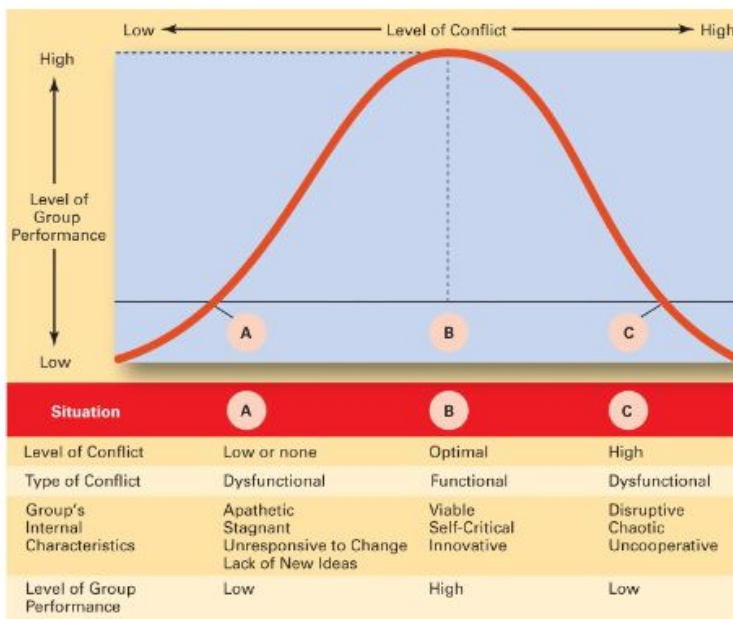
- A phenomenon in which a group exerts extensive pressure on an individual to align his or her opinion with others' opinion
- Status systems
- Status
 - A prestige grading, position, or rank within a group
- Group size
 - "Two pizza" philosophy
 - Performance and satisfaction
 - Small groups work faster
 - Bigger groups get better results
 - Social loafing
 - Expend less effort when working collectively than when working individually
 - Group cohesiveness
 - The degree to which members are attracted to one another and share the group's goals



- Group process
 - Factors that determine group performance and satisfaction re. The processes that go on within a group, namely:
 - Decision making (advantages vs disadvantages)
 - Conflict management (functional vs dysfunctional)
 - Communication
 - Group decision making
 - Disadvantages
 - Groups take more time to reach a solution
 - A dominant and vocal minority can influence the decision
 - Groupthink can undermine critical thinking
 - The responsibility of any single member is ambiguous
 - Advantages
 - Generate more complete information
 - Bring a diversity of experience and perspective to the process

- Generate more diverse alternatives
- Conflict management
 - Perceived incompatible differences that result in interference or opposition
 - Traditional view: conflict must be avoided
 - Human relations view: conflict is a natural and inevitable outcome in any group
 - Interactionist view: conflict can be a positive force and is absolutely necessary for effective group performance

Conflict and Group Performance



- Types of conflict
 - Task conflict over content and goals of the work
 - Relationship conflict based on interpersonal relationships
 - Process conflict over how the work gets done
- Conflict-management techniques
 - Forcing
 - Resolving conflicts by satisfying one's own needs at the expense of another's
 - Collaborating
 - Resolving conflicts by seeking an advantageous solution for all parties
 - Compromising
 - Resolving conflicts by each party giving up something of value
 - Avoiding
 - Resolving conflicts by withdrawing from or suppressing them

- Accommodating
 - Resolving conflicts by placing another's needs and concerns above your own
- Group tasks
 - Complexity and interdependence of tasks impacts group effectiveness
 - Simple versus complex - routine versus novel
 - Degree of interdependence - collaboration

Turning Groups into Effective Teams

- Work teams
 - A group whose members work intensely on a specific common goal using their positive synergy, individual and mutual accountability, and complementary skills
 - Leadership role is shared
 - Accountable to self and team
 - Team creates specific purpose
 - Work is done collectively
 - Meetings characterized by open-ended discussion and collaborative problem solving
 - Performance is measured directly by evaluating collective work output
 - Work is decided upon and done together
 - Can be quickly assembled, deployed, refocused, and disbanded
- Work groups
 - One leader clearly in charge
 - Accountable only to self
 - Purpose is same as broader organizational purpose
 - Work is done individually
 - Meetings characterized by efficiency; no collaboration or open ended discussion
 - Performance is measured indirectly according to its influence on others
 - Work is decided upon by group leader and delegated to individual group members
- Types of work teams
 - Problem solving teams
 - Teams from the same department or functional area involved in efforts to improve work activities or to solve specific problems
 - Self managed work teams
 - Operates without a manager and is responsible for a complete work process or segment
 - Cross functional teams
 - A work team composed of individuals from various specialties
 - Virtual teams
 - A type of work team that uses technology to link physically dispersed members in order to achieve a common goal
- Characteristics of effective teams

- External support
- Clear goals
- Relevant skills
- Mutual trust
- Unified commitment
- Good communication
- Negotiating skills
- Appropriate leadership
- Internal support

Current Challenges in Managing Teams

- Characteristics of organizations today: global and team work
- Drawbacks
 - Dislike team members
 - Mistrust team members
 - Stereotyping
 - Communication problems
 - Stress and tension
- Benefits
 - Greater diversity of ideas
 - Limited groupthink
 - Increased attention on understanding others' ideas, perspectives, etc.

Lecture 10 - Chapter 17

What is controlling, and why is it important?

- Controlling
 - The process of monitoring activities to ensure that that are being accomplished as planned, correcting any significant deviations, and where necessary modifying the plan
- Why is control important
 - One of the four management functions
 - The only way managers know whether organizational goals are being met and, if not, the reasons why.
- The final link in management functions
 - Planning
 - Empowering employees
 - Protecting the workplace

The control process

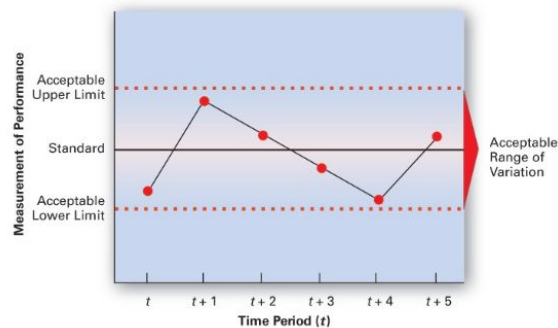
1. Measuring actual performance
 - Sources of information
 - Personal observations
 - Advantages
 - Get firsthand knowledge
 - Information isn't filtered

- Intensive coverage of work activities
- Drawbacks
 - Subject to personal biases
 - Time consuming
 - Can distract employees
- Statistical reports
 - Advantages
 - Easy to visualize
 - Effective for showing relationships
 - Drawbacks
 - Subject to personal biases
 - Time consuming
 - Can distract employees
- Oral reports
 - Advantages
 - Fast way to get information
 - Allow for verbal and nonverbal feedback
 - Drawbacks
 - Information is filtered
 - Information cannot be documented
- Written reports
 - Advantages
 - Comprehensive
 - Formal
 - Easy to file and retrieve
 - Drawbacks
 - Take more time to prepare
- What we measure
 - What we measure is probably more critical to the control process than how we measure
 - The selection of the wrong criteria can result in serious dysfunctional consequences

2. Comparing actual performance against a standard

- Comparing requires determining the degree of variation between actual performance and the standard
- Significance of variation is determined by
 - The acceptable range of variation from the standard (forecast or budget)
 - The size (large or small) and direction (over and under) of the variation from the standard
- Range of variation
 - The acceptable degree of variation between actual performance and the standard

Defining the Acceptable Range of Variation



3. Taking action to correct deviations or inadequate standards

- Summary of managerial decisions
 - Doing nothing
 - Only if deviation is insignificant
 - Correcting actual (current) performance
 - Immediate or basic corrective action
 - Revising the standard
 - Determine whether the standard is realistic, fair, and achievable
- Immediate corrective action
 - Corrective action that corrects problems at once to get performance back on track
- Basic corrective action
 - Corrective action that looks at how and why performance deviated and then proceeds to correct the source of deviation
- Revise the standard
 - In some cases, variance may be a result of an unrealistic standard - a goal that's too low or too high

Controlling for organizational and employee performance

- Performance standards
 - Managers in all types of businesses are responsible for managing organizational and employee performance
- What is performance
 - The end result of an activity
- Organizational performance
 - The accumulated end results of all of the organization's work processes and activities
 - Designing strategies, work processes, and work activities
 - Coordinating the work of employees
- Organizational productivity
 - The overall output of goods and/or services divided by the inputs needed to generate that output

- Organizational effectiveness
 - A measure of how appropriate organizational goals are and how well those goals are being met
- Controlling for employee performance
 - Managers have to be concerned about controlling for employee performance
 - Quantity and quality to meet organizational goals
 - Disciplinary actions
 - Actions taken by a manager to enforce the organization's work standards and regulations
 - Types of discipline problems
 - On-the-job behaviours
 - Insubordination, failure to use safety devices
 - Dishonesty
 - Theft, lying to supervisors
 - Outside activities
 - Criminal activities, unauthorized strike activities

Tools for measuring organizational performance

- Types of control
 - Feed-forward control (input)
 - A type of control that focuses on preventing anticipated problems, since it takes place before the actual activity
 - Concurrent control (processes)
 - A type of control that takes place while an activity is in progress
 - Feedback control (output)
 - Control that takes place after a work activity is done
 - Corrective action is after-the-fact, when the problem has already occurred
 - Advantages
 - Feedback provides managers with information on the effectiveness of their planning efforts
 - Feedback enhances employee motivation by providing them with information on how well they are doing
- Financial controls
 - Managers might use traditional financial measures such as ratio analysis and budget analysis. Includes
 - Leverage ratios
 - Activity ratios
 - Profitability ratios
- Information controls
 - Managers deal with information controls in two ways
 - 1. As a tool to help them control organizational activities
 - 2. As an organizational asset they need to protect
- Management information systems (MIS)

- A system used to provide management with needed information on a regular basis
- Data
 - Raw, unanalyzed facts versus processed information
- Dashboard
 - An interface that presents managers and other decision makers with an easy-to-read, real-time user interface often employing a graphical presentation of the data to enable decision makers to make informed decisions quickly
- Balanced scorecard
 - A measurement tool that uses goals set by managers in four areas to measure a company's
 - Financial
 - Customer
 - Internal processes
 - people/innovation/growth assets
- Benchmarking
 - The search for the best practices among competitors or noncompetitors that lead to their superior performance
- Benchmark
 - The standard of excellence against which to measure and compare

Suggestions for internal benchmarking

1. Connects best practices to strategies and goals. The organization's strategies and goals should dictate what types of best practices might be most valuable to others in the organization
2. Identify best practices throughout the organization. Organizations must have a way to find out what practices have been successful in different work areas and units
3. Develop best-practices reward and recognition systems. Individual must be given an incentive to share their knowledge. The reward system should be built into the organization's culture
4. Communicate best practices throughout the organization. Once the best practices have been identified, that information needs to be shared with others in the organization
5. Create a best practices knowledge sharing system. There needs to be a formal mechanism for organizational members to continue sharing their ideas and best practices
6. Nurture best practices on an ongoing basis. Create an organizational culture that reinforces a "we can learn from everyone" attitude and emphasizes sharing information

Contemporary issues in control

- Controlling customer interaction
 - Interaction between customers and employees
 - Customer service
 - Service profit chain
 - The service sequence from employees to customers to profit
 - High service value - positive customer satisfaction, loyalty

- Organizational governance
 - The system used to govern a corporation so that the interest of stakeholders are protected
 - Changes in the role of boards of directors
 - Increased scrutiny of financial reporting
- Adjusting controls for cross-cultural differences
 - The use of technology to increase direct corporate control of local operations
 - Legal constraints on corrective actions in foreign countries
 - Difficulty with the comparability of data collected from operations in different countries
- Emerging workplace concerns
 - Privacy versus concerns
 - E-mail, telephone, computer, and internet usage can all be monitored
 - Employee theft
 - The unauthorized taking of company property by employees for their personal use
 - Employee safety
 - Anger, rage, and violence in the workplace is affecting employee productivity

Guest lecturer

- Managers can lead, while taking account for cross-cultural differences, by being aware, knowledgeable, and open
- Leadership - A perspective based on practical experience
 - Lecture is based on practical experience
 - Leadership must be exercised

The conditions of leadership

- To take place a certain number of conditions have to take place
- It occurs in a context
- Needs to be a **cause** (problem, issue, passionate subject)
 - Without problems, there is no need for leaders
- There needs to be a need for **collaboration**
 - Cannot lead yourself
 - Have to work with others
- **Credibility**
 - Have to be a credible person
 - Express competence, care, courage, composure, character (values)

Exercise Leadership

- How do you get others to do things that you along cannot do
- Must have a vision
 - Doesn't have to be very big
 - Can come from people around the leader
- Walt Disney = make people happy

- Has to be achievable but also a dream that can go beyond and inspire people
- Communication is the second part of vision
- Have to be able to communicate the vision to others to be a leader
- A leader who cannot communicate well cannot lead
- Communication
 - Simplicity and clarity
 - Adaptability to target audience
 - Choice of the communication medium
 - Frequency of communication
- Implementation
 - Most important part of leadership
 - Vision without implementation is just a dream
 - Have to get things done
 - Resources, strategies, ownership (have to hold someone accountable), timeline, monitoring, evaluation, adaptation

The Outcome of Leadership

- Impact
 - It should be beyond self interest. Personal impact is about power, leadership is about helping others lives get better. Money is just a result of what you are done
 - Great companies do not just focus on the bottomline
- Importance
 - Has to be important what you are doing
 - Resources are limited and should affect many people. Causes that make a bigger difference should be prioritized
- Inspiration
 - Leaders inspire people to be better than they are
 - Leadership makes society and people better together.

Why we need a team?

- Complexities of issues to deal with
- Multiple skill sets needed
- Multiple perspectives provide create better decisions
- People see things differently and we should value that. Willing to listen to the views of others.

How do we make it work?

- Clarity of purpose
- Right people for the task/project
- Group charter
 - A principle to follow, values
- Someone to lead
 - Everyone can pitch in but someone ultimately has to make decisions and lead
- SMART objectives
 - SPecific, measurable, achievable, realistic, time specific
- Resources

- Communication accountability
- Accountability
- Monitoring

What to pay attention to?

- Decision making process
 - Who is involved, have a leader but make sure everyone has a voice
- Group dynamics
- Groupthink
 - Decisions can't become a reinforcement of one person's ideas. Need to make sure people bring different ideas and question others.
- Results/outcomes
 - Did we get the job done

Keys for success (personal)

- care about the cause
 - Care about the people
 - The best leaders will know about their people and workers will want to work for the leader
- Care about the results