

Chapter 7

Why don't people take their vacations?

1. Too much cohesiveness: feel bad about leaving group behind
2. Process losses: feel there will be no one left to ensure job gets done properly
3. Established norms within the group: want to take a vacation, but feel that there group frowns upon people taking a vacation

Group: consists of 2 or more people interacting interdependently to achieve a common goal

- Group memberships are very important for 2 reasons:
 1. Groups exert a tremendous influence on us
 2. Groups provide a context in which we are able to exert influence on others
- How do groups form?
 - Opportunity to interact with each other
 - A goal to accomplish
 - Attractiveness of each member or group

Formal work groups: used to facilitate the achievement of organizational goals

- Manager and employees who report to manager
- Task forces & Project teams: temporary groups that meet to achieve particular goals or to solve problems
- Committees: permanent groups, handle recurrent assignments outside usual work group structures
- Team projects are formal work groups
- Formal structure: size and diversity of members

Informal groups: emerge naturally in response to common interests of organizational members. Not sanctioned by organization

- Informal structure: Norms, roles, status and cohesiveness

Group development:

Stages Model: by Bruce W. Tuckman; process mainly applies to new members who haven't met & sometimes forming and storming is so present that they don't make it to other stages

1. Forming: early stage, group members orient themselves by testing the waters, "what are we doing here?"
2. Storming: conflict arises, confrontation & criticism, sorting out roles/responsibilities
3. Norming: resolving issues provoked in storming stage, developing social consensus, interdependence is recognized, norms are agreed to and group becomes more cohesive
4. Performing: task accomplishment, achievement, creativity, mutual assistance
5. Adjourning: when group disperses after achieving goals, ceremonies, parties, emotional support for each other

Punctuated equilibrium: proposed by Connie J. G Gersick, a model of group development that describes how groups with deadlines are affected by their first meetings and crucial midpoint transitions.

- 3 phases:
 - *Phase 1*: first meeting and continues until midpoint in group's existence
 - *Midpoint transition*: occurs almost halfway in time toward group's deadline
 - *Phase 2*: decisions/approaches adopted at midpoint happen in phase 2, concludes final meeting, activity and how outsiders will view product

Advice from punctuated equilibrium:

1. Prepare carefully for 1st meeting
2. Don't look for extreme progress in phase 1 as long as people are working
3. Manage midpoint transition carefully
4. Be sure to adequate resources are available to actually execute phase 2 plan
5. Resist deadline changes

The deadline effect:

1. Stages model: not affected
2. Punctuated equilibrium: Only applies to teams with deadlines b/c without a deadline can't determine when midpoint occurs. Don't change deadline because affects midpoint transition which affects group's progress.

Group structures and its consequences

Group structure: characteristics of the stable social organization of a group

- Characteristics:
 - Size: depends on balance of how many members needed, satisfaction of employees & eventual performance of group. Type of task (disjunctive, additive, conjunctive) involved influences size chosen
 - Small group: more satisfaction (ideal group size 3-5)
 - Large group: less satisfaction → conflict, different viewpoints, less verbal participation, people identify less easily with success of group
 - Member diversity
 - Norms: expectations that members have about each other's behavior
 - Functions: provide regularity and predictability to behavior
 - Develop to regulate behaviors that are considered at least marginally important to their supported
 - People comply to norms because they are aligned with their own attitudes
 - Explicit vs. implicit norms:
 - Explicit: casual Fridays

- Implicit: even though your schedule says you finish at 5pm, everyone knows not to leave before 6pm
- Typical norms:
 - Dress norms: kind of clothing people wear to work
 - Reward allocation norms: how rewards can be allocated
 - Equity: according to inputs
 - Equality: reward everyone equally
 - Reciprocity: reward people the way they reward you
 - Social responsibility: reward those who truly need it
 - Performance norms: performance of organizational members might be as much a function of social expectations as it is of inherent ability, personal motivation or technology
- Roles: positions in a group that have a set of expected behaviors attached to them
 - Types of roles
 - Designated
 - Assigned
 - Emergent: develop naturally to meet social-emotional needs of group members or assist in formal job accomplishment (class clown)
 - Role ambiguity: lack of clarity of job goals or methods. Role senders (managers) develop role expectations and send roles to focal people (employees). Focal person receives role and tries to fulfill it. However there is a variety of elements that lead to ambiguity such as:
 - Organizational factors: role's function
 - Role sender: has unclear expectations of focal person
 - Focal person: new person
 - Role conflict: when individual is faced with incompatible role expectations
 - Intrasender role conflict: single role sender provides incompatible role expectations to a role occupant
 - Intersender role conflict: two or more role senders provide a role occupant with incompatible expectations
 - Interrole conflict: several roles held by a role occupant involve incompatible expectations
 - Person-role conflict: role demands call for behavior that is incompatible with personality/skills of role occupant
- Status: rewards and prestige allocated to various group members
 - Status systems:
 - Formal: manager's attempt to identify people of higher status which is evident by "status symbols" which are tangible indicators of status (titles, pay packages, work schedules)

- Criterion for formal status: seniority, one's own job
- Differentiate status b/c: incentive to aim higher organizational positions & reinforces authority hierarchy
- Informal: not as evident
 - Criteria: performance, gender, race
- Consequences of status differences:
 - Stalled communication
 - Higher status people do more talking, more influencing
- Reducing status barriers
 - Employ phony or misguided methods to bridge status barrier (casual Fridays)
 - E-mails encourage lower-status parties to communicate with higher-status parties
- Cohesiveness: how attractive the group is to its members
 - Factors that influence cohesiveness:
 - Threat and competition
 - Success experienced by the group
 - Member diversity
 - Group size: larger groups have harder time being cohesive
 - Toughness of getting into group (toughness of initiation)
 - Consequences of cohesiveness:
 - More likely to participate in group activities (potential of not taking a vacation)
 - More conformity (prevents different views from being expressed)
 - More success
 - In highly cohesive groups: productivity of individual tends to be similar to that of others members. Less cohesive group there is more variation
 - High cohesive groups are more/less productive than less cohesive groups, depending on # of variables
 - Too much cohesiveness can lead to "Groupthink": tendency of group making bad decisions, it is dangerous of falling into trap because tend not to question status quo. "Us against them" feeling

Different types of tasks that groups needs

1. Additive tasks: group performance is dependent on sum of performance of individual group members
 - Performance increases as group size increases

2. Disjunctive tasks: group performance is dependent on performance of best group member
 - Performance increases as group size increases
3. Conjunctive tasks: group performance is limited by performance of poorest group member
 - Performance decreases as group size increases

Process losses: group performance difficulties stemming from problems of motivating and coordinating larger groups

- Both potential performance and process losses increase with group size for additive and disjunctive tasks
- Actual performance increases with size up to a point and then falls off
- The average performance of group members decreases as size gets bigger

Social loafing: tendency to withhold physical or intellectual effort when performing a group task

- 2 forms:
 1. Free rider effect: people lower their effort to get a free ride at expense of group members
 2. Sucker effect: people lower their effort because of feeling that others are free riding, try to restore equality
 3. Dispensability effect: idea that sometimes people don't contribute to group, not because they don't want to, but b/c they feel they have nothing to contribute, not good enough, not meaningful enough
- Ways to counteract social loafing:
 1. Make individual performance visible
 2. Make sure work is interesting
 3. Increasing feelings of indispensability
 4. Increase performance feedback
 5. Reward group performance

Collective efficacy: shared beliefs that team can successfully perform a given task

Designing effective work teams:

- Hackman, a work group is effective when:
 1. Physical or intellectual output is acceptable to management and to other parts of organization that use output
 2. Group members needs are satisfied rather than frustrated by group
 3. Group experience enables members to continue to work together

Self-managed work teams: work groups that have opportunity to do challenging work under reduced supervision.

- Depends on:
 - Nature of task
 - Composition of the group: ensure effectiveness by
 - Stability
 - Size: small
 - Expertise
 - Diversity
 - Various support mechanisms in place
- Supporting self-managed teams:
 - Training: technical training, social skills, language skills, business training
 - Rewards: gain sharing, profit sharing, skill-based pay
 - Management

Factors influencing work group effectiveness:



Cross functional teams: brings people with different functional specialties together to better invent, design or deliver a product or service

- Effectiveness of cross functional teams:
 - Composition: relevant specialties necessary
 - Superordinate goals: attractive outcomes achieved only by collaboration
 - Physical proximity: team members should be located close to each other to ease informal contact
 - Autonomy
 - Rules and procedures
 - Leadership
- Shared mental models: team members share identical information about how they should interact and what their task is

Virtual teams: use technology to communicate and collaborate across space, time and organizational boundaries, often cross-functional

- Technologies used: email, fax, voicemail

- Used by companies such as CAE, Sabre, IBM & Texas Instruments
- Advantages: around-the-clock work, reduced travel time and cost, larger talent pool
- Challenges: trust, miscommunication, isolation, high costs, management issues
- Lessons concerning virtual teams:
 - Recruitment: choose team members carefully in terms of attitude and personality (good interpersonal skills)
 - Training: invest in training for both technical and interpersonal skills
 - Personalization: encourage members to get to know one another
 - Goals and ground rules: virtual team leaders should define goals clearly, set rules for communication standards and responses, and provide feedback to keep members informed

Tom Wujec: build a tower, build a team:

- “Marshmallow problem”, involves dry spaghetti, one yard of tape and a marshmallow. Who can build tallest tower?
- Forces people to collaborate quickly, under timer
- Performs poorly: business students, because they try to find single best plan
- Performs well: kindergarten students, because they don’t care about power, build prototypes and refine, get feedback
- Specialized skills and facilitation skills = success
- High stakes (money) have a strong impact
- Challenge helps people identify hidden assumptions, provides a shared experience, common language, prototyping and facilitation

CHAPTER 8

Social influence in organizations

Information dependence and effect dependence

1. *Information dependence*: reliance on others for information about how to think, feel and act
 - *Social information processing theory*: explains information dependence by suggesting that information from others is used to interpret events and develop expectations about appropriate and acceptable attitudes and behaviors
 - Depends on two things:
 - i. Group cares about how its members act and behave
 - ii. Members want approval of the group
2. *Information effect*: reliance on others due to their capacity to provide rewards and punishment.
 - Managers: promotions, raises
 - Co-workers: friendship, praise, helping hand

The social influence process and conformity

3 different motives for social conformity:

1. **Compliance:** conformity to a social norm prompted by the desire to acquire rewards or avoid punishment
2. **Identification:** conformity to a social norm prompted by perceptions that those who promote the norm are attractive or similar to oneself
3. **Internalization:** conformity to a social norm prompted by true acceptance of the beliefs, values and attitudes that underlie the norm

Organizational socialization

Socialization: process by which people learn attitudes, knowledge and behaviors that are necessary for a person to function in a group or organization

Socialization methods:

1. Realistic job previews
2. Employee orientation programs
3. Socialization tactics
4. Mentoring
5. Proactive tactics

Proximal socialization outcomes vs Distal socialization outcomes:

1. Proximal:

- a. Learning
- b. Task mastery
- c. Social integration
- d. Role conflict
- e. Role ambiguity
- f. Person-job fit: match between employee's knowledge, skills and abilities and the requirements of a job
- g. Person-organization fit: match between person and organization's values
- h. Person-group fit: the match between an employee's values and the values of their work group

2. Distal

- a. Job satisfaction
- b. Organizational commitment
- c. Organizational identification: extent to which person defines themselves in terms of organization and what it is perceived to represent
- d. Organizational citizenship behavior
- e. Job performance
- f. Stress

- g. Turnover

Stages of socialization:

1. **Anticipatory socialization:** happens before person becomes member of organization
 - a. Formal process of skill and attitude acquisition (attending specific school)
 - b. Summer jobs
 - c. Watching portrayal of organizational life in movies
 - d. Recruitment events
2. **Encounter:** new employee encounters daily reality of work life
 - a. Orientation
 - b. Getting to know personality and style of manager
 - c. Seeking need and expectation satisfaction
3. **Role management:**
 - a. Modifying their role to better serve organization
 - b. External connections
 - c. Balancing work and personal life

Unrealistic expectations and the psychological contract:

- Reasons for unrealistic expectations
 - Occupational stereotypes
 - Recruiters deceiving with amazing advertising
- Psychological contract: beliefs held by employees regarding the reciprocal obligations and promises between them and their organization
 - Psychological contract breach: employee perceptions that their organization has failed to fulfill one or more of its promises/obligations in the psychological contract
 - Breach is usually related to: affective reactions, work attitudes, work behaviors

Methods of organizational socialization

1. *Realistic job previews:* the provision of a balanced, realistic picture of the positive and negative aspects of a job to applicants
 - Traditional procedure vs. realistic procedure:
 - i. Traditional: set initial job expectations too high, job is typically viewed as attractive, high rate of job offer acceptance, work experience disconfirms expectations, dissatisfaction and realization that job not matched to needs, low job survival, dissatisfaction, frequent thoughts of quitting
 - ii. Realistic: set initial job expectations realistically, job may or may not be viewed as attractive, some reject/some accept job, work experience confirms expectations, satisfaction and needs matched to to job, high

job survival, high satisfaction, infrequent thoughts of quitting
(Scotiabank does this)

2. *Employee orientation programs*: designed to introduce new employees to their job, the people they will be working with and the organization
 - *Realistic orientation program for entry stress (ROPES)*: designed to teach newcomers ways to manage workplace stressors
3. Socialization tactics: way in which organization structure the early work experiences of newcomers and people who transition from one role to another
 - *Institutionalized socialization*: involves a more formalized/structured program of socialization that reduces uncertainty and encourages acceptance of organizational norms, maintaining status quo
 - i. Context tactics: Collective, Formal
 1. Collective: new members socialized as a group (army boot camps, fraternity pledge classes, training for salespeople and flight attendants)
 2. Formal: separating newcomers from regular members and providing them with formal learning experiences
 - ii. Content tactics: Sequential, Fixed
 1. Sequential: fixed sequence of steps leading to role
 2. Fixed: timetable for newcomer's assumption of role
 - iii. Social tactics: Serial, Investiture
 1. Serial: socialized by experienced members
 2. Investiture: affirms or embraces identity/attributes of new hires instead of denying them/stripping them away
 - *Individualized socialization*: no structure, ambiguous, encourages to question status quo and develop one's own approach to their role
 - i. Context tactics: Individual, Informal
 1. Individual: new members socialized individually, "tailor-made" (skilled craftspeople)
 2. Informal: don't distinguish newcomers from experienced members and relies on informal, on-the-job learning
 - ii. Content tactics: Random, Variable
 1. Random: ambiguous or changing sequence leading to assumption of role
 2. Variable: no time frame that indicates end of socialization and assumption of new role
 - iii. Social tactics: Disjunctive, Divestiture
 1. Disjunctive: experienced members don't train new comers
 2. Divestiture: "debasement/hazing"; putting new members through series of experiences designed to humble them and strip them from initial self-confidence, change their attitudes and beliefs

Reasons for choosing institutionalized vs. individualized:

- Institutionalized
 - Effective in promoting loyalty and uniformity of behavior
- Individualized
 - Effective when organization wants new members to take on characteristics and style of those who are socializing them
 -

4. Mentoring:

- Mentor: experienced/senior person in organization who provides junior with guidance and special attention
- 2 types of developmental functions for mentors:
 - i. Career:
 1. Sponsorship: nominate new person for transfers/promotions
 2. Exposure and visibility: expose new comer to key people & other parts of org
 3. Coaching and feedback
 4. Development assignments
 - ii. Psychosocial
 1. Role modelling
 2. Providing acceptance and confirmation
 3. Counselling
- Formal mentoring programs: organization sponsored programs in which seasoned employees are recruited as mentors and matched with proteges
- Development networks: groups of people who take an active interest in protege career and action toward advancing it by supporting them
- Women and mentoring: since more men are in higher positions, it is hard for women to find a female mentor and face more constraints than their male counterpart. This is however changing in modern times
- Race, ethnicity and mentoring: limited racial and ethnic diversity is another constraint available to younger minority groups

Proactive socialization: process newcomplex play an active role in their socialization through use of proactive behaviors, 7 of them being:

1. Feedback seeking
2. Information seeking
3. General socializing
4. Relationship building
5. Boss-relationship building
6. Networking
7. Job change negotiation

Organizational culture: shared beliefs, values and assumptions that exist in an organization

- *Subcultures*: smaller cultures that develop within larger organizational culture and are based on differences in training, occupation or departmental goals (e.g.: armed forces: navy, the army)

Dr. Christine Jourdan view of culture:

1. How is culture learned?
 - Through socialization
 - We are born with ability for culture but we are not born with a culture
 - Cultural rules govern the way we eat, how we treat our bodies
2. How culture is symbolic
 - The meaning of cultural elements are arbitrary, unpredictable and prescribed
 - Eg: tears during celebration of national anthem
3. How culture is shared
 - Not that obvious
 - Shared ideas, meanings
 - Being part of a cultural group means that we have been socialized to know the boundaries of our cultural rules
 - Knowing extent to which behavior is understandable/appropriate to others
4. How culture changes
 - 3 main ways cultural changes:
 - i. cultural interaction (most important): mergers, acquisitions, resulting culture is different from parent cultures. Both parties need to learn how to live with new rules, organization
 - ii. Innovation: new product/business; culture will change to support new markets
 - iii. Invention: better ways of doing things, culture will change that will influence norms and regulations associated with old way of doing things
 - Naturalization: historical process whereby culturally determined values seem natural and not arbitrary to people

Strong culture: intense and pervasive beliefs, values and assumptions.

- Examples: HILTI (Canada) CORP, Google Canada, Express Scripts Canada
- Key points about strong cultures:
 - Doesn't have to be a big organization
 - Don't necessarily result in blind conformity
 - Greater success and effectiveness
- Assets:
 - Coordination
 - Conflict resolution

- Financial success
- Liabilities:
 - Resistance to change
 - Culture clash: strong cultures can mix badly when a merger or acquisition pushes 2 of them together under same corporate banner
 - Pathology: can threaten organizational effectiveness because they cultures are in some sense, pathological

Contributors to culture:

1. The founder's role: many cultures reflect the values of an organization's founder
2. Socialization: main way employees learn culture beliefs, values and assumptions.
 - Steps to socialization:
 - i. Select employees
 - ii. Debasing and hazing: provoke humility so that they're open to norms of org
 - iii. Training in the trenches: employees learn to master one of the core areas of the org
 - iv. Reward and promotion: for supporting values and goals of org
 - v. Exposure to core culture: provides guidance for member behavior
 - vi. Organizational folklore: stories that reinforce nature of culture
 - vii. Role models

Diagnosing a culture: examining the symbols, rituals, stories that characterize organization's way of life

CHAPTER 9

Leadership: the influence that particular individuals exert on the goal achievement of others in an organizational context

- Enhances productivity, innovation, satisfaction and commitment of the workforce
- About motivating people and gaining their commitment

Strategic leadership: leader's ability to anticipate, envision, maintain flexibility, think strategically and work with others to initiate changes that will create a viable future for the organization

Trait theory of leadership: leadership depends on the personal qualities or traits of the leader

- *Traits:* personal characteristics of individuals such a physical characteristics, intellectual ability, and personality. Research on leadership has emphasized on traits with demographics (gender, age and education), task competence (intelligence) and interpersonal attributes (extraversion)
- Traits associated with leadership:

- Intelligence, energy and drive, self-confidence, dominance, motivation to lead, emotional stability, honesty and integrity need for achievement, sociability
- All 5 of the Big 5 dimensions of personality have been related to leadership (focus on extraversion and conscientiousness)
- Relationship between traits and leadership effectiveness is stronger for affective and relational measures of effectiveness (e.g.: satisfaction with the leader) than for performance-related measures

Limitations of the trait approach: traits alone aren't sufficient for successful leadership

- Hard to know whether traits make the leader or if it is opportunity for leadership produces the traits
- Little information about what dominant/intelligent/tall people do to influence others successfully (as a result no way or training leaders of knowing why they fail at times)
- **Leadership categorization theory:** people are more likely to view somebody as a leader and to evaluate them as a more effective leader when they possess prototypical characteristics of a leader
- Failure to take into account the situation in which leadership occurs

The behavior of leaders:

4 basic kinds:

1. Consideration: the extent to which a leader is approachable and shows personal concern and respect for employees (e.g.: Kathy Bardswick CEO for Co-operators)
2. Initiating structure: the degree to which a leader concentrates on group goal attainment; clearly defines and organizes their role and roles of followers, stresses standard procedures, schedules the work to be done and assigns employees to particular tasks
3. Leader reward: provides employees with compliments, tangible benefits and deserved special treatment; when such rewards are made contingent on performance, employees perform better and more job satisfaction
4. Punishment behaviors: use of reprimands or unfavourable task assignments and the active withholding of rewards

Situational theories of leadership

1. Fiedler's contingency theory: states that association between leadership orientation and group effectiveness is contingent on how favourable the situation is for exerting influence
 - Least preferred coworker: leadership orientation is measured by having leaders describe their least preferred coworker
 - i. Leader with high LPC score: is considered *relationship* oriented as in the leader can still find positive qualities in coworker they dislike

- ii. Leader with low LPC score: can be considered *task* oriented which allows leader to judge everything about LPC poorly because they're not good at their job

Exhibit 9.2 Predictions of Leader Effectiveness from Fiedler's Contingency Theory of Leadership.

Favourableness	High ←————→ Low							
Leader-Member Relations	Good				Poor			
Task Structure	Structured		Unstructured		Structured		Unstructured	
Position Power	Strong	Weak	Strong	Weak	Strong	Weak	Strong	Weak
	I	II	III	IV	V	VI	VII	VIII
Most Effective Leader Orientation	Task			Relationship				Task

2. House path-goal theory

- Not reliant on LPC trait
- Concerned with situations under which various behaviours (directive, supportive, participative, achievement oriented) are more effective
- Named house path-goal theory because:
 - i. Most important activities of leaders are those that clarify the paths to various goals of interest to employees
 - ii. Opportunity to achieve goals leads to job satisfaction, leader acceptance and high effect
 - iii. Thus, effective leader forms a connection between employee goals and organizational goals
- To provide job satisfaction and leader acceptance: leader behavior must be perceived as immediately satisfying or as leading to future satisfaction
- To promote employee effort: leaders must make rewards dependent on performance and ensure that employees have a clear picture of how they can achieve these rewards

Path-goal theory is concerned with 4 specific kinds of leader behavior:

1. Directive behavior: directive leaders schedule work, maintain performance standards and let employees know what is expected of them. This behavior is essentially identical to initiating structure
 - Employees who enjoyed being told what to do respond to this behavior well

- Employees who feel they have low task abilities
- Good when tasks are challenging but ambiguous
- 2. Supportive behavior: supportive leaders are friendly, approachable, and concerned with pleasant interpersonal relationships. This behavior is essentially identical to consideration
 - Frustrating, satisfying jobs should increase appreciation of supportive behavior
- 3. Participative behavior: participative leaders consult with employees about work-related matters and consider their pinions
 - Good when tasks are challenging but ambiguous
- 4. Achievement-oriented behavior: encourage employees to exert high effort and strive for a high level of goal accomplishment. They express confidence that employees can reach these goals
 - Employees who are high need achievers should work well under achievement-oriented behavior

Situational factors that affect path-goal theory: Employee characteristics & Environmental factors. Both lead to:

- Job satisfaction
- Acceptance of leader
- Effort

Participative leadership

- Involving employees in making work-related decisions
- Can involve groups of employees (best when determining vacation schedules, arranging telephone coverage during lunch hour, resource allocation) or one individual (best when planning employee development, performance goals, dealing with issues)

Pros of participative leadership:

- Increases motivation
- Enhance quality in 2 ways:
 - “Two heads are better than one”
 - Empower employees to take direct action to solve issues without checking every detail with the boss
- Acceptance of decisions

Cons of participative leadership:

- Time and energy: don't use it when a quick decision is needed
- Loss of power of leaders

- Lack of receptivity or knowledge

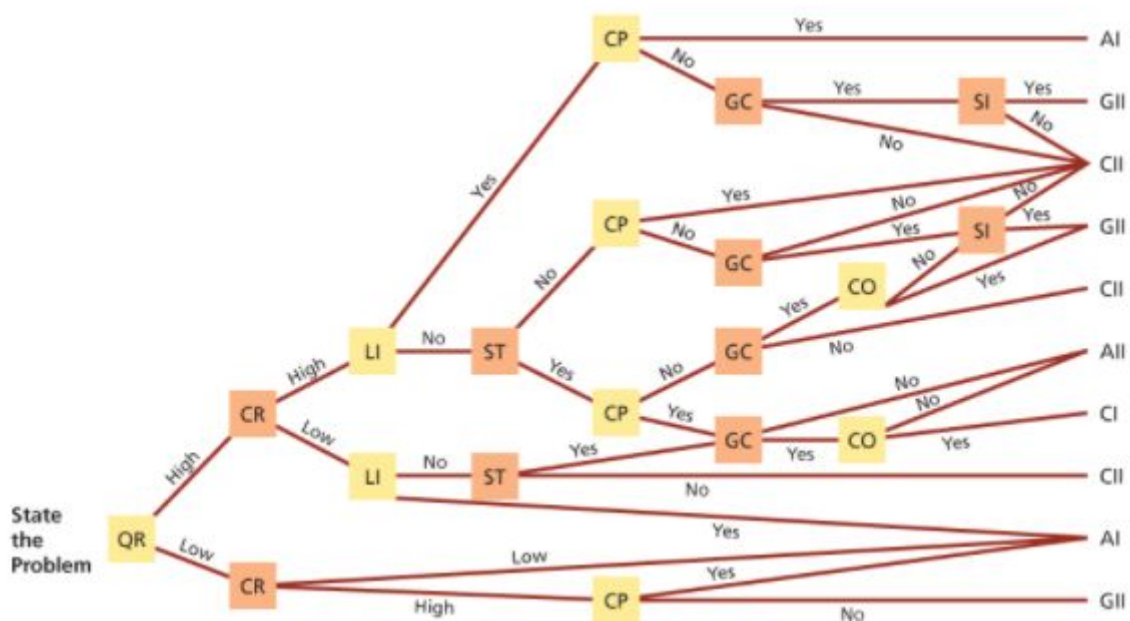
Vroom and Jago's situational model of participation:

- Specifies in a practical manner when leaders should use participation and to what extent they should use it
- For issues involving entire work group, following range of behaviors is plausible where A= autocratic, C= consultative, G = group, I = individual and II = group is involved
 - AI: solve problem or make decision yourself
 - AII: obtain necessary information from employees and then decide solution to problem yourself (may or may not tell employees of issue)
 - CI: share issues with relevant employees individually, getting their input without forming a group
 - CII: share issues with employees as group, obtaining input then make a decision which might not be influenced by employees
 - GII: share issues with employees as group and you come up with solution together
- Which of these strategies is most effective depends on situation or problem at hand?

Based on these topics:

 - Quality requirement: how important is the technical quality of this decision?
 - Commitment requirement: how important is subordinate commitment to the decision?
 - Leader's information: do you have sufficient information to make a high-quality decision
 - Problem structure: is the problem well structure?
 - Commitment probability: if you were to make the decision yourself, is it reasonably certain that your subordinate(s) would be committed to the decision?
 - Goal congruence: do subordinates share the organizational goals to be attained in solving the problem?
 - Subordinate conflict: is conflict among subordinates over preferred solutions likely?
 - Subordinate information: do subordinates have sufficient information to make a high-quality decision?

QR	Quality Requirement:	How important is the technical quality of this decision?
CR	Commitment Requirement:	How important is subordinate commitment to the decision?
LI	Leader's Information:	Do you have sufficient information to make a high-quality decision?
ST	Problem Structure:	Is the problem well structured?
CP	Commitment Probability:	If you were to make the decision by yourself, is it reasonably certain that your subordinate(s) would be committed to the decision?
GC	Goal Congruence:	Do subordinates share the organizational goals to be attained in solving the problem?
CO	Subordinate Conflict:	Is conflict among subordinates over preferred solutions likely?
SI	Subordinate Information:	Do subordinates have sufficient information to make a high-quality decision?



Leader-member exchange (LMX theory)

- Theory of leadership that focuses on the quality of the relationship that develops between a leader and an employee. Basic idea behind the theory is that over time and through the course of their interactions, different types of relationships develops between leaders and employees
- Based on *social exchange theory* and the norm of *reciprocity*, which states that individuals who are treated favourable by others will feel a sense of obligation to reciprocate by responding well and returning that favorable treatment in some way
 - High LMX: involves high degree of mutual influence and obligation as well as trust, loyalty, open communication and respect between a leader and an employee. Employees perform tasks beyond their job descriptions
 - Low LMX: low levels of trust, respect, obligation and mutual support. Leader provides less attention and latitude to employees. Employees only do what is required of their jobs

Transactional and transformational leadership theory:

1. **Transactional:** leadership that is based on a straightforward exchange relationship between the leader and the followers
 - Involves contingent reward behavior
 - Involves *management exception* which is leadership that involves the leader taking corrective action on the basis of the results of leader-follower transactions
 - Leader clarifies expectations and establishes the rewards for meeting them
2. **Transformational:** leadership that provides followers with a new vision that instills true commitment. E.g.: former Disney CEO Michael Eisner
 - Specific behaviors for transformational leaders:
 - i. Intellectual stimulation
 - ii. Individualized consideration: treating employees as distinct individuals, showing concern for their needs and personal development, serving as a mentor/coach
 - iii. Inspirational motivation
 - iv. Charisma: also known as *idealized influence*; most important aspect of transformational leadership; defined as the ability to command strong loyalty and devotion from followers and thus have the potential for strong influence among them

New and emerging theories of leadership:

1. **Empowering leadership:** implementing conditions that enable power to be shared with employees. Highlight the importance of employees' work, provide participation and autonomy in decision making, express confidence in employees' capabilities and remove bureaucratic constraints or hindrances to performance.
 - Results in employee empowerment: feel that their work is important (meaning), a belief that they can successfully perform work tasks (competence), freedom to choose how to initiate and carry out their tasks (self-determination) and belief that their behavior is making a difference (impact)
2. **Ethical leadership:** demonstration of normatively appropriate conduct (e.g.: openness, fairness, honesty) through personal actions and interpersonal relationships and the promotion of such conduct to followers through two-way communication, reinforcement and decision making
 - Positively related to better evaluations of leaders (e.g.: satisfaction & trust in leader), more positive job attitudes (e.g.: job satisfaction, organizational commitment), and greater performance (e.g.: job performance, organizational citizenship behavior & negatively related to job strains, turnover, counterproductive behaviors)

3. Authentic leadership: positive form of leadership that involves being true to oneself (based on values). E.g.: Maple leafs foods president and CEO Michael McCain
 - Involves 4 behaviors:
 - i. Self-awareness
 - ii. Relational transparency: presenting one true self and being open about their thoughts and feelings
 - iii. Balanced processing: the objective analysis of all relevant information before making a decision and consideration of views that challenge one's own position
 - iv. Internalized moral perspective: internal moral standards & values that guide behavior and decision making
4. Servant leadership: going beyond one's own self-interests and having a genuine concern to serve others and motivation to lead
 - First coined by Robert Greenleaf who believed a servant leader is someone who wants to serve first and lead second
 - 6 key characteristics:
 - i. Empowering and developing people
 - ii. Humility
 - iii. Authenticity
 - iv. Interpersonal acceptance
 - v. Providing direction
 - vi. Stewardship

Gender and leadership

1. Male leaders:
 - Use more contingent reward behaviors associated with transactional leadership
 - Use *manager by exception* and "*laissez-faire leadership*" which is a passive form of leadership that involves the avoidance or absence of leadership and is negatively related to effectiveness
 - Work better ins masculine and male dominated organizations (government)
 - Perceived to have **agentic traits**: convey assertion and control, generally associated with effective leadership
 - Dedicated
 - Charismatic
 - Intelligent
 - Determined
 - Aggressive
2. Female leaders
 - One theory states women have better social skills which enable them to successfully manage the give and take that participation requires
 - Avoid more autocratic styles because they violate gender stereotypes and lead to negative reactions

- Work better in feminine and female dominated organizations (eg: social service organizations and education organizations)
- Possess **communal traits**: which convey a concern for the compassionate treatment of others
 - Caring
 - Sensitive
 - Honest
 - Understanding
 - Compassionate
- Can be considered highly effective leaders but don't usually maintain top leadership positions
 - **Glass ceiling metaphor**: the invisible barrier that prevents women from advancing to senior leadership positions in organizations
 - **Labyrinth metaphor**: many twists, turns, detours that women encounter during their way up organizational ladder
 - Role congruity theory (RCT): Prejudice against female leaders is the result of an incongruity between the perceived characteristics of woman and perceived requirements of leadership role
- Removing barriers by:
 - Increasing awareness of psychological drivers of prejudice toward female leaders, and working to eliminate the
 - Change long hours norm
 - Reduce subjectivity of performance evaluation
 - Use open recruitment tools instead of using informal social networks
 - Ensure critical mass of woman in executive positions
 - Avoid having a sole female member of any team
 - Help shore up social capital
 - Prepare women for line management with demanding assignments
 - Establish family-friendly HR

Culture and leadership:

The GLOBE project developed a measure of 9 cultural dimensions:

1. Performance orientation: degree to which a collective encourages and rewards its members for improvement and excelling in their performance
2. Assertiveness: degree to which individuals are assertive, confrontational and aggressive in their interactions with others
3. Future orientation: extent to which individuals prepare for future, planning ahead and investing in the future
4. Humane orientation: degree to which a collective encourages and rewards individuals for fairness, altruism, generosity, caring and kindness to others

5. Institutional collectivism: degree to which institutional practices of organizations and society encourage and reward collective distribution of resources and collective action
6. In-group collectivism: degree to which individuals express pride, loyalty and cohesiveness in their families or organization
7. Gender egalitarianism: degree to which collective minimizes gender inequality
8. Power distance: degree to which members of a collective impact power to be distributed evenly
9. Uncertainty avoidance: extent to which collective relies on social norms, rules, procedures to lessen uncertainty of future events

Are the same attributes pertinent to successful leadership internationally?

- *Implicit leadership theory*: individuals hold a set of beliefs about kinds of attributes, personality characteristics, skills and behaviors that contribute to or impede outstanding leadership
- *Culturally endorsed implicit leadership theory*: belief system that are is shared among individuals in common cultures
- 6 global leadership dimensions:
 1. Charismatic and value-based
 2. Team oriented
 3. Participative
 4. Humane oriented
 5. Autonomous
 6. Self protective
- Some attributes are *culturally contingent*: are effective in some cultures but ineffective in others

Cultural views of leadership effectiveness from the GLOBE project:

Universal facilitators of leadership effectiveness:

1. Demonstrating trustworthiness, sense of justice, honesty
2. Having foresight and planning ahead
3. Encouraging, motivating and building confidence
4. Being communicative, informed, a coordinated and team integrator

Universal impediments to leadership effectiveness:

1. Being a loner and asocial
2. Being irritable and uncooperative
3. Imposing your views on others

Culturally contingent endorsement of leader attributes

1. Being individualistic
2. Being constantly conscious of status
3. Taking risks

Global leadership: set of leadership capabilities required to function effectively in different cultures and the ability to cross language, social, economic and political borders. Have the following 4 characteristics:

1. Unbridled inquisitiveness: seize opportunity to see/experience new things
2. Personal characters: consists of 2 components
 - a. Emotional connection to people from different cultures
 - b. Uncompromising integrity by maintaining high ethical standards and loyalty to organizational values
3. Duality: ability to manage uncertainty and balance global and local tensions
4. Savvy: understand conditions faced in different countries and ability to recognize new market opportunities for organizational goods and services

What leadership style is the best? It depends!



CHAPTER 11

Decision making: process of developing a commitment to some course of action. 3 aspects of decision making:

1. Involves making a choice among several action alternatives
2. A process (of problem solving) that involves more than simply the final choice among alternatives
3. Commitment of resources (time, money, personnel)

Problems:

- *Well-structured problem*: existing state is clear, the desired state is clear, and how to get from one state to the other is fairly obvious.
 - *Program*: standardized way of solving a problem
 - Short circuit the decision-making process by enabling the decision maker to go directly from problem identification to solution
 - Usually go under labels such as: rules, routines, standard operating procedures, rules of thumb, come from experience sometimes
- *Ill-structured problem*: existing and desired states are unclear and method of getting desired state is unknown
 - *Non-programmed*: decision making; gather more information, be more self-consciously analytical in choice

The rational decision-making process

1. Identify problem
2. Search for relevant information
3. Develop alternative solutions to the problem
4. Evaluate alternative solutions
5. Choose best solution
6. Implement chosen solution
7. Monitor and evaluate chosen solution

The complete decision maker: a rational decision-making model

Perfect vs. bounded rationality

- *Perfect rationality*: a decision strategy that is completely informed, perfectly logical and oriented toward economic gain
 - Informed: can gather information about problems/solutions without cost
 - Logical: if solution A is preferred over solution B, and B is preferred over C, then A is preferable to C
 - Economic gain: only criterion for decision making
- *Bounded rationality*: a decision strategy that relies on limited information and reflects time constraints and political considerations. Uses
 - *Framing*: aspects of the presentation of information about a problem that are assumed by decision makers
 - Example: assumptions about boundaries of problem, possible outcome of a decision, reference points used to determine if a decision is successful
 - *Cognitive biases*: tendencies to acquire and process information in an error-prone way
 - Example: assumptions and shortcuts that can improve decision-making efficiency (but often lead to serious errors in judgement)

Problem identification, framing & cognitive biases

- Impact **bounded rationality** has on decision process
 - *Perceptual defence*: perceptual system may defend perceiver against unpleasant perceptions
 - *Problem defined in terms of functional speciality*: using selective perception can cause decision makers to view problem as being domain of their own specialty even when some other perspective is needed
 - *Problem defined in terms of solution*: jumping to conclusions
 - *Problem diagnosed in terms of symptoms*: focus on surface symptoms provides little about solid solution
- Information search
 - Too little information:
 - cognitive biases
 - being mentally lazy
 - *Confirmation bias*: tendency to seek information that conforms to one's own definition of or solution to problem
 - Too much information:
 - *Information overload*: reception of more information than is necessary to make effective decisions
 - Decision makers think the more information the better for 2 reasons:
 1. Confidence in decisions increases with more information
 2. The more information, the more power

Alternative development, evaluation and choice

- *Maximization*: choice of the decision alternative with the greatest expected value
- *Satisficing*: decision maker establishes an adequate level of acceptability for a solution and then screens solutions until they find one that exceeds this level; when a solution is found no alternatives are weighed. For the decision maker working under *bounded rationality* uses the basic cognitive biases:
 - Avoid incorporating known data about chances of events into decisions
 - Large samples warrant more confidence than small samples
 - Decision makers often overestimate odds of complex chains of events occurring
 - *Anchoring effect*: inadequate adjustment of subsequent estimates from an initial estimate that serves as an anchor

Solution implementation

- Perfect rational: factors any possible implementation problems into their choice of solution
- Bounded rational: attempt to do the same but will likely be dependent on others to implement their decisions and might be difficult to anticipate their ability/motivation to do so

Solution evaluation:

- Perfect rational: should be able to evaluate the effectiveness of the decision with calm, objective detachment
- Bounded rational: might encounter issues

Justification:

- Justification of faulty decisions is best seen in the irrational treatment of *Sunk costs*: permanent losses of resources incurred as the result of a decision
 - *Escalation of commitment*: tendency to invest additional resources in an apparently failing course of action.
 - Ways of preventing escalation of commitment
 - Encourage continuous experimentation with reframing the problem to avoid the decision trap of feeling that more resources *have* to be invested. Shift the frame to saving rather than spending.
 - Set specific goals for the project in advance that must be met if more resources are to be invested. This prevents escalation when early results are “unclear.”
 - Place more emphasis when evaluating managers on *how* they made decisions and less on decision outcomes. This kind of accountability is the sensible way to teach managers not to fear or hide failure.
 - Separate initial and subsequent decision making so that individuals who make the initial decision to embark on a course of action are assisted or replaced by others who decide if a course of action should be continued. Banks often do this when trying to decide what to do about problem loans. However, at JPMorgan Chase, risk managers failed to flag problematic trading.

Hindsight: tendency to review the decision-making process to find what was done right or wrong

- Often reflects a cognitive bias
- Classic example: assuming, after the fact, that we know what the outcome of a decision will be
- Another form: taking personal responsibility for successful decision outcomes while denying responsibility for unsuccessful outcomes

How emotions and mood affect decision making

Strong emotions:

- Pros:
 - Corrects ethical errors
 - Whistle-blowers are usually motivated by emotion
 - Creative decision making
 - Intuition to solve problems
- Cons:
 - Distraction from actual demands of problem a hand
 - Causes conflict between business members

Decision making summarized

Exhibit 11.2 Perfectly Rational Decision Making Contrasted with Bounded Rationality.

Stage	Rationality	Rationality
Perfect	Bounded	
Problem Identification	Easy, accurate perception of gaps that constitute problems	Perceptual defence; jump to solutions; attention to symptoms rather than problems; mood affects memory
Information Search	Free; fast; right amount obtained	Slow; costly; reliance on flawed memory; obtain too little or too much

Development of Alternative Solutions	Can conceive of all	Not all known
Evaluation of Alternative Solutions	Ultimate value of each known; probability of each known; only criterion is economic gain	Potential ignorance of or miscalculation of values and probabilities; criteria include political factors; affected by mood
Solution Choice	Maximizes	Satisfies
Solution Implementation	Considered in evaluation of alternatives	May be difficult owing to reliance on others
Solution Evaluation	Objective, according to previous steps	May involve justification, escalation to recover sunk costs, faulty hindsight

Group decision making:

Pros:

- Decision quality: groups make higher quality decisions
 - Groups are more vigilant (more people scanning the environment)
 - Groups can generate more ideas
 - Groups can evaluate ideas better
- Decision acceptance and commitment, assumptions:

- People wish to be involved in decisions that will affect them
- People will better understand a decision in which they participated
- People will be more committed to a decision in which they invested personal time and energy
- Diffusion of responsibility: share burden of negative consequences of poor decision

Cons:

- Time: increases with group size
- Conflict
- Domination: leads to poor group acceptance and commitment
- Groupthink: capacity for group pressure to damage the mental efficiency, reality testing and moral judgement of decision-making group. Symptoms:
 - Illusion of invulnerability: members are overconfident and willing to take big risks; ignore danger signals
 - Rationalization: problems and counter-arguments that members can't ignore are "rationalized" away; basically excuses are given
 - Illusion of morality: decisions the group makes are always deemed morally correct
 - Stereotypes of outsiders: group forms unfavourable stereotypes of outsiders who are targets of their decisions
 - Pressure for conformity
 - Self-censorship: members try not voice opinions contrary to group beliefs
 - Illusion of unanimity: members believe unanimous support is provided for their course of action
 - Mindguards: protecting the group from information that goes against its decisions

Stimulating and managing controversy

- *Devil's advocate*: a person appointed to identify and challenge the weaknesses of a proposed plan or strategy; way of controversy stimulation

How do groups handle risk?

- Two types of shifts:
 - *Risky shift*: the tendency for groups to make riskier decisions than the average risk initially advocated by their individual members
 - *Conservative shift*: the tendency for groups to make less risky decisions than the average risk initially advocated by their individual members
- What determines which one group members use?
 - Initial positions of the group members before they discuss the problem; group discussion seems to polarize/exaggerate the initial position of the group
- Why do risky and conservative shifts occur when groups make decisions? 2 factors:

- Group discussion generates ideas and arguments that individual members have not considered before which gives them a tendency toward risk or toward conservatism
- Group members try to present themselves as similar to other group members but even better

Contemporary approaches to improving decision making

- **Evidence-based management:** making decisions through the conscientious, explicit and judicious use of the best available evidence from multiple sources
 - “Good” evidence: scientifically conducted peer-reviewed research, data generated by or for a specific organization, customer surveys, financial data, HR data, crowdsourcing data, mining internet traffic, views of experts and professionals
- **Crowdsourcing:** involves “outsourcing” aspects of a decision process to large collection of people. Used to develop alternative solutions & To choose the best solution. E.g.: wikipedia
 - Two basic ideas effective use of crowdsourcing:
 - Information required to make decision isn’t available to those making decisions
 - Collection of people is likely to have a solution to problem
- **Analytics and big data:**
 - *Analytics:* finding patterns in large datasets using conventional statistics, mathematical modeling, & various techniques to represent data visually (e.g.: General Electric)
 - *Big data:* lots of information that is usually collected in real time and can come from variety of sources particularly digital (images from social media, blogs, cellphone data, online shopping records, news articles) (e.g.: google and facebook, amazon)

CHAPTER 12

What is power?

Power: capacity to influence others who are in a state of dependence

- Power is not always perceived or exercised
- Target of power is dependent on the power holder does not imply that a poor relationship exists between the two
- Power can flow in any direction in an organization
- Broad concept that applies to both individuals and groups

The bases of individual power

1. Dependent on one’s position or job

- Legitimate power: comes from person's job or position
- 2. Control of important resources
 - Reward power: comes from ability to provide positive outcomes and prevent negative ones
 - Coercive power: comes from use of punishment and threat
 - Referent power: comes from being well liked by others. Powerful because of 2 reasons:
 - i. Stems from identification with power holder; represents a deeper based or power
 - ii. Anyone in the organization may be well liked
 - Expert power: comes from having special information or expertise that is valued by organization; mostly associated with employee effectiveness

How do people obtain power?

- Doing the right things → activities lead to power when they are:
 - Extraordinary
 - Visible
 - Relevant
- Cultivating the right people
 - Outsiders: outside organization
 - Subordinates
 - Peers
 - Superiors

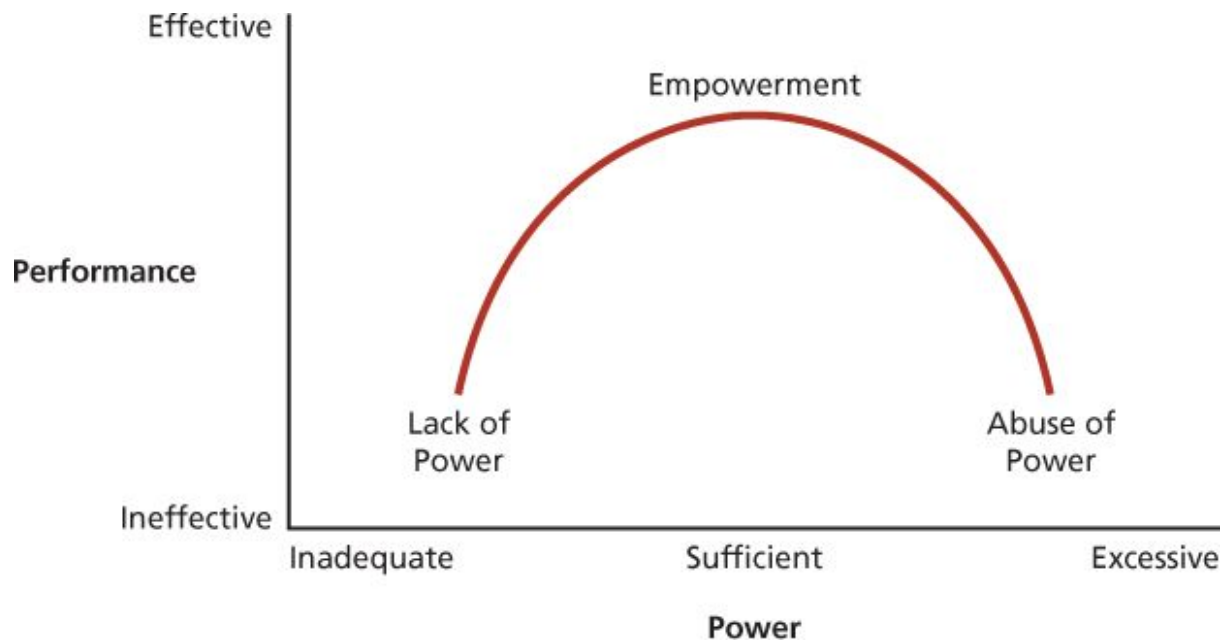
Empowerment: putting power where it is needed

Empowerment: giving people the authority, opportunity and motivation to take initiative and solve organizational problems

- Having authority → having legitimate power
- Having opportunity → having freedom from bureaucratic barriers and other system problems that block initiative
- Having motivation → hiring people who will be intrinsically motivated by power and opportunity and aligning extrinsic rewards with successful performance

Companies that use empowerment:

- Nordstrom chain of stores
- Canada's delta hotels



Influence tactics: putting power to work

Influence tactics: convert power into actual influence. Include:

- Assertiveness
- Ingratiation: flattering others, friendly, polite, humble
- Rationality
- Exchange: doing favours
- Upward appeal: formal/informal appeals to organizational superiors for intervention
- Coalition formation: seeking united support from other organizational members

What influences which tactics to use?

- Bases of power
 - Coercive → use assertiveness
 - Referent → use ingratiation
 - Expert → use rationality
- Who you are trying to influence
 - Subordinates → use assertiveness
 - Superiors → use rationality
 - Peers and subordinates → ingratiation, upward appeals

Who wants power?

McClelland argues that most effective managers:

- Have high *n* pow (need for power)
- Use power to achieve goals
- Adopt participative or “coaching” leadership style

- Not worried about what others think about them

Percentile Ranking of Average (National Norms)



Controlling strategic contingencies: how subunits obtain power

Subunit power: degree of power held by various organizational subunits such as departments

- Control strategic contingencies: critical factors affecting organizational effectiveness
- Conditions necessary for subunits to control strategic contingencies
 - Scarcity: of resources → if cutbacks occur, differences in power will become apparent. If subunits secure scarce resources important to company, they gain power
 - Uncertainty: those subunits that are able to deal with it gain power & those that create more certainty
 - Centrality: subunits whose activities are most central to mission
 - Can be central for 3 reasons:
 - May influence work of most other subunits
 - Crucial impact on quantity/quality of key product/service
 - Subunit's impact is more immediate
 - Substitutability: to what degree are subunits activities easy to perform by others

Organizational politics: using and abusing power

Basics of organizational politics: pursuit of self-interest in an organization whether or not this self-interest corresponds to organizational goals

- Politics involves using means of influence that organization doesn't sanction or pursuing ends or goals that it does not sanction
- Political activity is self-conscious and intentional
- Politics as either individual activity or subunit activity
- Political activity can have beneficial outcomes for organization

means/ends matrix:

1. **Sanctioned means/sanctioned ends:** power is used routinely to pursue agreed on goal; familiar and accepted means of influence are employed to achieve sanctioned outcomes
 - E.g.: manager will increase salary of employee if they increase net sales by 30% within next 6 months
2. **Sanctioned means/not-sanctioned ends:** acceptable means of influence are abused to pursue goals that organization doesn't approve of
 - E.g.: head nurse assigns subordinate nurse to favorable tasks if nurse agrees not to report to the superior for stealing medical supplies
3. **Not-sanctioned means/sanctioned ends:** ends are useful for organization are pursued through questionable means
 - E.g.: using bribery to win a soccer tournament
4. **Not-sanctioned means/not-sanctioned ends:** abuse of power, disapproved tactics used to pursue disapproved outcomes
 - E.g.: head of overstuffed legal dept. wishes to increase its size to increase his power. To do this, he falsified workload document, promises special service to account dept. in exchange for support of its manager

Influence Means	Influence Ends	
	Organizationally Sanctioned	Not Sanctioned by Organization
Organizationally Sanctioned	Nonpolitical job behaviour I	Organizationally dysfunctional political behaviour II
Not Sanctioned by Organization	Political behaviour potentially functional to the organization III	Organizationally dysfunctional political behaviour IV

Do political activities occur under certain conditions or in particular locations in organizations?

Research suggests:

- Managers report that most political manoeuvring occurs at middle and upper management levels rather than at lower levels.
- Some subunits are more prone to politicking than others. Clear goals and routine tasks (e.g., production) might provoke less political activity than vague goals and complex tasks (e.g., research and development)
- Some issues are more likely than others to stimulate political activity. Budget allocation, reorganization, and personnel changes are likely to be the subjects of politicking. Setting performance standards and purchasing equipment are not.
- In general, scarce resources, uncertainty, and important issues provoke political behaviour.

The facets of political skill:

Political skill: ability to understand others at work and use that knowledge to influence others to act in ways that enhance one's personal/organizational goals. 4 facets to political skills:

1. Social astuteness: ability to read others and possess Emotional intelligence
2. Interpersonal influence: convincing and persuasive interpersonal style
3. Apparent sincerity
4. Networking ability

Several aspects to networking according to Monica Forret and Thomas Dougherty:

- Maintaining contacts
- Socializing
- Engaging in professional activities
- Participating in community activities
- Increasing internal visibility

Machiavellianism: harder side of politics

Machiavellianism: a set of cynical beliefs about human nature, morality and the permissibility of using various tactics to achieve one's ends.

- Term derived from Niccolo Machiavelli: concerned with how people achieve social influence and manipulate others

- Stable personality trait

Possess following characteristics:

- Act very much in own self-interest, even at expense of others
- Appear cool and calculating, especially when others get emotional
- Manifest high self-esteem and self-confidence
- Form alliances with powerful people to achieve their goals

High Machs:

- Lie, deceit to get what they want
- Argue morality can be compromised to fit situation in question
- Assume ends justify the means
- Psyche out competitors by creating diversions
- Enthusiastic organizational politicians
- Don't feel guilty about their use of social tactics
- Ability to identify situations in which their favoured tactics will work such as:
 - Face to face situations
 - Fairly emotional circumstances
 - Fairly unstructured circumstances

Defensiveness: reactive politics

Defensive behaviors include:

- Stalling
- Overconforming
- Buck passing: having someone else take action is an effective way to defend oneself
- Buffing: tactic of carefully documenting information showing that an appropriate course of action was followed (getting authorization)
- Scapegoating: blaming others when things go wrong

Ethics in organizations:

Business ethics:

1. A large majority agree that unethical practices occur in businesses (40-90%)

2. Managers tend to see themselves as having higher ethical standards than their peers or superiors

Nature of ethical misconduct:

Ethical behavior includes:

- Honest communication
- Fair treatment
- Special consideration: hiring disabled
- Fair competition
- Responsibility to organization
- Corporate social responsibility: don't pollute, concern for employee health and safety
- Respect for law

Causes of unethical behavior:

- Gain
- Extreme performance pressure
- Role conflict
- Strong organizational identification: acting unethically to "help" organization
- Competition
- Personality: cynical & those with external locus of control are more likely to be unethical, people with high need for power (Machiavellians), people with strong economic values
- Organizational and industry culture

Whistle-blowing: individuals sometimes step forward and "blow the whistle" for unethical actions; disclosure of illegitimate practices by a current/former org. member to some person/org. that may be able to take action to correct these practices

Sexual harassment: when power and ethics collide

- Form of unethical behavior that comes from abuse of power and perpetuation of a gender power imbalance
- Most severe forms of sexual harassment are committed by supervisors
- Prevalent in hostile work environment that perpetuate societal power imbalance between men and women
- Customers can also engage in sexual harassment

- “Deaf ear syndrome”: inaction or complacency of organizational in the face of charges of sexual harassment

Ways organizations can deal with sexual harassment allegations:

- Examine the characteristics of deaf ear organizations
- Foster management support and education
- Stay vigilant
- Take immediate action
- Create a state of the art policy
- Establish clear reporting procedures

Employing ethical guidelines

- Identify the stakeholders that will be affected by any decision.
- Identify the costs and benefits of various decision alternatives to these stakeholders.
- Consider the relevant moral expectations that surround a particular decision. These might stem from professional norms, laws, organizational ethics codes, and principles such as honest communication and fair treatment.
- Be familiar with the common ethical dilemmas that decision makers face in your specific organizational role or profession.
- Discuss ethical matters with decision stakeholders and others. Do not think ethics without talking about ethics.
- Convert your ethical judgments into appropriate action.

CHAPTER 13

What is conflict?

Interpersonal conflict: process that occurs when one person, group, or organizational subunit frustrates the goal attainment of another

Causes of organizational conflict:

- Group identification and intergroup bias:
 - identification with a particular group/class of people can set the stage for organizational conflict

- Intergroup bias occurs mainly due to self-esteem → identifying with successes of one's own group and disassociating oneself from out-group failures boosts self-esteem
- Interdependence: individuals/subunits that are mutually dependent on each other to accomplish their own goals creates conflict → e.g.: sales staff depends on production department for timely delivery of products to maintain goodwill of its customers
 - Necessitates interaction between parties so that they can coordinate their interests; conflict won't develop if parties can go it alone
 - Each party has some power over the other
- Differences in power, status and culture
 - Power: if dependence is not mutual
 - Status: when people of lower status are dependent on people of higher status
 - Culture: when two or more different cultures develop in an organization
- Ambiguity: ambiguous goals, jurisdictions or performance criteria can lead to conflict
- Scarce resources

Types of conflict

1. *Relationship*: interpersonal tensions among individuals that have to do with their relationship per se, not task at hand
2. *Task*: disagreements about nature of the work to be done
3. *Process*: disagreements about how work should be organized and accomplished

Conflict dynamics

When conflict begins, often see certain events transpire:

- “Winning” the conflict becomes more important than developing a solution to problem
- Parties begin to conceal information from each other or pass distorted information
- Each side becomes more cohesive
- Contact with opposite party is discouraged except under formal conditions
- Image of opposite party is negatively stereotyped. Image of one's own position is boosted
- On each side, people who are better at engaging in conflict become leaders

Modes of managing conflict

Managing conflict is a function of both:

1. How assertive you are in trying to satisfy your own/your group's concerns
2. How cooperative you are in trying to satisfy those of the other party or group

5 approaches:

1. *Avoiding*: **low assertiveness** of one's own interests & **low cooperation** with the other party
 - Doesn't change situation
 - Good if opponent is hostile, powerful, if issue is trivial, information is lacking, people need to cool down
2. *Accommodating*: one **cooperates** with the other party but **doesn't assert** one's own interests
 - Effective reaction when you are wrong, issue is more important to the other party or you want to build good will
3. *Competing*: **maximizes assertiveness** and **minimizes cooperation**
 - Good if you have a lot of power, know your facts, truly win or lose situation, you won't have to interact with other party in the future
4. *Compromise*: combines **intermediate assertiveness** and **intermediate cooperation**
 - Not good for conflicts that stem from power asymmetry b/c weaker party will have little to offer stronger party
 - Good if conflict involves scarce resources
5. *Collaborating*: **maximizes both assertiveness and cooperation**
 - Good for when conflict is not intense, when each party has useful information, enhances productivity and achievement

Managing conflict with negotiation

Negotiation: a decision-making process among interdependent parties who do not share identical preferences. 2 types

1. *Distributive*: win-lose negotiation in which a fixed amount of assets is divided between parties. Single-issue negotiation
 - Tactics:
 - i. Threats and promises
 - Threats: implying you will punish the other party if they don't concede to your position
 - Promises: pledges that concessions will lead to rewards in the future

- ii. Firmness vs. concessions
- iii. Persuasion
 - Issue: bias → each party knows the other is self-interested.
Solution to this = introduce unbiased parties
- 2. Integrative: win-win negotiation that assumes that mutual problem solving can enlarge the assets to be divided between parties. Fixed-pie assumption & strives for collaborative problem solving that advances the interests of both parties
 - Tactics:
 - i. Copious information exchange
 - ii. Framing differences as opportunities
 - iii. Cutting costs
 - iv. Increasing resources
 - v. Introducing **superordinate goals**: attractive outcomes that can be achieved only by collaboration

Third-party involvement

- Mediation: when neutral third party helps facilitate negotiated agreement
 - What do mediators do?
 - Helps process or atmosphere of negotiation
 - Intervene in the content of the negotiation, highlighting points of agreements, pointing out new options, encouraging concessions
- Arbitration: when third party is given authority to dictate the terms of settlement of a conflict
 - *Conventional arbitration*: arbitrator can choose any outcomes
 - *Final offer arbitration*: each part makes a final offer, arbitration chooses one of them

Is all conflict bad?

- *Constructive conflict*: for which the benefits outweigh the costs
 - Might use *conflict stimulation*: strategy of increasing conflict to motivate change. Use it when:
 - When peaceful relationships take precedence over organizational goals
 - When parties that should be interacting closely have chosen to withdraw from each other to avoid overt conflict
 - When conflict is suppressed or downplayed by denying differences, ignoring controversy, exaggerating points of agreement

A model of stress in organizations

Stressors: environmental events/conditions that have the potential to induce stress

Stress: psychological reaction to demands inherent in stressor that has potential to make person feel tense/anxious

Stress reactions: behavioural, psychological and physiological consequences of stress

Personality and stress

3 keys personality traits that may have impact on stress:

1. Locus of control: people's beliefs about factors that control their behavior.
 - Externals are more likely to feel anxious in face of potential stressors
2. Type A behavior pattern: personality pattern that includes aggressiveness, ambitiousness, competitiveness, hostility, impatience and a sense of time urgency
3. Negative affectivity: tendency to view world and oneself in a negative light
 - Stable personality trait
 - Component of big five personality dimension
 - 5 factors that affect susceptibility to stress of those with high N.A:
 - i. Tendency to perceive stressors in workplace
 - ii. Hypersensitivity to existing stressors
 - iii. Tendency to gravitate to stressful jobs
 - iv. Tendency to provoke stress through their negativity
 - v. Use of passive, indirect coping styles that avoid real sources of stress

Stressors in organizational life

- Executive and managerial stressors
 - Role overload: when one must perform too many tasks in short time period or work too many hours
 - Heavy responsibility
- Operative-level stressors: individuals who occupy non-professional and non-managerial positions
 - Poor physical working conditions
 - Poor job design
- Boundary role stressors, burnout and emotional labour

- Boundary roles: positions where members are required to interact with members of other organizations or with public
- Burnout: syndrome made up of emotional exhaustion, cynicism and low self-efficacy
- Emotional labour: regulating oneself to suppress negative emotions or to exaggerate positive ones

The job demands: resources model and work engagement

- *Work-engagement*: positive work-related state of mind that is characterized by vigour, dedication and absorption
 - Vigour: high levels of energy and mental resilience at work
 - Dedication: being strongly involved in work and experiencing sense of significance, enthusiasm and challenge
 - Absorption: being fully concentrates on and engrossed in your work
- *Job demands-resources model*: specifies how job demands cause burnout and job resources cause engagement

Some general stressors

- Interpersonal conflict
 - Bullying
 - Mobbing: # of people gang up on one particular employee
 - Abusive supervision
 - Cyberbullying: occurs electronically
- Work-family conflict
- Job insecurity and change
- Role ambiguity
- Sexual harassment

Reactions to organizational stress:

- Behavioral reactions to stress
 - Problem solving: terminating stressor or reducing its potency
 - Delegation: of many tasks to others
 - Time managing
 - Talking about it
 - Asking for help
 - Searching for alternatives
 - Seeking social support

- Modified performance
 - Damage performance: role ambiguity, interpersonal conflict
 - Help performance: heavy workload, responsibility
- Withdrawal & Presenteeism
 - Withdrawal: absenteeism, turnover
 - Presenteeism: present at work but not working at full capacity; high job demands, time pressures
- Use of addictive substances

Psychological reactions to stress

Defence mechanisms: psychological attempts to reduce anxiety associated with stress.

Include

1. Rationalization: attributing socially acceptable reasons/motives to one's actions so that they appear rational to oneself
2. Projections: attributing one's own undesirable ideas/motives to others so that they seem less negative
3. Displacement: directing feelings of anger at a "safe" target than expressing them where they might be punished
4. Reaction formation: expressing oneself in a manner that is directly opposite of how one feels, rather than risking negative reactions to one's true position
5. Compensation: applying one's skills in particular area to make up for failure in another

Physiological reactions to stress:

- High blood pressure
- Cholesterol
- Heart attacks
- Ill immune system

Organizational strategies for managing stress

- Job redesign
- Family-friendly HR policies
- Stress management programs

- Work-life balance, fitness and wellness programs