

GMS 200 EXAM NOTES

Chapter 1: Management Today

Outline

1. Working today
 - Talent
 - Technology
 - Globalization
 - Ethics
 - Diversity
 - Careers and connections
2. Organizations
 - Organizational purpose
 - Organizations as systems
 - Organizational performance
 - Changing the nature of organizations
3. Managers
 - What is a manager?
 - Levels of managers
 - Types of managers
 - Managerial performance
 - Changing the nature of managerial work
4. The management process
 - Functions of management
 - Managerial roles and activities
 - Agenda settings and networking
 - Changing the nature of organizations
5. Learning how to manage
 - Technical skills human and interpersonal skills
 - Conceptual and critical-thinking skills

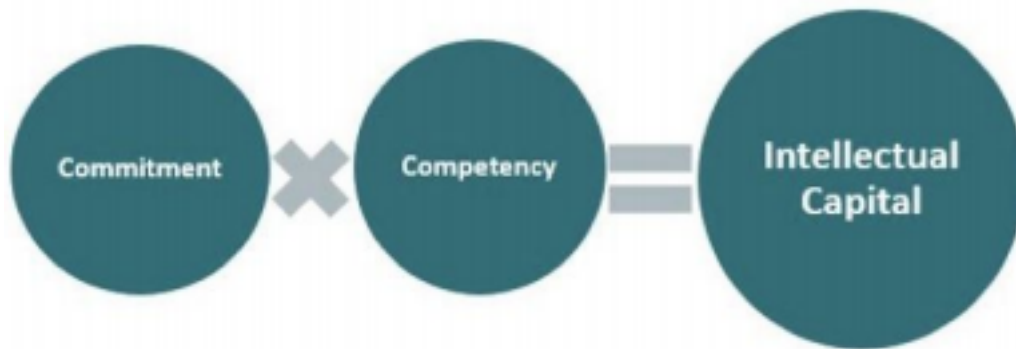
Working Today

Talent

- Diversity issues relating to educational opportunity, access to technology, housing/job options ●
- Intellectual capital is the combined brainpower and shared knowledge of an organization's

employees

- A knowledge worker's mind is a critical asset to employers and adds to the intellectual capital of an organization



Technology

- Tech IQ is a person's ability to use current technologies at work and in personal life: ○
 - Checking inventory, making up sales transaction, ordering supplies
 - Telecommuting (working from home)
 - Virtual teams

Globalization

- The worldwide interdependence of resource flows, product markets, and business competition that characterize our economy
- Job migration occurs when firms shift jobs from one country to another
- Reshoring is the shifting of manufacturing and jobs back home from overseas

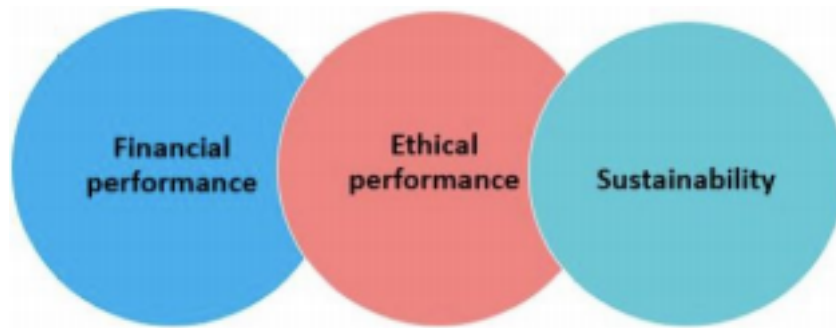
Ethics

- Codes of moral principles that set standards of conduct of what is "good" and "right, as well as "bad" and "wrong"
 - An individual behaviour
 - In business practices

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Corporate governance

- Board of directors holds top management responsible for organizational performance



Diversity

- Workforce diversity reflects differences with respect to gender, age, race, ethnicity, religion, sexual orientation, and able-bodies
- A diverse and multicultural workforce both challenges and offers opportunities to employers
- How diversity bias can occur in the workplace
 - Prejudice: the display of negative, irrational opinions and attitudes
 - Discrimination: unfairly treating members of some groups
 - Glass ceiling effect: an invisible barrier of ceiling

Careers and connections

- Organizations consist of three types of workers, sometimes referred to as a shamrock organization
- Free-agent economy
 - People change jobs more often and work on flexible contracts
- Self-management
 - Ability to assess oneself realistically, recognize strengths and weaknesses, make constructive changes, and manage personal development



Organizations

- A collection of people working together to achieve a common purpose
- Organizations provide goods and service of value to customers and clients and seek to serve society
- Organizations as open systems interact with their environments



Organizational Performance

- “Value creation” is a very important notion for organizations
- Value is created when an organization’s operations add value to the original cost of resource inputs
- When value creation occurs:
 - Businesses earn a profit
 - Nonprofit organizations add wealth to society
- **Productivity**: an overall measure of the quantity and quality of work performance with resource utilization taken into account
- **Performance effectiveness**: an output measure of task or goal accomplishment
- **Performance efficiency**: an input measure of the resource costs associated with goal accomplishment



- Workplace changes that provide a context for studying management
 - Focus on valuing human capital
 - The demise of “command-and-control”
 - Emphasis on teamwork
 - Pre-eminence of technology
 - Importance of networking
- New workforce expectations
- Concern for sustainability

Managers

Importance of human resources and managers

- People are not ‘costs to be controlled’
- High performing organizations treat people as valuable strategic assets

What is a Manager?

- Directly supports, supervises, and helps activate the work efforts of others
- The people who managers help are the ones whose contributions represent the real work of the organization

Levels of management

- Board of directions → makes sure the organization is run well
- Top managers → are responsible for performance of an organization as a whole or for one of its major parts
- Middle managers → oversee large department or divisions
- Team leaders → supervise non-managerial workers



Types of managers

- Line managers → are responsible for work activities that directly affect an organization’s outputs
- Staff managers → use technical expertise to advise and support the efforts of line workers
- Functional managers → are responsible for a single area of activity
- General managers → are responsible for more complex units that include many functional areas
- Administrators → work in public and non-profit organizations

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Managerial performance

- Accountability is the requirement to show performance results to a supervisor
- Effective managers help others achieve high performance and satisfaction at work

Quality of work-life (QWL)

- An indicator of the overall quality of human experiences in the workplace ○
 - Respect
 - Fair pay
 - Safe working conditions
 - Opportunities to learn and use new skills
 - Room to grow and progress in
 - Protection of individual rights
- The organization as an upside-down pyramid
 - A manager's job is to support workers' efforts
 - The best managers are known for helping and supporting
 - Customers at the top served by workers who are supported by managers



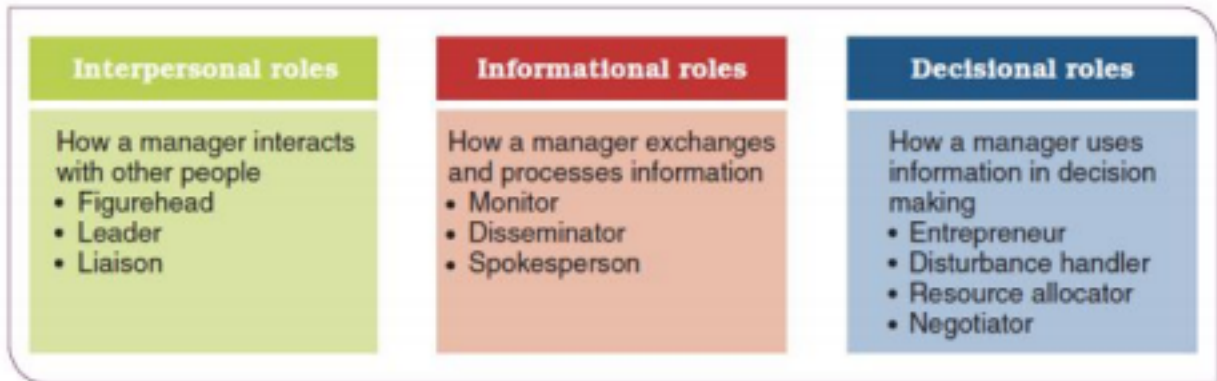
The Management Process

- Managers achieve high performance for their organizations by best utilizing its human and material resources
- Management is the process of planning, organizing, leading, and controlling the use of resources to accomplish performance goals
- All managers are responsible for the four functions
- The functions are carried on continually

Functions of management

- Planning
 - The process of setting objectives and determining what actions should be taken to accomplish them
- Organizing
 - The process of assigning tasks, allocating resources, and coordinating work activities
- Leading
 - The process of arousing people's enthusiasm and inspiring them to work hard to achieve goals
- Controlling

- The process of measuring work performance, comparing results and taking corrective action



Characteristics of managerial work

- Long hours
- Intense pace
- Fragmented and varied tasks
- Many communication media
- Filled with interpersonal relationships

Managerial agendas and networks

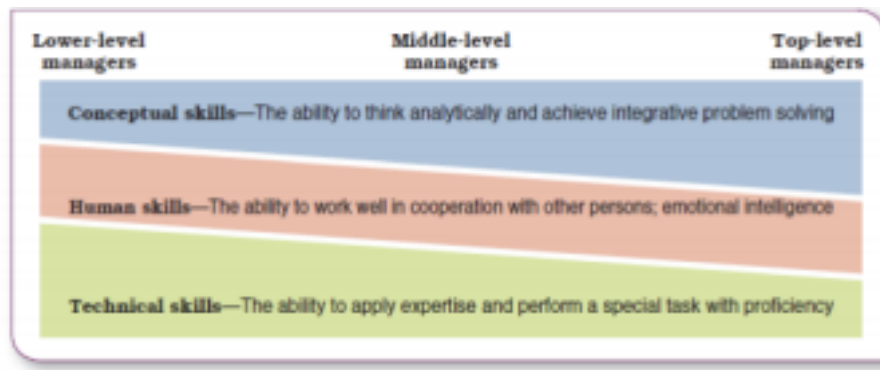
- Agenda setting
 - Develops action priorities for accomplishing goals and plans
- Networking
 - Process of building and maintaining positive relationships with people who can help advance agendas
- Social capital
 - Capacity to attract support and help from others

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Learning How to Manage

- Learning
 - The change in a behaviour that results from experience
- Lifelong learning

- The process of continuously learning from daily experiences and opportunities



Chapter 2: Management of Learning Past to Present

Outline

1. Classical management approaches
 - a. Scientific management (Fredrick Taylor)
 - b. Administrative principles (Henri Fayol)
 - c. Bureaucratic organization (Max Weber)
2. Behavioural management approaches
 - a. Follet’s organizations as communities (Mary parker Follet)
 - b. The Hawthorne studies (Elton mayo)
 - c. Maslow’s theory of human needs (Abraham Maslow)
 - d. Mcgregor’s theory X and theory Y (Douglas McGregor)
 - e. Argyris’s personality and organization (Chris Argyris)
3. Modern management functions
 - a. Quantitative analysis and tools
 - b. Organizations as systems
 - c. Contingency thinking
 - d. Quality management
 - e. Evidence-based management

Classical Management Approaches

Principles of scientific management (Fredrick Taylor)

1. Develop a “science” that includes rules of motion, standardization work implements, and proper working conditions for every job

2. Carefully select workers with the right abilities for the job
3. Carefully train workers to do the job and give them incentives to cooperate with the job “science”
4. Support workers by carefully planning their work and by smoothing the way as they do their work
 - a. no room for creativity

Scientific management

Motion study

- Science of reducing a job or task to its basic physical motions
- Eliminating wasted motions improves performance

Practical insights from scientific management

- Makes results-based compensation a performance incentive
- Carefully design jobs with efficient work methods
- Carefully select workers with the abilities to do these jobs
- Train workers to perform jobs to the best of their abilities
- Train supervisors to support workers so they can perform jobs to the best of their abilities

Administrative Principles → Rules/Duties of Management (Henri Fayol)

- Foresight
 - To complete a plan of action for the future
 - Organization
 - To provide and mobilize resources to implement the plan
 - Command
 - To lead, select, and evaluate workers to get the best work toward the plan
 - Coordination
 - To fit diverse efforts together and ensure information is shared and problems solved ●
 - Control
 - To make sure things happen according to plan and to take necessary corrective action ●
- Assuming the manager is able to do it

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Bureaucratic organization (Max Weber)

Bureaucracy

- An ideal, intentionally rational, and very efficient form of organization
- Based on principles of logic, order, and legitimate authority

Characteristics

- Clear division of labour
- A clear hierarchy of authority
- Formal rules and procedures
- Impersonality
- Careers based on merit

Possible disadvantages...

- Excessive paperwork or “red tape”
- Slowness in handling problems
- Rigidity in the face of shifting needs
- Resistance to change employee apathy

Behavioural Management Approaches

Follett’s organization as communities

- Groups and human corporation
 - Groups allow individuals to combine their talents for a greater good
 - Organizations are cooperating “communities” of managers and workers
 - Manager’s job is to help people cooperate and achieve integration of goals and interests
 Forward-looking management insights:
- Making every employee an owner creates a sense of collective responsibility ○
A precursor of employee ownership, profit-sharing, and gain-sharing
- Business problems involve a variety of interrelated factors
 - A precursor of systems thinking
- Private profits relative to the public good
 - A precursor of managerial ethics and social responsibility

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Hawthorne Studies (Mayo & Roethlisberger)

- An initial study examined how economic incentives and physical conditions affected worker output
- No consistent relationship found
- “Psychological factors” influenced results

Social setting and human relations

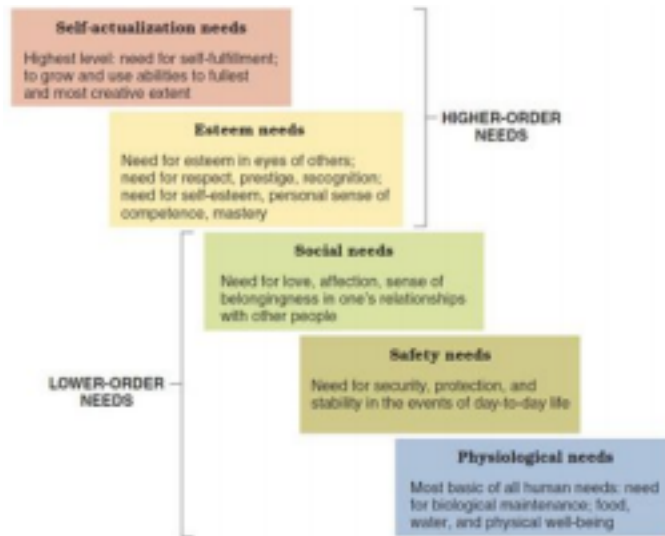
- Manipulated physical work conditions to assess the impact on output
- Designed to minimize the “psychological factors” of the previous experiment
- Mayo and colleagues concluded:
 - New “social setting” let workers do a good job
 - Good “human relations” → higher productivity
- Employee attitudes and group processes
 - Some things satisfied some workers but not others
 - People restricted output to adhere to group norms

Lessons from the Hawthorne studies

- Social and human concerns are keys to productivity
- People who are singled out for special attention perform as expected

Maslow's Theory of Human Needs (Elton Mayo)

- A need is a psychological or physiological deficiency a person feels compelled to satisfy
 - Physiological
 - Safety
 - Social
 - Esteem
 - Self-actualization
- Deficit principle
 - A satisfied need is not a motivator of behaviour
- Progression principle
 - A need becomes a motivator once the preceding lower-level need is satisfied
- **Both principles cease to operate at the self-actualization level**



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Mcgregor's Theory X and Y

Theory X workers Theory Y workers

- | | |
|--|---|
| <ul style="list-style-type: none"> ● Dislike worker ● Lack of ambition ● Are irresponsible ● Resist change ● Prefer to be led | <ul style="list-style-type: none"> ● Willing to work ● Willing to accept responsibility ● Capable of self-control ● Capable of self-direction ● Imaginative and creative |
|--|---|

Environment uncertainty

- A lack of complete information regarding what exists and what development may occur in the external environment
- Two dimensions of the environmental uncertainty
 - Degree of complexity

- Rate of change

Implications of Theory X and Y

- Managers create self-fulfilling prophecies
 - Theory X managers create situations where workers become dependent and reluctant
 - Theory Y managers create situations where respond with initiative and high performance
- Central to notions of empowerment and self-management

Argyris's Theory of Adult Personality

- Classical management principles and practices inhibit worker maturation and are inconsistent with the mature adult personality
- Psychological success occurs when people define own goals
- Management practices accommodate the mature personality by
 - Increasing task responsibility
 - Increasing task variety
 - Using participative decision making

Modern Management Foundations

Quantitative Analysis & Tools

- Analytics → the use of large databases and mathematics to solve problems and make informed decisions using systematic analysis
- Typical quantitative approach to managerial problem-solving
 - A problem encountered, it is systematically analyzed, appropriate mathematical models and computations applied, an optimal solution identified

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Organizations As Systems

- System
 - Collection of interrelated parts that function together to achieve a common purpose
- Subsystem
 - A smaller component of a larger system
- Open systems
 - Organizations that interact with their environments in the continual process of transforming resource inputs into outputs



Contingency Thinking

- Tries to match managerial responses with problems and opportunities unique to different situations
- No “one best way” to manage
- The appropriate way to manage depends on the situation
 - Finding a solution (Systematic process)

Quality Management

- Managers and workers in progressive organizations are quality conscious ○
Quality and competitive advantage are linked
- Total quality management (TQM)
 - A comprehensive approach to continuous improvement for the total organization ●
- Continuous improvement
 - The continual search for new ways to improve quality
 - Something always can and should be improved
- ISO certification
 - Global quality management standards
 - Refine and upgrade the quality to meet ISO requirements

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Evidence-based Management

- Making management decisions on “hard facts” about what really works
- Evidence-based positive HRM practices
- Employment security
 - Selective hiring
 - Self-managing teams
 - High pay based on merit
 - Training and development
 - Reduced status distinctions
 - Shared information

Millennials & Management

- Willingness to leave when leadership doesn't meet standards
- Expressing different needs regarding leadership training
- Embrace a flat management structure
- Value leaders who seek feedback from all employees
- Push back against policy for policy's sake
- As leaders, they seek to empower and transform
- Seek and support flexibility and work-life balance

Chapter 5: Global Management & Cultural Diversity

Outline

1. Management and globalization
 - a. Global management
 - b. Why companies go global
 - c. How companies go global
 - d. Global business environment
2. Global businesses
 - a. Types of global businesses
 - b. Pros and cons of global businesses
 - c. Ethics challenges for global businesses
3. Culture and global diversity
 - a. Cultural intelligence
 - b. Silent languages of culture
 - c. Tight and loose cultures
 - d. Values and national cultures
4. Global management learning
 - a. Are management theories universal?
 - b. Intercultural competencies
 - c. Global learning goals

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Management & Globalization

Global management

- Global economy
 - Resources, markets, and competition are worldwide in scope
 - Globalization
 - The growing interdependence among elements in the global economy
 - World 3.0
 - Balancing cooperation in the global economy with national identities and interests
 - Global management
 - Managing business and organizations with interests in more than one country ●
- Global manager
- In culturally aware and informed on international affairs

Why Companies Go Global

- International business
 - Conducting for-profit transactions of goods and services across national boundaries ●
- Reasons why businesses go global:
 - Customers
 - Suppliers
 - Capital
 - Labour
 - Risk
- Market entry strategies:
 - Involve the sale of goods and services to foreign markets but do not require expensive investments
- Types of market entry strategies:
 - Global sourcing
 - Exporting
 - Importing
 - Licensing agreement
- Franchising
- Types of direct investment strategies:
 - Joint venture
 - Strategic alliance
 - Owned subsidiary

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How Companies Go Global

- Global sourcing
 - The process of purchasing materials or services around the world for local use
- Exporting

- Selling locally made products in foreign markets
- Importing
 - Buying foreign-made products and selling them domestically
- Licensing agreement
 - One forms pay a fee for rights to make or sell another company's products
- Franchising
 - A fee is paid for rights to use another firm's name, branding, and methods

In sourcing refers to local job creation results from foreign direct investment

Types of insourcing:

- **Joint ventures:** operates in a foreign country through co-ownership by foreign and local partners
- **Strategic alliances:** a partnership in which foreign and domestic firms share resources and knowledge for mutual gains
- **Foreign subsidiaries:** local operation completely owned by a foreign firm

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Criteria for choosing a joint venture partner:

- Familiarity with your firm's major business
- Strong local workforce
- Values its customers
- Future expansion possibilities
- The strong local market for the partner's own products
- Good profit potential
- Sound financial standing

Global Business Environments

- Legal and political systems
- Trade agreements and trade barriers
- Regional economic alliances

Legal & Political Systems

- Differing laws and practices regarding
 - Business ownership
 - Negotiation and implementation of contracts
 - Foreign currency exchange
 - Protection of intellectual property rights
 - Counterfeit merchandise
- Political risk
 - Potential loss in value of the foreign investment due to instability and political changes in

the host country

- Political risk analysis
 - Forecast political disruptions that threaten the value of a foreign investment

Trade Agreements & Trade Barriers

- World Trade Organization
 - Most favoured nation status
 - Tariffs
 - Taxes, import duties
 - Nontariff barriers

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- Protectionism

Regional Economic Alliances

- NAFTA – North American Free Trade Agreement
- EU – European Union
- APEC – Asia Pacific Economic Cooperation
- ASEAN – Association of Southeast Asian Nations
- SADC – Southern Africa Development Community

Global Businesses

Types of Global Businesses:

- Global corporation
 - MNE (multinational enterprise) or MNC (multinational corporation) with extensive business operations in more than one foreign country
- Transnational corporation
 - A global corporation that operates worldwide on a borderless basis

Pros & Cons of Global Businesses

Mutual benefits for the host country and global corporation of MNC:

- Shared growth opportunities
- Shared income opportunities
- Shared learning opportunities
- Shared development opportunities



Host country complaints about MNCs:

- Excessive profits
- Domination of the local economy
- Interference with local government
- Hiring the best local talent
- Limited technology transfer
- Disrespect for local customs

MNC complaints about host countries:

- Profit limitations
- Overpriced resources
- Exploitative rules
- Foreign exchange restrictions
- Failure to uphold contracts

Ethics Challenges for Global Businesses:

- Corruption
- Sweatshops
- Child labour
- Conflict minerals



Corruptions

- Corruption – illegal practices that further one’s business interests
- Corruption of Foreign Public Officials Act – makes it illegal for Canadian firms and their

representatives to engage in corrupt practices overseas

- Bribes to foreign officials
- Excessive commissions
- Non-monetary gifts

Child Labour & Sweatshops

- Child labour – employment of children for work otherwise done by adults
- Sweatshops – employment of workers at very low wages for long hours in poor working conditions

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Cultures & Global Diversity

- Culture
 - The shared set of beliefs, values, and patterns of behaviour common to a group of people ●
- Culture shock
 - Confusion and discomfort a person experiences in an unfamiliar culture

Cultural Intelligence

- The ability to adapt and adjust to new cultures

Ethnocentrism

- The tendency to consider one's own culture as superior to others

Stages in adjusting to new cultures:

- Confusion
- Small victories
- The honeymoon
- Irritation and anger
- Reality

Silent languages of culture:

- Context
 - Low context: emphasize communication via spoken or written words
 - United States
 - Canada
 - Germany
 - High context: rely on nonverbal and situational cues as well as on spoken or written words
 - Thailand

- Malaysia
- Space
 - Proxemics: the study of how people use space to communicate
 - In North America, people value “personal space”
 - Many Latin and Asian cultures expect much less personal space
- Time
 - Monochronic: people tend to do one thing at a time
 - Canada
 - Polychronic: time is used to accomplish many different things at once
 - Egypt

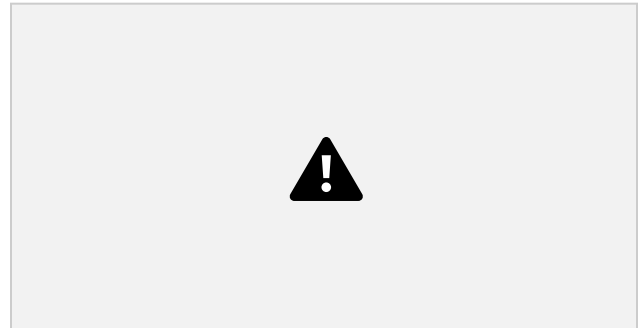
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Tight & Loose Cultures

- Cultural tightness-looseness
 - Strength of norms that govern social behaviour
 - Tolerance for any deviation from norms
 - Tight = Japan, Korea, Malaysia
 - Loose = Australia, Brazil, Hungary

Values & National Cultures (Hofstede):

- Power distance
- Uncertainty avoidance
- Individualism-collectivism
- Masculinity-femininity
- Time orientation



Global Management Learning

Intercultural Competencies

- Comparative management
 - How management practices systematically differ among countries and/or cultures ●
- Intercultural competencies
 - Skills and personal characteristics that help us be successful in cross-cultural situations.
- Global managers
 - Need to successfully apply management functions across international boundaries

Global learning goals:

- Not universal
- Engage in critical thinking
- Look everywhere for new management ideas

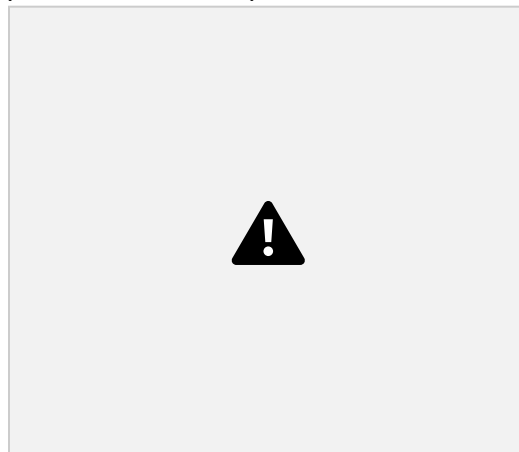
Chapter 6: Entrepreneurship & New Venture

Outline

1. The nature of entrepreneurship
2. Entrepreneurship and small business
3. New venture creation

The Nature of Entrepreneurship

- Entrepreneurship: **strategic thinking and risk-taking behaviour that result in new opportunities**
- Classic entrepreneur: **pursues opportunities others view as problems or threats**
- Serial entrepreneur: **starts and runs businesses and nonprofits over and over again**
- First-mover advantage: **first to exploit a niche or enter a new market**
- Women and minority entrepreneurs are growing numbers
- Necessity-based entrepreneurship: **starting a business because of few or no other employment or career options**



Social Entrepreneurship

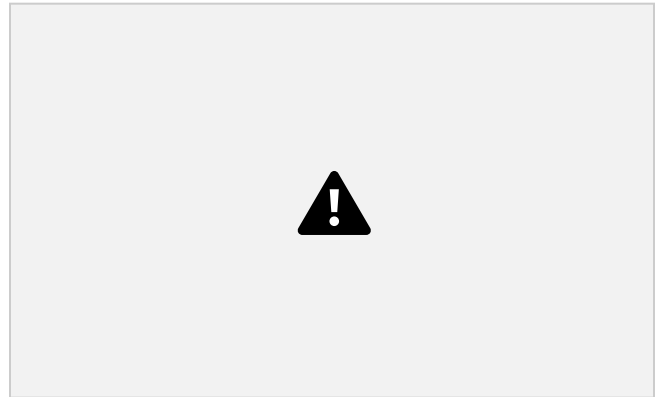
- A unique form of ethical entrepreneurship that seeks novel ways to solve pressing solving problems
- Social entrepreneurs
 - Take risks to help meet needs NOT being effectively served by government and the private sector, such as poverty, illiteracy, illness, homelessness

Small business statistics

- Provided about 70.5% of the private-sector workforce in 2015
- Accounted for 27% of total R and D expenditure in 2013
- Represented an average of 30% of GDP for their respective provinces.
- A small business has 5 - 100 employe

Starting a small business

- Franchise: **one business owner selles to another the right to operate the same business in another location**
- Business model: **plan for making a profit by generating revenues that are greater than costs**
- Startup: **a new and temporary venture that is trying to establish a profitable business model**
- Lean startups: **use open source software and free web services to contain costs while staying small and keeping operations simple**



Family-owned small businesses

- Account for 80% of private firms in Canada
- Provide 60% of the nation's GDP
- Feuds result when family member disagree over how the business is run
- Possible succession problems
 - Who will run the business when the current head leaves?
 - A succession plan outlines leadership transition and financial matters

Small business development

- Business incubator
 - Offers space, shared services and advice to get small businesses started (MARS)
- Business Development Program (BDP)
 - Offers guidance to entrepreneurs and small business owners on how to set up and manage business operations
 - This service is provided by the Government of Canada

Business Plan

- Describes the details needed to obtain start-up financing and operate a new business
- Banks want to see a well-developed business plan before lending money

Sample Business Plan outline:

- Executive summary
- Industry analysis
- Company description
- Products and services description
- Market description
- Marketing strategy
- Operations description
- Staffing description
- Financial projection
- Capital needs
- Milestones

Forms of ownership

- Sole Proprietorship: **An individual or married couple** pursuing a business for a profit. This does not involve incorporation
- Partnership: **Two or more people agree** to contribute resources to start and operate a business together
- General Partnership: The **owners share** management responsibilities
- Limited Partnership: The **general partner manages the business**. Limited partners share profit but losses are limited to the amount of their investment
- Limited Liability Partnership: **Limits the liability of one partner** for the negligence of another
- Corporation: a legal entity that **exists separately** from its owners
- Benefit corporation (B corp)
 - Corporate form for businesses whose stated goals are to combine **making a profit with benefiting society and the environment**
 - This ownership type typically adopts the goals of social entrepreneurship and social enterprises
- Limited liability corporation (LLC): a **combination of sole proprietorship, partnership, and corporation**
 - Protects owners' assets from claims made against the company
 - Treated as a proprietorship or partnership for tax purposes

Financing

- Debt Financing: Involves borrowing money from **another person, a bank, or a financial**

institution

- Equity Financing: Involves exchanging ownership shares for **outside investment monies** ●
Venture Capitalists: Involves making **large investments in new ventures** in return for an equity stake in the business
 - normally will become part of the management
- Angel Investor: A **wealthy individual** willing to invest in return for equity in a new venture ●
- Crowdfunding: Entrepreneurs starting new ventures **go online to get startup financing** from crowds of investors

Chapter 7: Information & Decision-Making

Outline

1. Information, technology, and management
 - a. Information and information systems
 - b. Data mining and analytics
 - c. Business intelligence and executive dashboards
2. Problem-solving and managerial decisions
 - a. Managers as problems solvers
 - b. Problem-solving approaches and styles
 - c. Structured and unstructured problems
 - d. Crisis problems
 - e. Problem-solving environment
3. The decision-making process
 - Step 1 → identify and define the problem
 - Step 2 → generate and evaluate alternative courses of action
 - Step 3 → Decide on a preferred course of action
 - Step 4 → implement the decision
 - Step 5 → evaluate results
 - a. At all steps → check ethical reasoning
4. Issues in managerial decisions making
 - a. Decision errors and traps
 - b. Creativity in decision making

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Information, Technology, & Management

Managers must have

- Technological competency
 - Ability to understand new technologies and to use them to their best advantage ●

Information competency

- Ability to locate, gather, organize, and display information for decision-making and problem solving
- Analytical competency
 - Ability to evaluate and analyze information to make decisions and solve real problems

What is useful information?

- Data
 - Raw facts and observations
- Information
 - Data made useful and meaningful for decision-making
- Information drives management decision-making

Characteristics of useful information

- Timely
- High quality
- Complete
- Relevant
- Understandable

Management information system:

- Using the latest technologies to collect, organize, and distribute data

Data mining and analytics

- Data mining
 - Is the process of analyzing data to produce useful information for decision-makers
- Big data
 - Exists in huge quantities and is difficult to process without sophisticated mathematical and analytical techniques
- Management analytics
 - Involves the systematic evaluation and analysis of data to make informed decisions

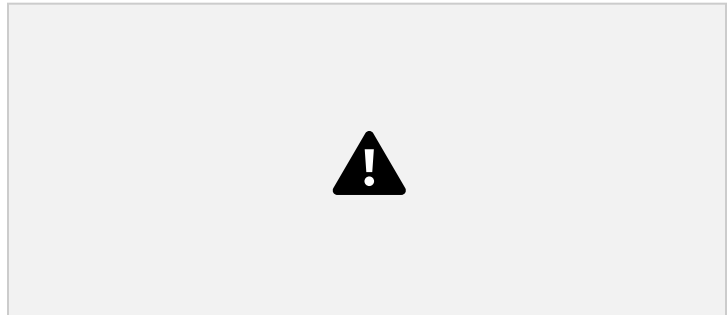
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Business Intelligence & Executive Dashboards

- Business intelligence
 - Taps information systems to extract and report data in organized ways that are useful to decision-makers
- Executive dashboards
 - Visually update and display key performance metrics and information on a real-time basis

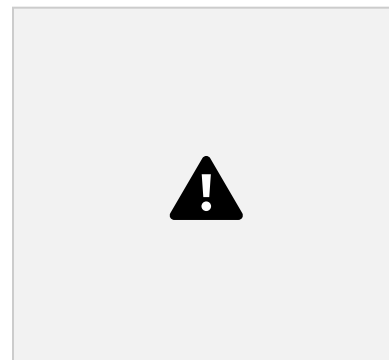
Information needs in organizations

- Information exchanges with the external environment
 - Gather intelligence information
 - Provide public information
- Information exchanges within the organization
 - Facilitate decision-making
 - Facilitate problem-solving



Problem-solving & Managerial Decisions

- Managers as information processors
 - Continually gather, share, and receive information
 - Now as much electronic as it is face to face
 - Always on, always connected



Problem-solving

- The process of identifying a discrepancy between actual and desired performance and taking action to resolve it
- Decision
 - A choice among possible alternative courses of action
- Performance threat
 - Something is wrong or has the potential to go wrong
- Performance opportunity
 - The situation offers the chance for a better future if the right steps are taken

Problem-solving approaches or styles:

- Problem avoiders: Inactive in information gathering and solving problems
- Problem solvers: Reactive in gathering information and solving problems
- Problem seekers: Proactive in anticipating problems and opportunities and taking appropriate

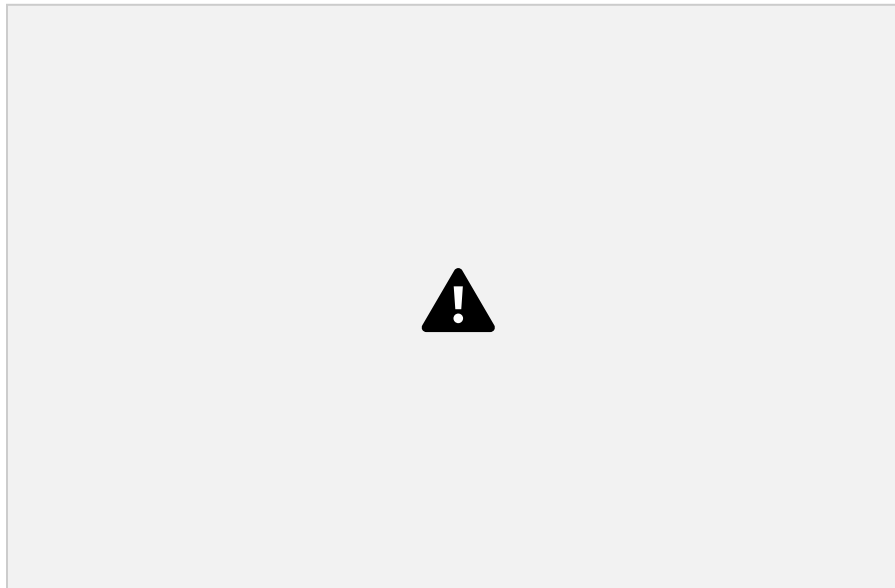
action to gain an advantage

Systematic vs intuitive thinking:

- Systematic thinking
 - Approaches problems in a rational, step-by-step, and analytical fashion
- Intuitive thinking
 - Approaches problems in a flexible and spontaneous fashion

Multidimensional thinking applies both intuitive and systematic thinking

- Effective multidimensional thinking requires skill at strategic opportunism



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Types of problems

- Structured problems are ones that familiar, straightforward, and clear with respect to information needs
- Programmed decisions apply solutions that are readily available from past experiences to solve structured problems
- Unstructured problems are ones that are full of ambiguities and information deficiencies ● Nonprogrammed decisions apply a specific solution to meet the demands of a unique problem ● Commonly faced by higher-level management

- A crisis involves an unexpected problem that can lead to disaster if not resolved quickly and appropriately

Rules For Crisis Management

- Figure out what is going on
- Remember that speed matters
- Remember that slow counts, too
- Respect the danger of the unfamiliar
- Value the skeptic
- Be ready to “fight fire with fire ”

Problem-Solving Environments

- Certain environment
 - Offers complete information on possible action alternatives and their consequences
- Risk environment
 - Lacks complete information but offers probabilities of the likely outcomes for possible action alternatives
- Uncertain environment
 - Lacks so much information that it is difficult to assign probabilities to the likely outcomes of alternatives

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The Decision-Making Process

Step 1 - Identify & Define the Problem

- Focuses on information gathering, information processing, and deliberation

- Decision objectives should be established
- Common mistakes in defining problems:
 - Defining the problem too broadly or too narrowly
 - Focusing on symptoms instead of causes
 - Choosing the wrong problem to deal with

Step 2 - Generate & Evaluate Alternative Courses of Action

- Potential solutions are formulated and more information is gathered, data are analyzed, the advantages and disadvantages of alternative solutions are identified
- Approaches for evaluating alternatives:
 - Stakeholder analysis
 - Cost-benefit analysis
- Criteria for evaluating alternatives:
 - Benefits
 - Costs
 - Timeliness
 - Acceptability
 - Ethical soundness
- Common mistakes:

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- Abandoning the search for alternatives too quickly

Step 3 - Decide on a Preferred Course of Action

- Two different approaches
 - The behavioural model leads to satisficing decisions
 - The classical model leads to optimizing decisions

Step 4 - Implement the Decision

- Involves taking action to make sure the solution decided upon becomes a reality
- Managers need to have a willingness and ability to implement action plans ● The lack-of-participation error should be avoided
 - When making changes to the company, employees become more resistant

Step 5 - Evaluate Results

- Involves comparing actual and desired results
- Positive and negative consequences of a chosen course of action should be examined ● If actual results fall short of desired results, the manager returns to earlier steps in the decision-making process

Check Ethical Reasonings

- Utility
 - Does the decision satisfy all constituents or stakeholders?
- Rights

- Does the decision respect the rights and duties of everyone?
- Justice
 - Is the decision consistent with the canons of justice?
- Caring
 - Is the decision consistent with my responsibilities to care?

Issues in Decision Making

- How do decision errors happen?
- Heuristics are strategies for simplifying the decision making

Decision Errors & Traps

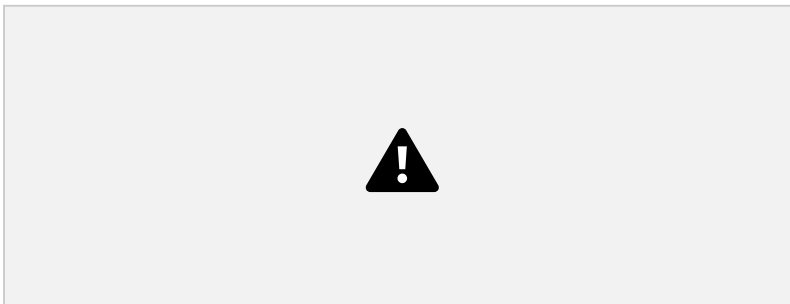
- Availability Bias
 - Bases a decision on **recent information or events**

- Representativeness Bias
 - Bases a decision on **similarity to other situations**
- Anchoring and Adjustment Bias
 - Bases a decision on **incremental adjustment from a prior** decision point
- Framing Error
 - Trying to solve a **problem in the context perceived**, positive or negative
- Confirmation Error
 - Focusing on information that **confirms a decision already made**
- Escalating Commitment
 - **Continuing** a course of action **even though it is not** working

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Creativity In Decision Making

- Creativity is the generation of a novel idea or unique approach that solves a problem or crafts an opportunity
 - Big-C creativity occurs when extraordinary things are done by exceptional people
 - Little-C creativity occurs when average people come up with unique ways to deal with daily events and situations





Chapter 8: Planning Processes & Techniques

Outline

1. Why and how managers plan
 - a. Importance of planning
 - b. The planning process
 - c. Benefits of planning
 - d. Planning and time management
2. Types of plans used by managers
 - a. Long-term and short-term plans
 - b. Strategic and tactical plans
 - c. Operational plans
3. Forecasting
 - a. Contingency planning
 - b. Scenario planning
 - c. Benchmarking
 - d. Use of staff planners
4. Implementing a plan to achieve results
 - a. Goal setting
 - b. Goal management
 - c. Goal alignment
 - d. Participation and involvement

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Why & How Managers Plan

Importance of Planning

- Planning

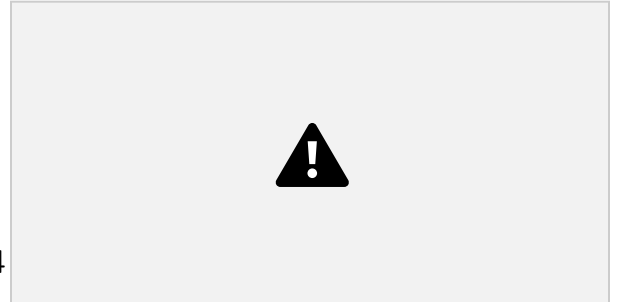
- The process of setting objectives and determining how best to accomplish them ●
- Objectives and goals
 - Identify the specific results or desired outcomes that one intends to achieve
- Plan
 - A statement of action steps to be taken in order to accomplish the objectives

The Planning Process

Steps in the planning process:

- Define your objectives
- Determine where you stand vis-a-vis objectives
- Develop premises regarding future conditions
- Analyze alternatives and make a plan
- Implement the plan and evaluate results

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Benefits of Planning

- Improves focus and flexibility
- Improves action orientation
- Improves coordination and control
- Improves time management

Planning & Time Management

Personal time management tips:

- DO say “no” to requests that distract from what you should be doing
- DON’T get bogged down in details that can be addressed later
- DO screen telephone calls, emails, and meeting requests
- DON’T let drop-in visitors, text messaging use up your time
- DO prioritize your important and urgent work
- DON’T become calendar bound by letting others control your schedule
- DO follow priorities; do the most important and urgent work first

Types of Plans Used by Managers

Types of plans: Long & Short term

- **Long-term plans: look three or more years into the future**



- **Short term plans: typically cover one year or less**

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Types of Plans: Strategic & Tactical

- **Strategic plans: set broad, comprehensive, and longer-term action directions for the entire organization or a major division**
- **Vision: clarifies the purpose of the organization and what it hopes to be in the future**
- **Tactical plans: specify how the organization's resources are used to implement a strategy**
- **Functional plans – indicate how different components within the organization will help accomplish the overall strategy**
 - Production plans
 - Financial plans
 - Facilities plans
 - Logistics plans
 - Marketing plans
 - Human resource plans

Types of Plans: Operational

- **Operational plans: describe short-term activities to implement strategic plans**
 - Policies are standing plans that communicate guidelines for decisions
 - Procedures are rules that describe actions to be taken in specific situations
 - Budgets are single-use plans that commit resources to projects or activities
 - Zero-based budgets allocate resources as if each budget were brand new

Forecasting

- Attempts to predict the future
- Qualitative forecasting uses expert opinions
- Quantitative forecasting uses mathematical models and statistical analysis of historical data and surveys

Contingency Planning

- Identifying alternative courses of action to take when things go wrong
- Contingency plans anticipate changing conditions

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- Contingency plans contain trigger points to indicate when to activate a plan

Scenario Planning

- A long-term version of contingency planning
- Identifying alternative future scenarios
- Plans made for each future scenario
- Increases organization's flexibility and preparation for future shocks

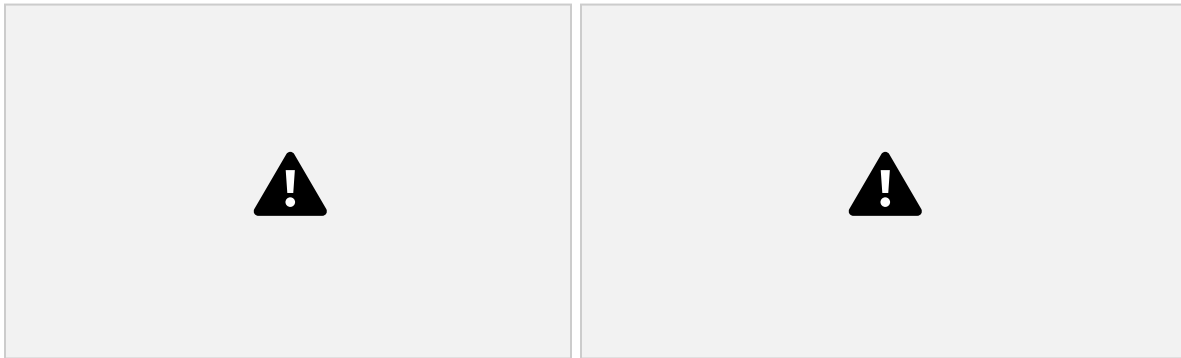
Benchmarking

- Use of external and internal comparisons to better evaluate current performance
- Adopting best practices: things people and organizations do that lead to superior performance

Use of Staff Planning

- Staff planners
 - Experts who assist in all steps of the planning process
- Goal setting
 - Using SMART goals

Implementing Plans to Achieve Results



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Goal Alignment Between Team Leader & Team Member

- Jointly plan: set objectives, set standards, choose actions
- Individually act: perform tasks (member), provide support (leader)
- Jointly control: review results, discuss implications, renew the cycle

Participatory Planning

- unlocks the motivational potential of goal setting
- management by objectives (MBO) promotes participation
- participation increases understanding and acceptance of plan and commitment to success



Chapter 10: Strategy & Strategic Management

Outline

1. Strategic Management

- a. Competitive advantage
- b. Strategy and strategic intent
- c. Levels of intent
- d. Strategic management process

2. Essentials of strategic analysis

- a. Analysis of mission, values, objectives
- b. SWOT analysis of organization and environment
- c. Five forces analysis of organization and environment
- d. Strategic management process

3. Corporate-level strategy formulation

- a. Portfolio planning mode
- b. Growth and diversification strategies
- c. Retrenchment and restructuring strategies
- d. Global strategies
- e. Cooperative strategies

4. Business-level strategy formulation

- a. Competitive strategies model
- b. Differentiation strategy
- c. Cost leadership strategy

- d. Focus strategy
- 5. Strategy implementation
 - a. Management practices and systems
 - b. Strategic control and corporate governance
 - c. Strategic leadership

Strategic Management

Competitive Advantage

- **Competitive advantage: the ability to do something so well that one outperforms competitors**
- **Sustainable competitive advantage: one that is difficult or costly for competitors to imitate**

Sources of competitive advantage

- Technology (apple, google, Microsoft)
- Cost and quality (Costco, Walmart)
- Knowledge and speed (Google, Samsung)
- Barriers to entry (utilities, telecoms, banks)
- Financial resources (Canadian banks)

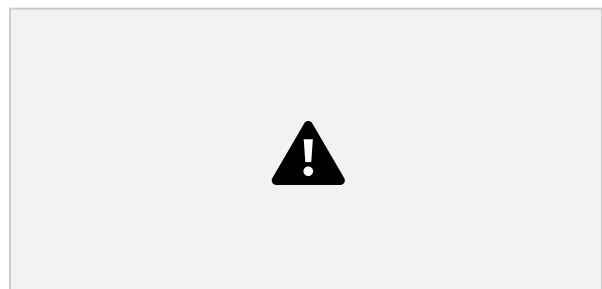
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Strategy and strategic intent

- Strategy
 - **a comprehensive plan guiding resource allocation to achieve long-term organization goals**
- Strategic intent
 - **focusing all organizational energies on a unifying and compelling goal**

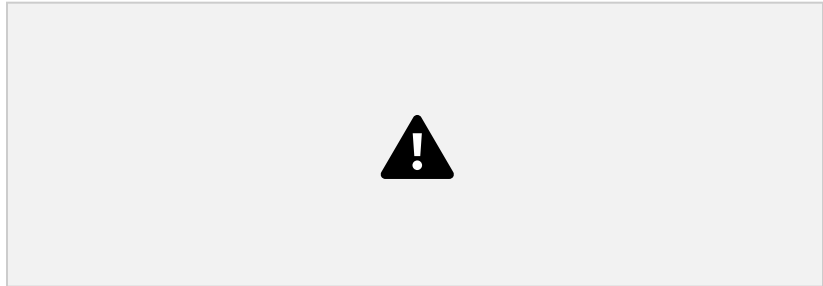
Levels of Intent

- Corporate
 - Sets long-term direction for the total enterprise
- Business
 - How a division or strategic business unit will compete in its product or service domain
- Functional
 - Guides the use of resources within one specific area of operations



Strategic Management Process

- Strategic management
 - **the process of formulating and implementing strategies to accomplish long-term goals and sustain competitive advantage**
- Strategic analysis
 - **process of analyzing the organization, the environment, it's competitive positioning and current strategies**
- Strategy formulation
 - **The process of creating a strategy**
 - Involves assessing existing strategies, organization, and environment to develop new strategies and strategic plans capable of delivering future competitive advantage
- Strategy implementation
 - **The process of allocating resources and putting strategies into action**
 - All organizational and management systems must be mobilized to support and reinforce the accomplishment of strategies



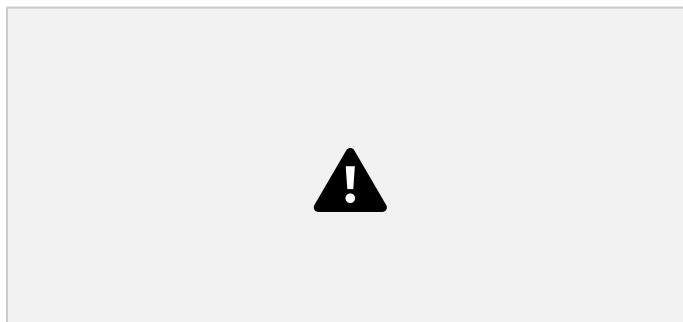
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Essentials of Strategic Analysis

Analysis of mission, values, objectives

Analysis of Mission

- **The reason for an organization's existence**
- Strategic Questions:
 - What is our business mission?
 - Who are our customers?
 - What do our customers value?
 - What have been our results?
 - What is our plan?
- Stakeholders



- Individuals and groups directly affected by the organization and its strategic accomplishments
- An important test of the mission is how well it serves the organization's stakeholders

Analysis of Core values

- **Broad beliefs about what is or is not appropriate behaviour**
- Organizational culture reflects the predominant value system of the organization as a whole

Analysis of Objectives

- **Operating objectives are specific results that organizations try to accomplish**

Typical operating objectives of business include:

- Profitability
- Sustainability
- Social responsibility
- Financial health
- Cost efficiency
- Customer service
- Product quality

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- Market share
- Human capacity
- Innovation

Analysis of organizational resources and capabilities

- Core competency is a special strength that gives an organization a competitive advantage ●
- An important goal of the organization is assessing core competencies

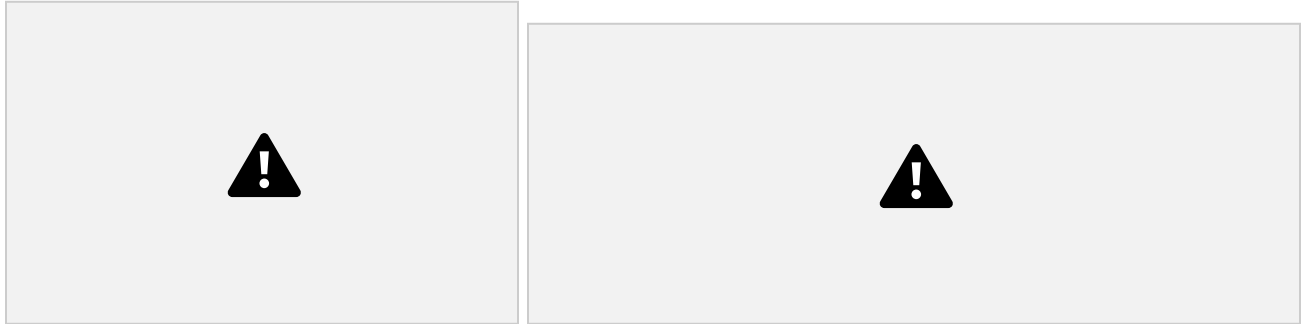
Potential core competencies:

- Special knowledge or expertise
- Superior technology
- Efficient supply chains
- Unique product distribution systems

Swot Analysis

- Examination of an organization's current position by looking at:

- Internal strengths and weaknesses
- Environmental opportunities and threats



Five Forces Analysis of Organization & Environment

Porter's model of strategic forces affecting competition:

- Industry competition
 - The intensity of rivalry among firms and their competitive behaviour
- New entrants
 - The threat of new competitors entering the market
- Substitute products or services
 - The threat of substitute products or services
- Bargaining power of supplies
 - The ability of resources suppliers to influence the cost of products or services
- Bargaining power of customers
 - The ability of customers to influence the price they will pay for products or services

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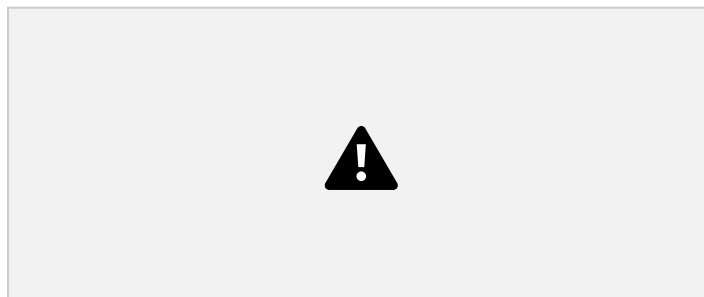
Corporate-level Strategy Formulation

Portfolio Planning Mode

- Portfolio planning model: **portfolio planning seeks the best mix of investments among alternative business opportunities**
 - BCG Matrix analyzes business opportunities according to market growth rate and market share

BCG Matrix:

- **Ties strategies formulation to the analysis of business opportunities according to:**



- Industry or market growth rate
 - Low vs high
- Market share
 - Low vs high
- **Business conditions and related strategies:**
 - Stars
 - High share/high growth businesses
 - Preferred strategy — growth
 - Cash cows
 - High share/low growth businesses
 - Preferred strategy — stability or modest growth
 - Question marks
 - Low share/high growth businesses
 - Preferred strategy — growth for promising question marks and restructuring or divestiture for others
 - Dogs
 - Low share/low growth businesses
 - Preferred strategy — retrenchment/divestiture

Growth & Diversification Strategies

- Growth strategies: **seek an increase in size and the expansion of current operations**

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- Types of growth strategies:
 - Concentration strategies
 - **Grow within the same business area**
 - Diversification: **Grow by acquiring or investing in new and different business areas** ■
 - Related diversification
 - Unrelated diversification
 - Integration: **Acquiring suppliers or distributors**
 - Vertical integration – (backward or forward)

Retrenchment & Restructuring Strategies

- Pursue radical changes to solve problems
- Chapter 11 bankruptcy
 - Protects a firm from creditors while management re-organizes to restore solvency

Types of Retrenchment and restructuring strategies

- Liquidation
 - **Business closes and sells assets to pay creditors**
- Downsizing
 - **Decreases size of operations**
- Divestiture

- **Sells off parts of the organization to refocus attention on core business areas** ●
- Turnaround Strategy
- **Tries to fix specific performance problems**

Global Strategies

- Globalization strategy
 - The world is one large market; standardize products and advertising as much as possible
- Multi domestic strategy
 - Customize products and advertising to local markets as much as possible
- Transnational strategy
 - Balance efficiencies in global operations and responsiveness to local markets

Cooperative Strategies

- Strategic alliances: **two or more organizations partner to pursue an area of mutual interest**
- Types of strategic alliances:
 - Outsourcing alliances
 - Supplier alliances

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- Distribution alliances
- Co-opetition: **working with rivals on projects of mutual benefit**

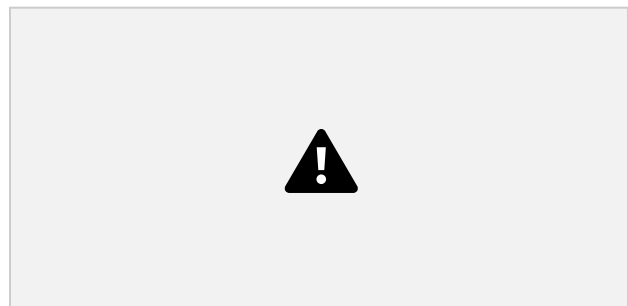
Business-level Strategy Formulation

- Good strategies help achieve above-average returns
- The key question is “How can we best compete for customers in our market and with our products or services?”

Competitive strategies model

Porter’s Competitive Strategies model

- Business-level strategic decisions are driven by:
 - Market scope
 - Source of competitive advantage
- Market scope and source of competitive advantage combine to generate three generic strategies



Porter’s generic strategies for gaining competitive advantage:

- Differentiation strategy
 - **Seeks competitive advantage through uniqueness**
- Cost leadership strategy

- **Seeks competitive advantage by operating with lower costs than competitors**
- Focus strategy: **Concentrates on a special market segment**
 - Focused cost leadership: **offers a unique product to a special market segment**
 - Focused differentiation: **seeks the lowest cost of operations within a special market segment**

Strategy Implementation

Management Practices & Systems

- Must be supported in every aspect of management
 - Planning
 - Controlling
 - Organizing
 - Leading

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Strategic planning failures that hinder strategy implementation:

- Failure of substance
 - Inadequate attention to major strategic planning elements
- Failure of process
 - Poor handling of strategy implementation
 - Lack of participation error
 - Goal displacement

Strategic Control & Corporate Governance

Strategic Control

- Makes sure strategies are well implemented and those poor strategies are scrapped or modified

Corporate governance

- System of control and performance monitoring of top management
- Done by boards of directors and other major stakeholder representatives
- Controversies regarding roles of inside directors and outside directors
- Increasing emphasis on corporate governance in contemporary businesses
- Control and monitoring of top management

Strategic Leadership

- Inspires people to continually change, refine, and improve strategies and their implementation

Critical tasks of strategic leadership

- Maintain strategic control
- Be the guardian of trade-offs
- Create a sense of urgency
- Ensure that everyone understands the strategy
- Be a teacher

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Chapter 11: Organization Structures & Design

Outline

1. Organizing as a Management function
2. Traditional organization structures
3. Horizontal organization structures
4. Organizational designs

Organizing as a Management Function

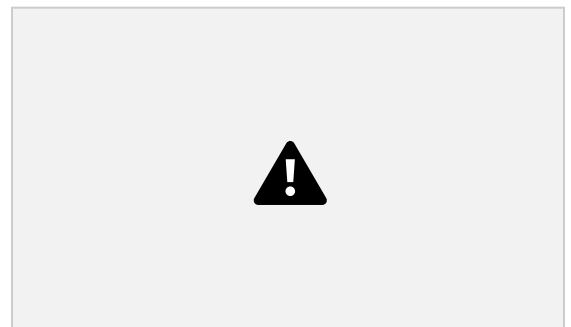
- **Organizing: arranges people and resources to work together accomplish a goal** ●

Organization structure: a system of tasks, reporting relationships, and communication linkages

- An organization chart is a diagram describing reporting relationships and the formal arrangement of work positions

within an organization. It includes:

- Division of work
- Supervisory relationships
- Communication channels
- Major subunits



○ Levels of management

- **Informal structures: a set of unofficial relationships among organization members**

Advantages: allow people to make contacts with others who can help them get things done, stimulate learning as people work and interact together, sources of emotional support and friendship that satisfy members' social needs

Disadvantages: the presence of "in and out-groups", susceptibility to rumour, may carry inaccurate information, may breed resistance to change, diversion of work efforts from important objectives, feeling of alienation by outsiders

- **Social network analysis: identifies informal structures and social relationships in the organization**

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Traditional Organizing Structures

Functional Structures

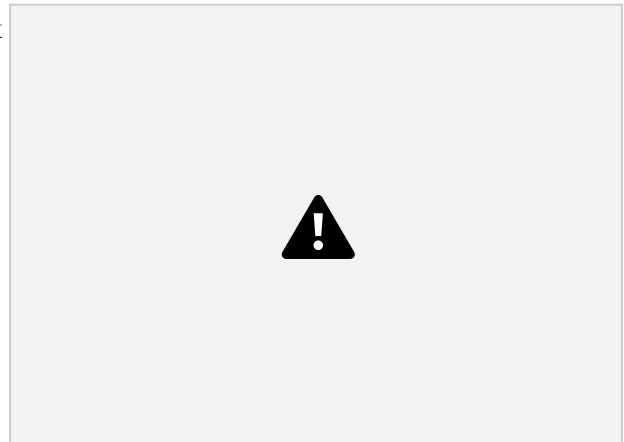
- People **with similar skills and performing similar tasks** are grouped together into formal work units
- Members work in the functional areas of expertise
- Work well for small organizations producing few products or services

Advantage: economies of scale with efficient use of resources, task assignments consistent with expertise and

training, high-quality technical problem-solving, in-depth

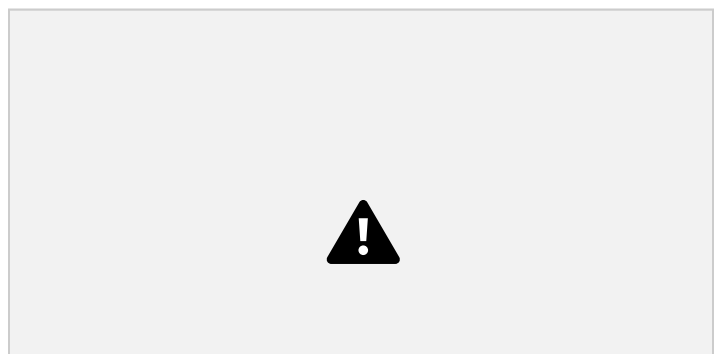
training and skill development/clear career paths within functions

Disadvantages: difficulties in pinpointing responsibilities, sense of cooperation and common purpose break down, narrow view of performance objectives



Divisional Structures

- Group together people **who work on the same product or process, serve similar customers, and/or are located in the**



same area or geographical region

- Common in complex organizations
- Avoid problems associated with function structures

Advantage: more flexibility in responding to environmental changes, improved coordination across functional areas, clear points of responsibility, expertise focused on specific (customers, products and region), greater ease in restructuring

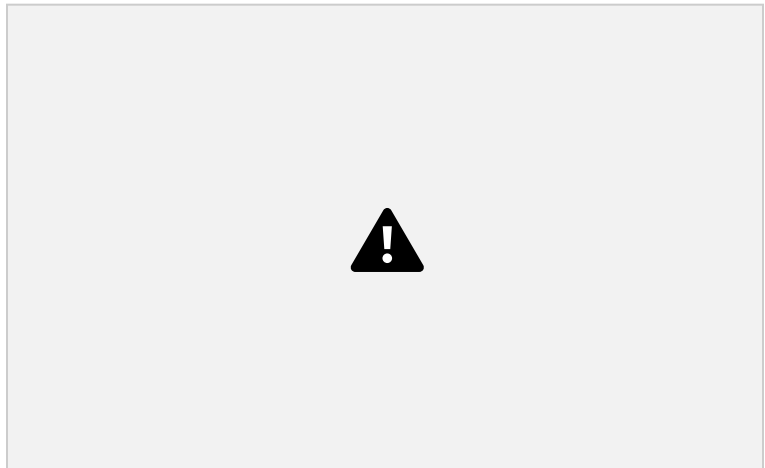
Disadvantage: duplication of resources and efforts across divisions, competition and poor coordination across divisions, emphasis on divisional goals at expense of organizational goals

Matrix Structures

- **Combines functional and divisional structures** to gain advantages and minimize the disadvantages of each
- Used in: manufacturing, service industries, professional fields, the non-profit sector, and multi-national corporations

Advantages: better cooperation across functions, improved decision-making/increased flexibility in restructuring, better customer service, better performance accountability, improved strategic management

Disadvantages: the two-boss system is susceptible to power struggles, the two-boss system can create task confusion and conflict in work priorities, team meetings are time-consuming, the team may develop “groupitis”, increased costs due to adding team leaders to structure



Horizontal Organization Structures

Team structures

- Extensively use permanent and temporary teams to solve problems, complete special projects, and



- accomplish day-to-day tasks
- Often use cross-functional teams composed of members from different functional departments
- Project teams are convened for a specific task or project and disbanded once completed

Advantages: breakdown of interpersonal barriers and mobilizing of diverse talents, improved morale, a greater sense of task involvement and identification, increased enthusiasm for work, improved quality and speed of decision making

Disadvantages: conflicting loyalties among members, excessive time spent in meetings, effective use of time depends on the quality of; interpersonal relations, group dynamics, and team management

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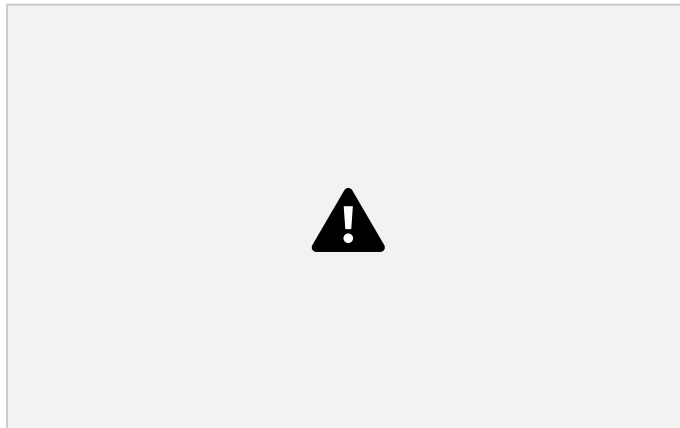
Network structure

- Use information technologies to link with networks of outside suppliers and services contractors
- Own only core components and use strategic alliances or outsourcing to provide other components

Advantages: firms can operate with fewer full-time employees and less complex internal systems, reduced overhead costs and increased

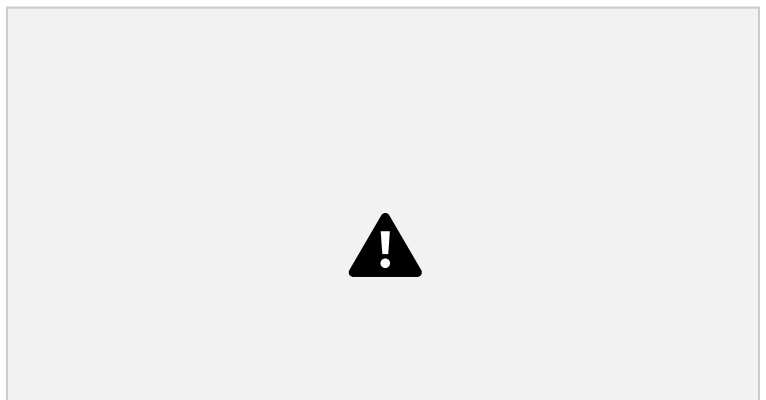
operation efficiency, permit the employment of outsourcing strategies and contracted services

Disadvantages: control and coordination problems may arise from network complexity, potential loss of control over outsourced activities, potential lack of loyalty among infrequently use contractors, excessively aggressive outsourcing can be dangerous



Boundaryless organizations

- Eliminated many internal boundaries among subsystems and external boundaries with the external environment
- A combination of team and network structures, with the addition of “temporariness”
- Encourage creativity, quality, timeliness,

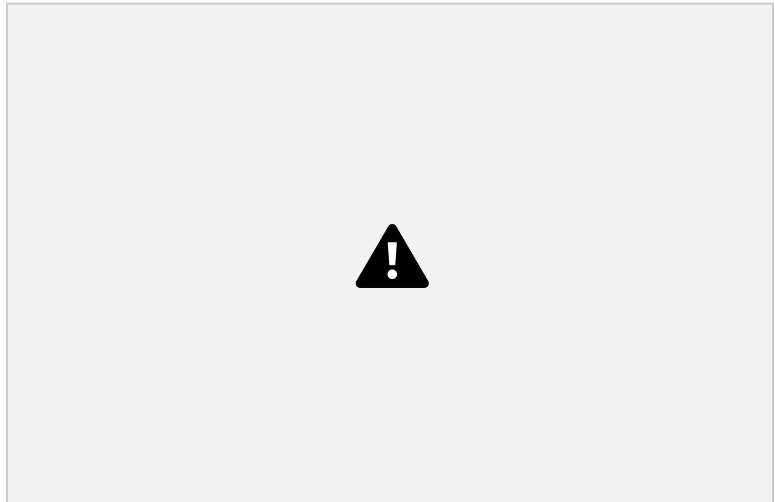


- flexibility, and efficiency
- Knowledge sharing is both a goal and an essential component
- Key requirements:
 - Little hierarchy
 - Empowerment of team members
 - Technology utilization
 - Acceptance of impermanence
- Virtual organization
 - A special form of boundaryless organization
 - Operates in a shifting network of external alliances that are engaged as needed, using IT and the internet

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Organizational Designs

- Process of creating structures that accomplish mission and objectives
- An attempt to achieve a good match between structure and situational contingencies
- Alternatives include mechanistic or bureaucratic at one extreme, and organic or adaptive at the other
- **Bureaucracy: a form of organization based on logic, order, and the legitimate use of formal authority**
 - Clear-cut division of labour
 - The strict hierarchy of authority
 - Formal rules and procedures
 - Promotion based on competency
- Environment determines the appropriate design
 - Mechanistic designs work in a **stable environment** (Predictable goals, Centralized authority, Many rules and procedures, Narrow spans of control, Specialized tasks, Few teams and task forces, Formal and impersonal means of coordination)
 - Organic designs work in a **rapidly changing and uncertain environment** (Adaptable goals, Decentralized authority, Few rules and procedures, Wide spans of control, Shared tasks, Many teams and task forces, Informal and personal means of coordination)
 - Adaptive organizations operate with a minimum of bureaucratic feature and encourage worker empowerment and teamwork



Contemporary organizing trends include:

- Fewer levels of management
 - Shorter chains of command

- Less unity of command
- Wider spans of control
- More delegation and empowerment
- Decentralization with centralization
- Reduced use of staff
 - Organizations are downsizing
 - Organizations are lowering costs and increasing efficiency by employing less staff personnel and using smaller staff units
- Delegation, empowerment, and horizontal structures contribute to more decentralization in organizations

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- Three steps include:
 - Step 1: Assign responsibility – explain task and expectations
 - Step 2: Grant authority – allow others to make decisions and act
 - Step 3: Create accountability – require others to report back on results
- Advances in information technology allow for the retention of centralized control ● Centralization is the concentration of authority for making most decisions at the top levels of the organization
- Decentralization is the dispersion of authority to make decisions throughout all levels of the organization
- Centralization and decentralization not an “either/or” choice

Chapter 14: Leading & Leadership Development

Outline

1. The nature of leadership
2. Leadership traits and behaviour
3. The contingency approach to leadership
4. Personal leadership development

The Nature of Leadership

- **Leadership: the process of inspiring others to work hard to accomplish important tasks**
- **Power: ability to get someone else to do something you want to be done or make things happen the way you want**
 - Power should be used to influence and control others for the common good rather seeking to exercise control for personal satisfaction

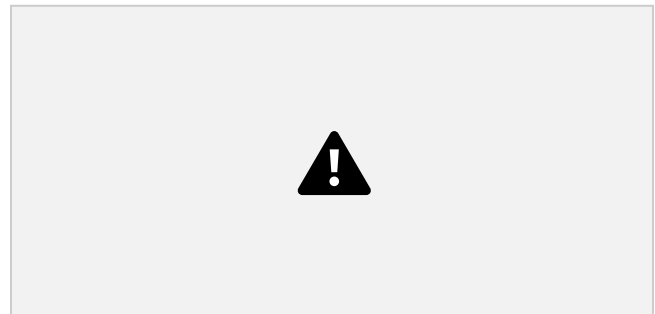
Two sources of managerial power:

1. Position power: based on a **manager’s official status** in the organization’s hierarchy of authority
- Sources of position power

- Reward power: the capability to offer something of value
 - Coercive power: the capability to punish or withhold positive outcomes
 - Legitimate power: organizational position or status confers the right to control those in subordinate positions
2. Personal power: based on the **unique personal qualities** that a person brings to the leadership situation

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- Sources of personal power
 - Expert power
 - Information and networking power
 - Referent power



Visionary leadership

- **Vision: A future that one hopes to create or achieve in order to improve upon the present state of affairs**
- **Visionary leadership: A leader who brings to the situation a clear and compelling sense of the future, as well as an understanding of the actions needed to get there successfully**

Servant leadership

- Commitment to serving others
- Followers more important than the leader
- “Other centred” not “self-centred”
- Power not a “zero-sum” quantity
- Focuses on empowerment, not power

Empowerment

- **Empowerment: the process through which managers enable and help others to gain power and achieve influence**
- Effective leaders empower others by providing them with:
 - Information
 - Responsibility
 - Authority
 - Trust

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Leadership Traits and Behaviour

- Important traits for leadership success:
 - Drive
 - Self-confidence
 - Creativity
 - Cognitive ability
 - Job-relevant knowledge
 - Motivation
 - Flexibility
 - Honesty and integrity

Leadership behaviour

- Leadership behaviour theories focus on **how leaders behave when working with followers**
- Leadership styles are recurring patterns of behaviours exhibited by leaders
- Basic dimensions of leadership behaviours:
 - Concern for the task to be accomplished
 - Plans and defines work to be done
 - Assigns task responsibilities
 - Sets clear work standards
 - Urges task completion
 - Monitors performance result
 - Concern for the people doing the work
 - Acts warm and supportive toward followers
 - Develops social rapport with followers
 - Respects the feelings of followers
 - Is sensitive to followers' needs
 - Shows trust in follower

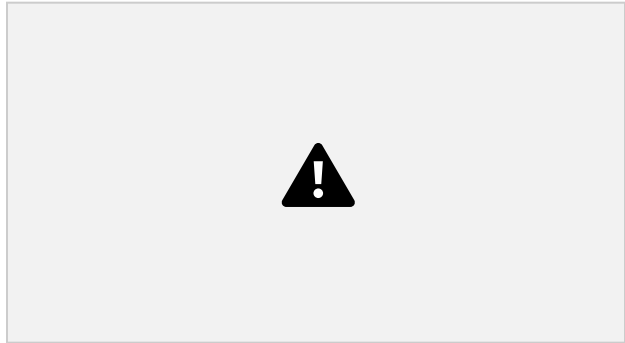
Classic Leadership Styles

- Autocratic style: Emphasizes task over people
- Human relations style: Emphasizes people over task
- Laissez-faire style: Shows little concern for task
- Democratic style: Committed to both task and people

Contingency Approaches to Leadership

Fiedler's Contingency Model

- Good leadership depends on a match between leadership and situational demands
- Leadership is part of one's personality, and therefore relatively enduring and difficult to change
- Leadership style must be fit to the situation
- Diagnosing situational control:
 - Quality of leader-member relations (good or poor)
 - Degree of task structure (high or low)
 - Amount of position power (strong or weak)
- Task-motivated leaders are most successful in:
 - Very favourable (high control) situations
 - Very unfavourable (low control) situations
- Relationship-motivated leaders are most successful in situations of moderate control

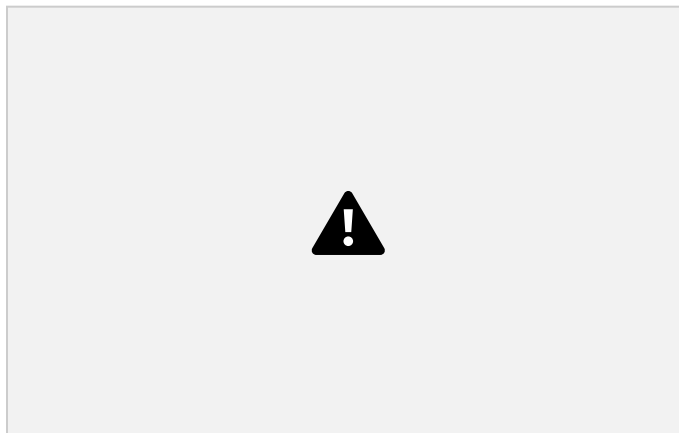


The Hersey-Blanchard Situational Leadership Model

- Leaders adjust their styles depending on the readiness, or task maturity, of their follower's ● **Readiness: how able, willing, or confident followers are in performing required tasks**

Leadership styles:

- Delegating
 - Low-task, low-relationship style
(Works best in high readiness-situations)
- Participating
 - Low-task, high-relationship style
(works best in low- to moderate-readiness situations)
- Selling
 - High-task, high-relationship style
(work best in moderate- to high-readiness situations)
- Telling
 - High-task, low-relationship style (work best in low-readiness situations)



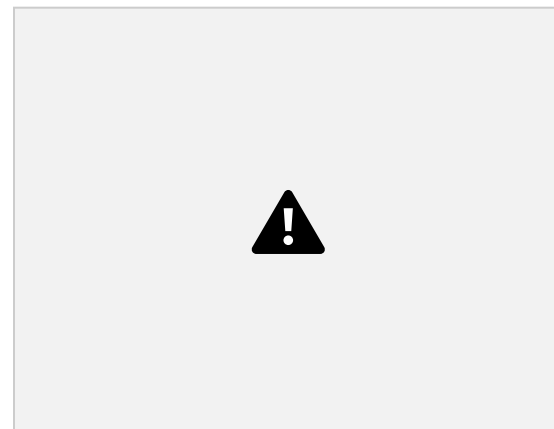
House's Path-Goal Leadership Theory

Leadership styles for dealing with path-goal relationships:

1. Directive leadership: Communicate expectations | Give directions | Schedule work | Maintain performance standards | Clarify leader's role (Use directive leadership when job assignments are ambiguous)
2. Supportive leadership: Make work pleasant | Treat group members as equals | Be friendly and approachable | Show concern for subordinates' well-being (Use supportive leadership when worker self-confidence is low)
3. Achievement-oriented leadership: Set challenging goals | Expect high-performance levels | Emphasize continuous improvement | Display confidence in meeting high standards (Use achievement-oriented leadership when task challenge is insufficient)
4. Participative leadership: Involve subordinates in decision making | Consult with subordinates | Ask for subordinates' suggestions | Use subordinates' suggestions (Use participative leadership when performance incentives are poor)

Leader-Member Exchange Theory (LMX)

- Not all people are treated the same by leaders in leadership situations
 - "In groups": High LMX
 - "Out groups": Low LMX
- High LMX relationship: favourable personality | Competency Compatibility
- Low LMX relationship: low competency | unfavourable personality | low compatibility



Vroom-Jago Leader-Participation Theory

- Helps leaders choose the method of decision making that best fits the nature of the problem situation

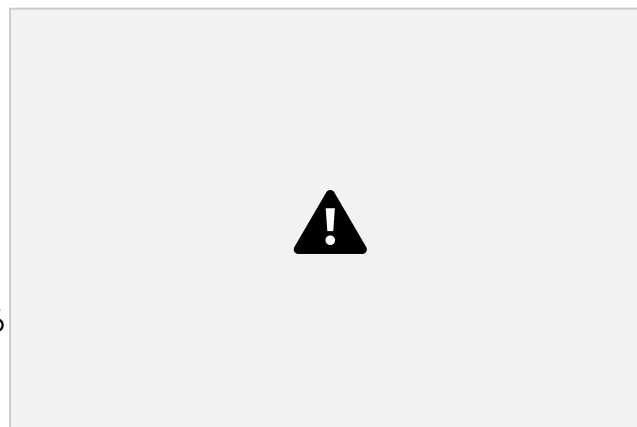
Basic decision-making choices:

- Authority decision
- Consultative decision
- Group decision

Contingency factors in the Vroom-Jago

leader-participation theory:

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- Decision quality: Who has the information needed for problem-solving
- Decision acceptance: Importance of subordinate acceptance to eventual implementation
- Decision time: Time available to make and implement the decision

Decision-making options in the Vroom-Jago leader-participation theory:

- Decide alone
- Consult individually
- Consult with group
- Facilitate
- Delegate

Contingency factors in the Vroom-Jago leader-participation theory:

- Decision quality
 - Who has the information needed for problem-solving
- Decision acceptance
 - Importance of subordinate acceptance to eventual implementation
- Decision time
 - Time available to make and implement the decision

A leader should use...

- Authoritary-oriented decision methods when:
 - The leader has greater expertise to solve a problem
 - The leader is confident and capable of acting alone
 - Others are likely to accept and implement the decision
 - Little or no time is available for discussion
- Group-oriented and participative decision methods when:
 - the leader lacks sufficient information to solve a problem by himself/herself
 - the problem is unclear and help is needed to clarify the situation
 - acceptance of the decision and commitment by others is necessary for the implementation
 - adequate time is available for true participation

Participative Decision Methods

- Advantages
 - Help improve decision quality
 - Help improve decision acceptance
 - Help develop leadership potential
- Disadvantages
 - Lost efficiency
 - Not particularly useful when problems must be solved immediately

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Personal Leadership Development

- Superleaders: Persons whose vision and strength of personality have an extraordinary impact on

others

- Charismatic leaders: Develop special leader-follower relationships and inspire others in extraordinary ways
- Transformational leaders: Someone who is truly inspirational as a leader and who arouses others to seek extraordinary performance accomplishment

Emotional Intelligence

- The ability of people to manage emotions in social relationships
- Characteristics of the emotionally intelligent leader:
 - High self-awareness
 - Motivated and persistent
 - High social awareness
 - Good self-management
 - Good relationship management

Gender & Leadership

- Gender similarities hypothesis
 - Males and females have similar psychological properties
 - Men and women can be equally effective leaders
 - Men and women are sometimes perceived as using different styles of leadership ●

Women tend to use interactive leadership

- A style that shares qualities with transformational leadership
- Leaders with this style are democratic, participative, and inclusive. ●
- Men tend to use transactional leadership
- Interactive leadership provides a good fit with the demands of a diverse workforce and the new workplace

Moral leadership

- Ethical leadership that is always “good” and “correct”
 - Integrity involves the leader’s honesty, credibility, and consistency in putting values into action ●
- Moral overconfidence is an overly positive view of one’s strength of character ● Authentic leadership activates positive psychological states to achieve self-awareness and positive self-regulation

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Drucker’s “good old-fashioned” leadership

- Leadership is more than charisma; it is “good old-fashioned” hard work